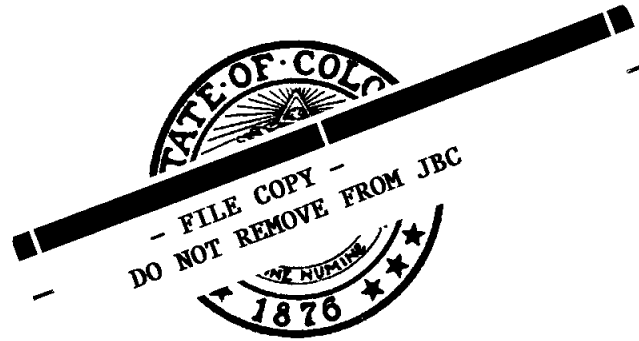


STATE OF COLORADO JOINT BUDGET COMMITTEE



Fiscal Year 2001-02 APPROPRIATIONS REPORT

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FISCAL YEAR 2001-02 APPROPRIATIONS REPORT

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INTRODUCTION

The purpose of this report is to assist members of the General Assembly, state personnel, and other interested parties in understanding state funding decisions made during the 2001 Legislative Session. This report provides an overview of state general tax revenues and expenditures, comparative and historical information regarding appropriations made during the 2001 Session, and a detailed explanation of major funding changes for each state department. The FY 2001-02 Appropriations Report includes the following five sections:

PART I: OVERVIEW OF REVENUES AND EXPENDITURES

This section of the report includes: (A) an overview of state General Fund revenues and expenditures and a discussion of related statutory requirements and limitations; (B) a discussion of constitutional revenue and spending limits; and (C) a series of charts identifying sources of General Fund revenue and comparing the distribution of expenditures by program and fund source over a ten year period.

PART II: SUMMARY TABLES

This section consists of a series of tables that summarize FY 2001-02 appropriations and FTE authorizations by department and funding source. Tables in subsection B provide comparable data for the previous three fiscal years.

PART III: EXPENDITURE/APPROPRIATION DETAIL BY DEPARTMENT

This section contains detailed information regarding funding for the operations of each state department and for capital construction projects. The subsection for each department summarizes funding and FTE authorizations by division for FY 2001-02 and for the previous fiscal year. Narrative sections describe major changes in funding from FY 2000-01 to FY 2001-02. This section includes brief summaries of bills adopted in the 2000 and 2001 legislative sessions that contain an appropriation or implement a major policy change.

Formatting for this section of the appropriations report has been modified from prior years. The new format reflects appropriations *by bill* for each department and for each departmental division for FY 2000-01 and FY 2001-02. Narrative has been added concerning factors driving departmental budgets, fund sources for each division, and division activities. Concurrently, tables detailing funding by specific fund sources and actual historic expenditures for two prior years (FY 1998-99 and FY 1999-00) have been eliminated.

In prior years, this section included Long Bill footnotes. These have now been excluded from the Report. The footnotes to the 2002 Long Bill (S.B. 01-212) can be found at the end of each departmental section in the 2001 Session laws, or they can be accessed via the internet at the following address: <http://www.leg.state.co.us/2001/inetcbill.nsf/lbcontainer/sb01-212>.

Additional information on department activities and funding requests may also be found in Joint Budget Committee staff briefing, supplemental and figure setting documents. These documents may be accessed via the internet at the following address: http://www.state.co.us/gov_dir/leg_dir/jbc/jbcstaffdocs.htm. Note that, unlike information included in this Appropriations Report, these documents reflect staff recommendations rather than final funding decisions by the General Assembly.

APPENDICES

This section includes: (A) a glossary of terms used in this report; (B) descriptions of the general policies which are applied to determine funding for operations of state departments; (C) tables summarizing supplemental appropriations made during the 2001 Session, including adjustments to appropriations for FY 1998-99, FY 1999-00 and FY 2000-01; (D) a table summarizing tax reduction and tax refund bills adopted during the 2001 Session; and (E) a table summarizing appropriations from the State Education Fund.

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Finally, the report includes an index to assist the reader in identifying the state department associated with a particular division, service, or program.

PART I: OVERVIEW OF REVENUES AND EXPENDITURES

A. GENERAL FUND OVERVIEW

This section provides an overview of General Fund revenues and expenditures based on Legislative Council's June 2001 revenue estimate. Table 1 provides an overview of General Fund revenues, spending obligations, and ending reserves for both FY 2000-01 and FY 2001-02. Table 2 provides an overview of the statutory General Fund appropriations limit for FY 2001-02. Narrative explanations follow each table.

Table 1		
General Fund Overview (In Millions)		
Description	FY 2000-01	FY 2001-02
<u>General Fund Available</u>		
Beginning General Fund Reserve	\$802.7	\$521.6
Gross General Fund Revenues	6,587.7	6,642.6
Transfer from Controlled Maintenance Trust Fund	0.0	243.9
S.B. 97-1 Transfer to Highway Fund	(199.7)	(122.1)
Total General Fund Available	\$7,190.7	\$7,286.0
<u>General Fund Obligations</u>		
Capital Construction Transfer	\$257.3	\$303.5
Rebates and Expenditures	129.0	129.2
Controlled Maintenance Trust Fund Transfer	0.0	0.0
Excess Article X, Section 20 Revenues	941.1	958.0
General Fund Appropriations	<u>5,341.7</u>	<u>5,668.6</u>
Total General Fund Obligations	\$6,669.1	\$7,059.3
Ending General Fund Reserve (Available Funds Less Obligations)	\$521.6	\$226.7
<u>General Fund Reserve Information</u>		
Statutorily Required General Fund Reserve	\$213.7	\$226.7
General Fund Reserve in Excess of Statutory Requirement	\$307.9	\$0.0
Article X, Section 20 Emergency Reserve	\$238.5	\$262.0

Beginning General Fund Reserve

These figures represent the projected total balance in the General Fund reserve at the start of the fiscal year, based on the assumptions used for revenues and obligations. The beginning General Fund reserve is the same as the prior year's ending General Fund reserve. Section 24-75-201.1 (1)(d)(III), C.R.S., requires a reserve of at least four percent of General Fund appropriations and Section 24-75-201.5, C.R.S., requires the Governor to take action to reduce state spending during the year if the estimates indicate the reserve would fall below two percent.

Gross General Fund Revenues

These figures represent estimates of the total General Fund revenues as reflected in Legislative Council's June 2001 revenue estimate. The major components of the State's General Fund revenues are sales and use, individual and corporate income, insurance, and cigarette taxes. General Fund revenues must be applied to statutory obligations before the General Assembly can appropriate the remaining General Fund. These obligations include rebates and expenditures and the capital construction transfer, described below.

S.B. 97-1 Transfer to Highway Fund

Senate Bill 97-1 allows 10.355 percent of the total sales tax to be transferred to the State Highway Fund for transportation projects as long as there is enough revenue in the General Fund to fund a six percent increase in General Fund appropriations and the four percent statutory reserve. These figures represent the estimated total amounts that will be transferred in FY 2000-01 and FY 2001-02.

Capital Construction Transfer

Section 24-75-302 (2), C.R.S., provides for automatic transfers of General Fund to the Capital Construction Fund through FY 2005-06. The General Assembly can, and has, changed the amount of the annual transfer when necessary. For FY 2001-02, the initial statutory transfer was \$103.7 million. During the 2001 Session, an additional \$154.0 million General Fund will be transferred to the Capital Construction Fund on July 1, 2001 and an additional \$45.8 million General Fund will be transferred on March 1, 2002. These transfers are exempt from the calculation of the statutory General Fund spending limit.

Rebates and Expenditures

These statutory obligations include Old Age Pensions, cigarette tax rebates to local governments, Fire and Police Pension Payments for local governments, and Elderly Property Tax and Heating Credits. The estimates of these statutory obligations are exempt from the calculation of the statutory General Fund spending limit.

Controlled Maintenance Trust Fund Transfer

Senate Bill 93-7 authorized the Capital Development Committee to recommend to the Joint Budget Committee an amount of prior year excess revenues to be transferred to the Controlled Maintenance Trust Fund. Each January, the Capital Development Committee may recommend that half of the excess revenues in the prior year (up to \$50 million) be transferred to the Controlled Maintenance Trust Fund. This recommendation, in the form of a resolution, is voted on by the General Assembly. The original intent was to build a \$300 million trust fund so that the interest income would be used to fund controlled maintenance projects for state buildings. House Bill 95-1359 made a number of changes to the Controlled Maintenance Trust Fund. First, the principal of the Controlled Maintenance Trust Fund may now constitute all or some portion of the state's emergency reserve. Second, the recommendation on the transfer amount now takes place after passage of the Long Bill. Third, on June 30, 1996, \$176 million General Fund was transferred to the Controlled Maintenance Trust Fund. Finally, interest income may now be appropriated for controlled maintenance projects. During the 2001 Session, in order to ensure that the S.B. 97-1 transfer of General Fund to the Highway Fund would occur, H.B. 01-1267 authorized the transfer of \$243.9 million in the Controlled Maintenance Trust Fund to the General Fund on July 1, 2001. The legislation also requires that \$276.4 million be repaid to the Controlled Maintenance Trust Fund from the General Fund on July 1, 2002.

Excess Article X, Section 20 Revenues

Article X, Section 20 (TABOR) of the Colorado Constitution places restrictions on the amount of total General Fund and cash funds that can be collected and, consequently, spent by the State. Based on the Legislative Council's June 2001 revenue estimate, the State will exceed the allowable amount of total General Fund and cash funds that can be retained by the State. This amount reflects the estimate of excess revenues that must be returned to the taxpayers unless there is a vote allowing the State to keep all or part of the excess.

General Fund Appropriations

These figures represent the total appropriations made in the Long Bill and in any separate bills. This amount does not include funds appropriated for Rebates and Expenditures which are described above and are exempt from the calculation of the statutory General Fund spending limit.

Ending General Fund Reserve

This figure represents the amount of General Fund in reserve after the transfers and other obligations described above have occurred. The ending General Fund reserve for one fiscal year becomes the beginning General Fund reserve for the next.

Statutorily Required General Fund Reserve

Section 24-75-201.1 (1)(d)(III), C.R.S., requires a reserve of at least four percent of the total General Fund appropriations at the beginning of the fiscal year. If at any time during the year revenue projections indicate that there would not be sufficient General Fund revenues to maintain at least half of the required four percent (i.e., two percent), the Governor must take steps to reduce or restrict spending.

Article X, Section 20 Emergency Reserve

Article X, Section 20 of the Colorado Constitution places restrictions on the amount of total General Fund and cash funds revenues and spending. The provision also requires an Emergency Reserve to be set aside and maintained. For FY 1993-94, one percent of total revenues was required; for FY 1994-95, two percent of total revenues was required; and, for FY 1995-96 and thereafter, three percent of total revenues is required. This amount represents the percent required for this Emergency Reserve based on projections of total General Fund and cash funds revenues in each year. The amount of funds in the Controlled Maintenance Trust Fund can constitute the three percent emergency reserve. Because H.B. 01-1267 transfers the balance of the Controlled Maintenance Trust Fund to the General Fund on July 1, 2001, sources other than the Controlled Maintenance Trust Fund have been identified to constitute the Emergency Reserve for FY 2001-02. Those sources include the balance of funds in the Tobacco Litigation Settlement Trust Fund; the first three percent of the statutorily required reserve; the interest earnings retained in the Controlled Maintenance Trust Fund; and, the interest earnings on the Capital Construction Fund.

Statutory Limit on General Fund Appropriations

Section 24-75-201.1, C.R.S., restricts the increase in state General Fund appropriations to the lesser of five percent of state personal income or six percent over the total General Fund appropriations of the previous year. The statutes also provide exemptions from the limit for the first year of new federal mandates, requirements of final court orders, and voter approved increases. Since its passage, the lesser amount has been six percent over the previous year's General Fund appropriations, so it is commonly called the "six percent spending limit." It is also referred to as the Arveschoug or Arveschoug/Bird limit after the prime sponsors of the last version of the statute, Representative Arveschoug and Senator Bird.

Table 2 Section 24-75-201.1, C.R.S., Statutory Appropriations Limit (In Millions)	
FY 2000-01 General Fund Appropriations Base	\$5,341.7
Multiplied by: Allowable Growth of Six Percent	<u>1.06</u>
FY 2001-02 General Fund Appropriations Limit	\$5,662.1
FY 2001-02 General Fund Appropriations	\$5,668.6
Less: General Fund Appropriations Exempt from Statutory Limitation	<u>(8.8)</u>
FY 2001-02 General Fund Appropriations Subject to Limit	\$5,659.8
Over/(Under) FY 2001-02 General Fund Limit	(\$2.3)

Table 2, above, shows the FY 2000-01 General Fund appropriations base used to calculate the allowable General Fund appropriations in FY 2001-02. The table also shows the General Fund appropriations that are exempt from the limit in FY 2001-02, and the amount of General Fund appropriations that could be made within the limit for FY 2001-02.

B. ARTICLE X, SECTION 20 (TABOR) OVERVIEW

In addition to the General Fund appropriation limitations imposed by Section 24-75-201.1, C.R.S., Article X, Section 20 of the Colorado Constitution places restrictions on the amount of total General Fund and cash funds that can be collected and, consequently, spent by the State. This section provides information about this constitutional revenue and spending limit.

The provisions of Article X, Section 20 have several key points affecting the state budget:

- Fiscal year spending is defined as expenditures or reserve increases. In other words, *all* revenues received by the State that are not specifically exempt are considered "spending";
- The change in fiscal year spending for the next year is restricted to the change in inflation plus the percentage change in state population in the prior calendar year, adjusted for revenue changes approved by the voters after 1991; and
- Any revenues received in excess of the allowable change in fiscal year spending must be refunded in the next year unless the voters approve the State keeping the excess.

In order to comply with the limits contained in Article X, Section 20, several calculations are necessary. Because this provision makes no distinction between General Fund and cash funds collected by the state, it has been necessary to make forecasts of all the separate cash funds as well as the General Fund. The estimated total of the General Fund and cash funds are then increased by the estimated changes in inflation and population to project the allowable increase in fiscal year spending.

Table 3 on the following page shows the calculations used to derive allowable spending.

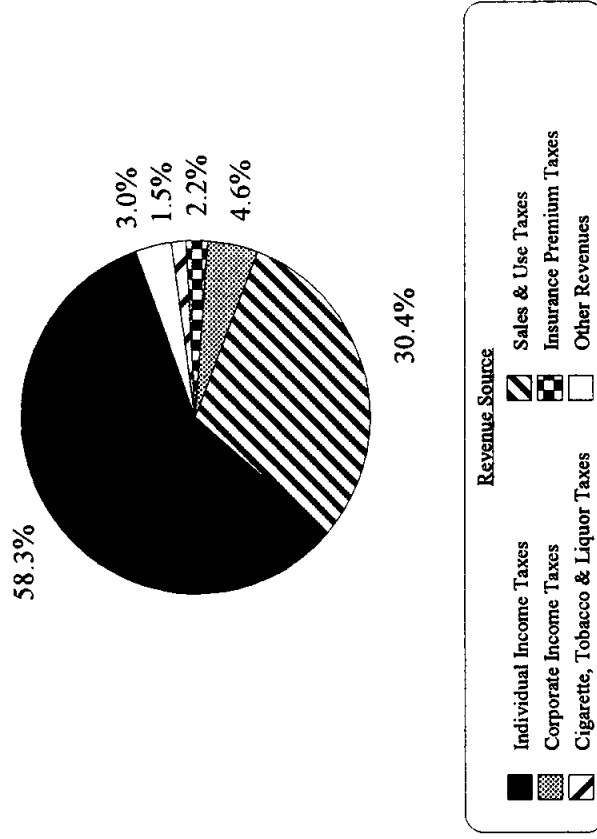
- As can be seen in the top section (A), total revenues are expected to increase by 0.89 percent or \$79.7 million over FY 2000-01. However, since FY 2000-01 revenues are projected to exceed the allowable FY 2000-01 limit, it is assumed that the base to calculate the FY 2001-02 limit will be \$7,900.2 million. This represents the FY 2000-01 allowable limit of \$7,949.5 million adjusted down by \$49.3 million to account for H.B. 01-1012 which makes the Wildlife Cash Fund an enterprise fund.
- In the middle section (B), the estimates of inflation (4.0 percent) and population growth (6.0 percent) would allow an increase of 10.0 percent. The population growth factor includes an adjustment for the 2000 Census which reflects undercounting of population in prior years. There is an additional adjustment because in November 2000, Colorado voters approved Referendum A (Article X, Sections 3 and 3.5) allowing the state revenue limit to increase by \$44.1 million in FY 2001-02 to reimburse local governments for reduced property taxes paid by seniors.
- Finally, the bottom section (C) shows that, based on these estimates, FY 2001-02 state revenues will be \$252.8 million **over** the allowable increase in revenues that could be collected and spent pursuant to Article X, Section 20.

Table 3
Calculations Related to Article X, Section 20 of the Colorado Constitution

(A) Article X, Section 20 Revenue Estimates (In Millions):			
Fund	FY 2000-01 Revenue Estimate	FY 2001-02 Revenue Estimate	Percent Change
General Fund	\$6,536.3	\$6,592.2	0.86%
Cash Funds:			
Higher Education Funds	\$700.7	\$744.3	6.22%
Highway Tax Funds	799.9	824.6	3.09%
Unemployment Insurance	201.5	200.1	-0.69%
Other Cash Funds	<u>669.0</u>	<u>625.9</u>	-6.44%
Subtotal	\$2,371.1	\$2,394.9	1.00%
Total Estimated Revenues	\$8,907.4	\$8,987.1	0.89%
(B) Calculation of Allowable Spending Increase:			
Inflation		4.0%	
Population Growth		<u>6.0%</u>	
Total Allowable Change		10.0%	
FY 2000-01 Estimated Article X, Section 20 Base		\$7,900.2	
Allowable Change (base multiplied by 1.1 percent)		790.0	
Adjustment Pursuant to Passage of Referendum A		<u>44.1</u>	
Allowable Spending per Article X, Section 20		\$8,734.3	
Allowable Spending Increase per Article X, Section 20 (allowable spending less base)		\$834.1	
(C) Comparison of Allowable Spending to Estimated Revenues:			
Allowable Spending in FY 2001-02		\$8,734.3	
Estimated Revenues for FY 2001-02		<u>\$8,987.1</u>	
Estimated Revenues for FY 2002-02 Over/(Under) Allowable Spending per Article X, Section 20		\$252.8	

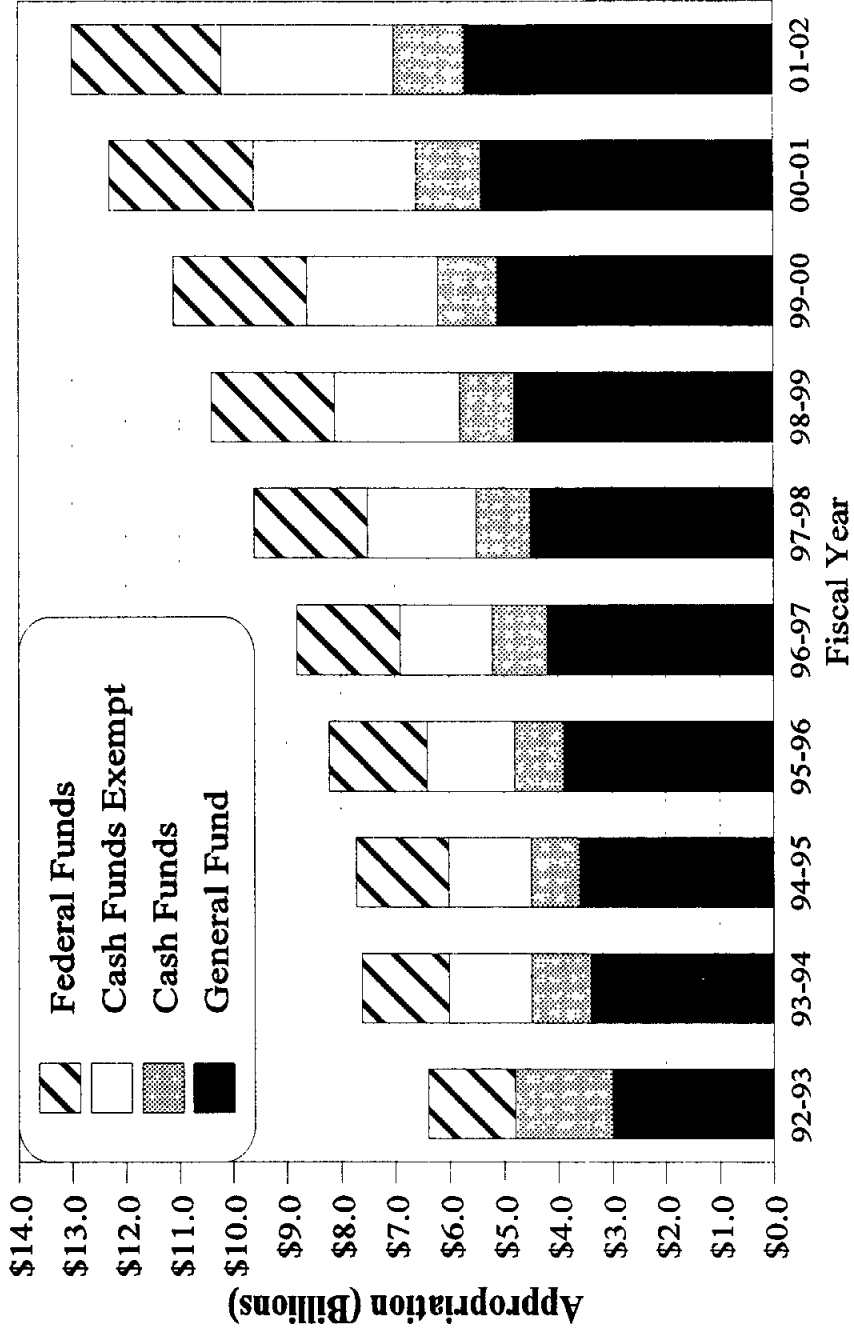
**COLORADO STATE BUDGET
SOURCES OF GENERAL FUND REVENUE
(Fiscal Year 2001-02)**

Estimated* Gross General Fund Revenues = \$6.643 Billion



* Source: Colorado Legislative Council Staff's June, 2001 Economic and Revenue Forecast.

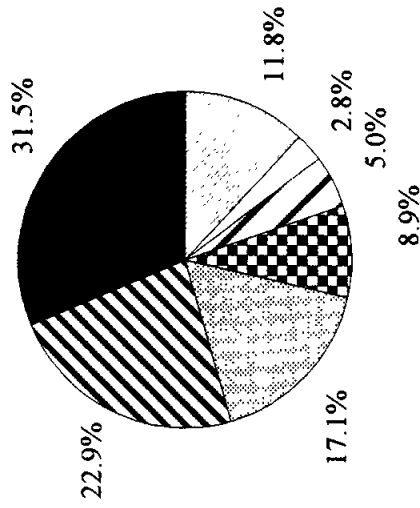
**COLORADO STATE OPERATING BUDGET
HISTORY OF APPROPRIATIONS BY FUNDING SOURCE
(Fiscal Years 1992-93 through 2001-02)**



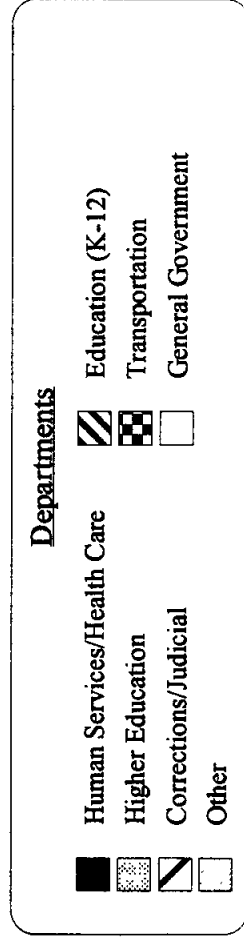
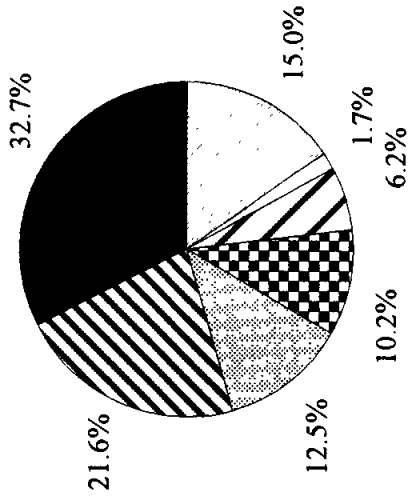
NOTE: Appropriated amounts have not been adjusted for inflation.

**COLORADO STATE OPERATING BUDGET
COMPARISON OF TOTAL APPROPRIATIONS BY PROGRAM**

FY 1991-92 = \$5.81 billion

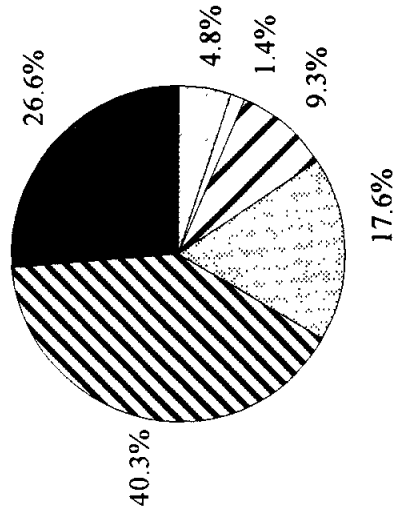


FY 2001-02 = \$13.03 billion

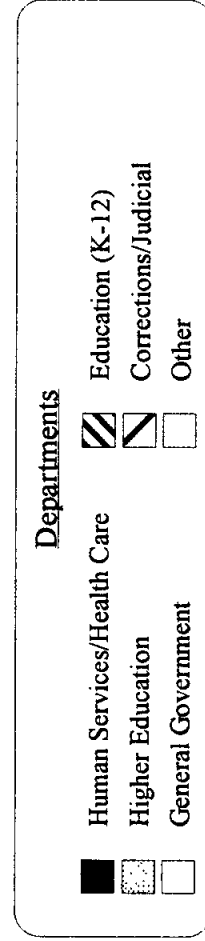
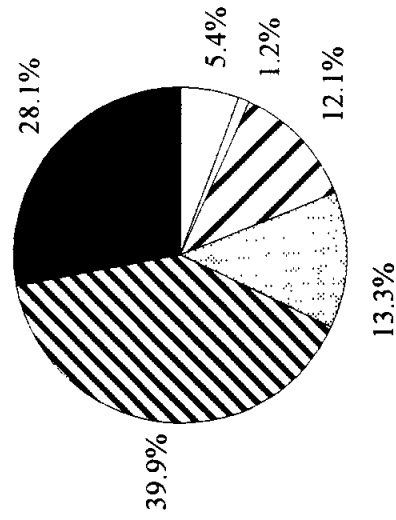


**COLORADO STATE OPERATING BUDGET
COMPARISON OF GENERAL FUND APPROPRIATIONS BY PROGRAM**

FY 1991-92 = \$2.82 billion



FY 2001-02 = \$5.74 billion



PART II: SUMMARY TABLES

FY 2001-02 APPROPRIATIONS BY DEPARTMENT AND FUND SOURCE

Department	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	TOTAL
Agriculture	\$10,279,895	\$17,767,790	\$1,479,973	\$1,248,904	\$30,776,562
Corrections	478,169,217	14,680,488	42,831,939	4,433,759	540,115,403
Education	2,286,324,068	13,600,926	247,231,723	270,982,997	2,818,139,714
Governor	20,428,241	270,820	1,740,837	22,109,529	44,549,427
Health Care Policy and Financing	1,092,787,126	10,717,259	138,516,535	1,206,898,272	2,448,919,192
Higher Education	764,651,972	759,985,281	84,790,352	18,300,218	1,627,727,823
Human Services	519,085,419	66,463,230	729,604,778	500,004,836	1,815,158,263
Judicial	216,864,050	45,168,341	7,785,782	2,189,120	272,007,293
Labor and Employment	0	26,677,074	16,408,248	87,383,172	130,468,494
Law	9,825,809	769,957	22,145,468	781,937	33,523,171
Legislature	31,101,969	90,000	1,500,000	0	32,691,969
Local Affairs	14,547,657	24,388,645	83,082,910	41,938,885	163,958,097
Military Affairs	4,096,566	25,009	0	112,725,961	116,847,536
Natural Resources	29,164,002	89,849,156	35,251,502	14,848,563	169,113,223
Personnel	15,337,418	8,645,265	124,909,019	21,838	148,913,540
Public Health and Environment	34,510,528	23,965,669	54,296,288	150,003,418	262,775,903
Public Safety	59,541,630	6,298,682	83,603,446	37,281,282	186,725,040
Regulatory Agencies	1,998,686	48,939,299	16,366,475	896,396	68,200,856
Revenue	115,196,310	35,626,638	336,792,798	1,541,707	489,157,453
State	0	10,659,528	12,800	0	10,672,328
Transportation	0	61,006,903	974,586,802	289,950,553	1,325,544,258
Treasury	<u>31,296,524</u>	<u>0</u>	<u>265,440,000</u>	<u>0</u>	<u>296,736,524</u>
OPERATING TOTAL	\$5,735,207,087	\$1,265,595,960	\$3,268,377,675	\$2,763,541,347	\$13,032,722,069
Capital Construction <i>a/</i>	<u>351,633,766</u>	<u>53,358,735</u>	<u>157,326,670</u>	<u>21,011,732</u>	<u>583,330,903</u>
GRAND TOTAL	\$6,086,840,853	\$1,318,954,695	\$3,425,704,345	\$2,784,553,079	\$13,616,052,972

a/ The General Fund amount represents appropriations from the Capital Construction Fund, which is provided by a General Fund transfer.

FOUR-YEAR SUMMARY OF EXPENDITURES/APPROPRIATIONS:

TOTAL FUNDS

Department	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Appropriation	FY 2001-02 Appropriation
Agriculture	\$25,251,838	\$26,252,900	\$30,019,613	\$30,776,562
Corrections	382,468,716	429,855,160	482,867,707	540,115,403
Education	2,223,968,630	2,333,047,616	2,549,221,824	2,818,139,714
Governor	31,047,535	31,220,449	36,759,061	44,549,427
Health Care Policy and Financing	1,936,020,400	2,107,346,759	2,292,817,870	2,448,919,192
Higher Education	1,381,784,743	1,441,131,823	1,534,258,025	1,627,727,823
Human Services	1,403,623,676	1,497,789,278	1,771,535,763	1,815,158,263
Judicial	218,959,775	236,902,563	256,686,865	272,007,293
Labor and Employment	108,094,775	108,310,595	123,572,042	130,468,494
Law	27,494,648	29,924,365	31,849,302	33,523,171
Legislature	24,373,382	25,355,979	30,568,643	32,691,969
Local Affairs	127,045,468	153,146,603	134,573,595	163,958,097
Military Affairs	128,092,430	121,863,031	116,675,636	116,847,536
Natural Resources	131,572,679	139,134,347	159,995,902	169,113,223
Personnel	125,473,134	124,922,559	145,322,222	148,913,540
Public Health and Environment	217,979,414	225,364,638	255,789,143	262,775,903
Public Safety	140,464,346	155,565,137	166,518,969	186,725,040
Regulatory Agencies	55,084,182	56,573,113	61,534,950	68,200,856
Revenue	436,905,239	444,364,984	479,338,814	489,157,453
State	7,260,258	13,827,491	11,412,635	10,672,328
Transportation	875,234,775	1,005,859,581	1,391,791,012	1,325,544,258
Treasury	<u>266,527,075</u>	<u>278,866,520</u>	<u>276,144,144</u>	<u>296,736,524</u>
TOTAL	\$10,274,727,118	\$10,986,625,491	\$12,339,253,737	\$13,032,722,069

FOUR-YEAR SUMMARY OF EXPENDITURES/APPROPRIATIONS:

GENERAL FUND

Department	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Appropriation	FY 2001-02 Appropriation
Agriculture	\$7,804,693	\$8,216,343	\$10,096,583	\$10,279,895
Corrections	339,125,488	381,636,624	423,802,942	478,169,217
Education	1,914,084,188	2,035,189,137	2,143,484,864	2,286,324,068
Governor	7,590,261	7,697,820	20,006,450	20,428,241
Health Care Policy and Financing a/	900,355,876	958,472,174	1,011,728,217	1,092,787,126
Higher Education	676,307,254	715,638,339	747,562,014	764,651,972
Human Services	423,803,714	447,507,173	496,505,881	519,085,419
Judicial	180,395,178	194,268,468	206,485,128	216,864,050
Labor and Employment	0	0	0	0
Law	9,527,587	10,102,686	8,844,611	9,825,809
Legislature	22,988,602	24,116,364	28,978,643	31,101,969
Local Affairs	29,776,271	37,482,439	12,520,118	14,547,657
Military Affairs	4,108,126	3,755,108	4,025,082	4,096,566
Natural Resources	25,532,839	27,817,745	29,092,602	29,164,002
Personnel	15,813,478	15,017,910	15,433,835	15,337,418
Public Health and Environment	22,571,377	23,668,797	32,377,354	34,510,528
Public Safety	44,035,320	49,784,474	57,509,210	59,541,630
Regulatory Agencies	1,643,586	1,679,869	1,981,547	1,998,686
Revenue	98,141,014	107,573,268	114,074,672	115,196,310
State	0	0	0	0
Transportation	16,063	11,332	1,280	0
Treasury	<u>31,469,753</u>	<u>30,948,539</u>	<u>31,144,144</u>	<u>31,296,524</u>
TOTAL	\$4,755,090,668	\$5,080,584,609	\$5,395,655,177	\$5,735,207,087

a/ Amounts shown for FY 1998-99 and FY 1999-00 include General Fund Exempt of \$1,999,392 and \$1,737,441, respectively. These amounts are not counted as "fiscal year spending" as defined in Section 20 (2)(e) of Article X of the State Constitution.

FOUR-YEAR SUMMARY OF EXPENDITURES/APPROPRIATIONS:

CASH FUNDS

Department	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Appropriation	FY 2001-02 Appropriation
Agriculture	\$7,994,391	\$8,604,092	\$17,339,473	\$17,767,790
Corrections	8,694,803	10,266,336	14,167,020	14,680,488
Education	6,866,675	10,902,216	12,456,123	13,600,926
Governor	98,068	103,012	194,420	270,820
Health Care Policy and Financing	10,222,336	9,465,785	10,715,709	10,717,259
Higher Education	643,563,483	659,419,597	716,225,781	759,985,281
Human Services	63,113,152	64,006,342	84,310,752	66,463,230
Judicial	32,827,657	35,694,125	40,543,942	45,168,341
Labor and Employment	20,663,508	22,498,183	24,724,987	26,677,074
Law	1,445,656	1,397,215	1,683,664	769,957
Legislature	99,808	92,345	90,000	90,000
Local Affairs	12,121,348	12,768,929	13,867,925	24,388,645
Military Affairs	35,405	24,257	25,073	25,009
Natural Resources	74,136,733	73,782,162	83,278,869	89,849,156
Personnel	7,135,660	7,545,645	10,394,687	8,645,265
Public Health and Environment	18,272,974	18,852,669	22,698,871	23,965,669
Public Safety	4,266,866	4,921,395	5,770,691	6,298,682
Regulatory Agencies	40,434,906	43,106,348	46,854,485	48,939,299
Revenue	29,509,145	30,024,559	31,884,638	35,626,638
State	7,260,258	13,827,491	10,019,651	10,659,528
Transportation	9,788,872	12,135,386	55,780,875	61,006,903
Treasury	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$998,551,704	\$1,039,438,089	\$1,203,027,636	\$1,265,595,960

FOUR-YEAR SUMMARY OF EXPENDITURES/APPROPRIATIONS:

CASH FUNDS EXEMPT

Department	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Appropriation	FY 2001-02 Appropriation
Agriculture	\$9,085,211	\$8,849,495	\$1,485,412	\$1,479,973
Corrections	29,148,923	32,246,978	40,468,029	42,831,939
Education	80,534,766	44,995,137	127,600,423	247,231,723
Governor	1,206,340	1,267,295	2,114,636	1,740,837
Health Care Policy and Financing	54,457,999	91,823,461	142,934,694	138,516,535
Higher Education	45,319,052	49,579,519	53,233,459	84,790,352
Human Services	579,645,412	629,060,451	666,434,348	729,604,778
Judicial	4,760,732	5,384,519	7,468,675	7,785,782
Labor and Employment	14,375,042	16,848,092	18,099,352	16,408,248
Law	15,888,687	17,761,467	20,572,243	22,145,468
Legislature	1,284,972	1,147,270	1,500,000	1,500,000
Local Affairs	52,530,526	58,895,520	71,780,891	83,082,910
Military Affairs	706,235	0	0	0
Natural Resources	18,333,628	21,683,944	33,560,909	35,251,502
Personnel	102,515,478	102,337,891	119,441,862	124,909,019
Public Health and Environment	31,524,557	32,316,150	50,441,437	54,296,288
Public Safety	66,960,522	71,647,487	76,999,250	83,603,446
Regulatory Agencies	12,210,339	10,808,250	11,871,325	16,366,475
Revenue	307,824,554	305,516,353	332,512,645	336,792,798
State	0	0	1,392,984	12,800
Transportation	533,099,439	618,206,655	1,043,198,807	974,586,802
Treasury	<u>235,057,322</u>	<u>247,917,981</u>	<u>245,000,000</u>	<u>265,440,000</u>
TOTAL	\$2,196,469,736	\$2,368,293,915	\$3,068,111,381	\$3,268,377,675

FOUR-YEAR SUMMARY OF EXPENDITURES/APPROPRIATIONS:

FEDERAL FUNDS

Department	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Appropriation	FY 2001-02 Appropriation
Agriculture	\$367,543	\$582,970	\$1,098,145	\$1,248,904
Corrections	5,499,502	5,705,222	4,429,716	4,433,759
Education	222,483,001	241,961,126	265,680,414	270,982,997
Governor	22,152,866	22,152,322	14,443,555	22,109,529
Health Care Policy and Financing	970,984,189	1,047,585,339	1,127,439,250	1,206,898,272
Higher Education	16,594,954	16,494,368	17,236,771	18,300,218
Human Services	337,061,398	357,215,312	524,284,782	500,004,836
Judicial	976,208	1,555,451	2,189,120	2,189,120
Labor and Employment	73,056,225	68,964,320	80,747,703	87,383,172
Law	632,718	662,997	748,784	781,937
Legislature	0	0	0	0
Local Affairs	32,617,323	43,999,715	36,404,661	41,938,885
Military Affairs	123,242,664	118,083,666	112,625,481	112,725,961
Natural Resources	13,569,479	15,850,496	14,063,522	14,848,563
Personnel	8,518	21,113	51,838	21,838
Public Health and Environment	145,610,506	150,527,022	150,271,481	150,003,418
Public Safety	25,201,638	29,211,781	26,239,818	37,281,282
Regulatory Agencies	795,351	978,646	827,593	896,396
Revenue	1,430,526	1,250,804	866,859	1,541,707
State	0	0	0	0
Transportation	332,330,401	375,506,208	292,810,050	289,950,553
Treasury	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$2,324,615,010	\$2,498,308,878	\$2,672,459,543	\$2,763,541,347

FOUR-YEAR SUMMARY OF EXPENDITURES/APPROPRIATIONS:

FTE

Department	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Appropriation	FY 2001-02 Appropriation
Agriculture	271.2	265.4	293.6	294.7
Corrections	4,654.5	5,078.2	5,753.6	6,043.3
Education	374.4	378.1	409.5	417.8
Governor	98.1	102.4	124.4	126.5
Health Care Policy and Financing	151.0	162.4	167.7	180.1
Higher Education	17,751.8	17,474.7	18,019.9	18,277.0
Human Services	4,474.6	4,498.9	4,682.8	4,750.6
Judicial	2,887.8	2,999.3	3,048.1	3,168.4
Labor and Employment	1,055.3	1,022.8	1,057.6	1,035.4
Law	329.2	321.9	345.5	352.0
Legislature	240.0	263.3	265.9	273.9
Local Affairs	181.8	182.4	179.6	179.8
Military Affairs	1,303.2	1,215.1	1,292.5	1,286.8
Natural Resources	1,359.1	1,400.6	1,474.4	1,517.3
Personnel	565.9	558.8	586.8	596.9
Public Health and Environment	1,026.1	1,019.4	1,077.3	1,092.0
Public Safety	1,102.7	1,186.3	1,231.2	1,240.0
Regulatory Agencies	514.2	510.7	533.7	533.7
Revenue	1,480.6	1,473.4	1,525.3	1,542.2
State	78.0	92.5	93.0	95.8
Transportation	3,274.3	3,289.0	3,296.2	3,297.2
Treasury	<u>24.0</u>	<u>24.2</u>	<u>25.0</u>	<u>25.0</u>
TOTAL	43,197.8	43,519.8	45,483.6	46,326.4

**PART III: EXPENDITURE/APPROPRIATION DETAIL
BY DEPARTMENT**

DEPARTMENT OF AGRICULTURE

The Department of Agriculture regulates, promotes and supports agricultural activities throughout Colorado. The Department performs a wide range of services including policy formulation, data collection, program inspection, consumer information, regulation of the State's agricultural industries and administration and management of the Colorado State Fair.

The Department is comprised of the following divisions: (1) Commissioner's Office and Administrative Services, (2) Agricultural Services Division, (3) Agricultural Markets Division, (4) Brand Board, (5) Special Purpose, (6) Colorado State Fair, and (7) Soil Conservation Board.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$7,804,693	\$8,216,343	\$10,096,583	\$10,279,895
Cash Fund	7,994,391	8,604,092	17,339,473	17,767,790
Cash Funds Exempt	9,085,211	8,849,495	1,485,412	1,479,973
Federal Funds	<u>367,543</u>	<u>582,970</u>	<u>1,098,145</u>	<u>1,248,904</u>
TOTAL	\$25,251,838	\$26,252,900	\$30,019,613	\$30,776,562
Full Time Equiv. Staff	271.2	265.4	293.6	294.7

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- An increase of 1.0 FTE and \$44,000 General Fund for an information technology position for help desk, asset deployment, and general training;
- An increase of 0.5 FTE for the newly created Colorado Agricultural Value-Added Development Board pursuant to H.B. 01-1086;
- An increase of \$238,000 (\$100,000 cash funds, \$138,000 federal funds) for the fourth phase of a six-year integration of the Department's licensing and registration systems;

- ❑ An increase of \$126,000 cash funds for the replacement of nine Brand Board inspection vehicles;
- ❑ An increase of \$65,000 cash funds and 1.6 FTE for increased inspections of alternative livestock;
- ❑ An increase of \$50,000 cash funds for the Vaccine and Service Fund based on historical levels of need;
- ❑ A reduction of 2.0 FTE from the Agricultural Services Division based on historical reversions;
- ❑ An increase of \$227,059, including \$127,131 General Fund, for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. The total FY 2001-02 appropriation for salary survey and anniversary increases is \$781,830 reflecting a 41 percent increase over the FY 2000-01 base;
- ❑ A \$252,058 increase, including \$116,500 General Fund, to annualize anniversary increases awarded in FY 2000-01; and
- ❑ A decrease of \$238,689, including \$96,412 General Fund, for a 1.5 percent personal services reduction.

General Factors Driving the Budget

Funding for this department consists of 33.5 percent General Fund, 57.8 percent cash funds, 4.6 percent cash funds exempt, and 4.1 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Agricultural Services Division

Of the total \$30.7 million (\$10.3 million General Fund) appropriated to the Department of Agriculture for FY 2001-02, 35 percent of total budget (\$10.3 million) and 58 percent of the total General fund appropriation (\$6 million) are utilized within the Agricultural Services Division. This division is divided into three functional divisions: Inspection and Consumer Services, Plant Industry, and Animal Industry. Historically, a large majority of the Department's decision item requests are generated by programs within these functional divisions.

Information Technology

In FY 2000-01, the Department was appropriated \$378,000 (\$62,500 General Fund) for the third phase of a five-year project (extended to six years in FY 2000-01) to integrate 26 licensing and registration systems. This project was appropriated \$238,000 (no General Fund) for FY 2001-02.

The final centralized database will serve as the foundation for the Department's Risk-Based Management System. Also appropriated for FY 2001-02 was \$44,000 General Fund for an information technology position for help desk, asset deployment, and general training. Starting in FY 1999-00, \$156,000 (\$69,000 General Fund) was appropriated for an information technology replacement plan which provides for the purchase of new system hardware and software on a four-year cycle

Cash Funds

The majority of the Department's funding (58 percent) is derived from cash funds generated primarily through fees collected from user agencies for inspection and certification services.

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$10,096,583	\$17,339,473	\$1,485,412	\$1,098,145	\$30,019,613	293.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	2,637,132	1,305,587	542,299	273,259	4,758,277	22.7
Agricultural Services Division	5,962,913	4,382,593	185,000	225,009	10,755,515	158.6
Agricultural Markets Division	0	75,945	709,459	0	785,404	10.7
Brand Board	0	3,036,738	0	0	3,036,738	64.7
Special Purpose	0	413,139	34,650	0	447,789	1.0
State Fair Authority	0	8,044,498	0	0	8,044,498	26.9
Soil Conservation Board	1,496,538	80,973	14,004	599,877	2,191,392	9.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	8,497,504	17,213,703	1,489,292	498,398	27,698,897	284.6
HB 00-1215	23,709	33,625	0	570	57,904	0.0
HB 00-1422	0	0	(10,000)	0	(10,000)	0.0
HB 00-1458	(27,035)	(34,679)	(2,707)	(700)	(65,121)	0.0

	GF	CF	CFE	FF	Total	FTE
HB 00-1460	1,591,958	80,973	14,004	599,877	2,286,812	9.0
SB 01-179	10,447	45,851	(5,177)	0	51,121	0.0
FY 2001-02 Total Appropriation:	\$10,279,895	\$17,767,790	\$1,479,973	\$1,248,904	\$30,776,562	294.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	2,800,852	1,354,835	453,415	415,675	5,024,777	23.7
Agricultural Services Division	6,016,890	4,362,380	183,067	233,229	10,795,566	156.6
Agricultural Markets Division	0	75,945	795,181	0	871,126	11.2
Brand Board	0	3,369,105	0	0	3,369,105	66.3
Special Purpose	0	463,751	34,650	0	498,401	1.0
State Fair Authority	0	8,062,750	0	0	8,062,750	26.9
Soil Conservation Board	1,462,153	79,024	13,660	600,000	2,154,837	9.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	10,279,895	17,767,790	1,405,136	1,248,904	30,701,725	294.2
HB 01-1086	0	0	74,837	0	74,837	0.5
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$183,312	\$428,317	(\$5,439)	\$150,759	\$756,949	1.1
Percentage Change	1.8%	2.5%	-0.4%	13.7%	2.5%	0.4%

Detail of Appropriation by Administrative Section

Commissioner's Office and Administrative Services

The Commissioner's Office is responsible for the development and dissemination of agricultural policies throughout Colorado. The Administrative Services Section provides administrative and technical support to the various programs and activities within the Department such as planning, accounting, budgeting, personnel, and system programming. The majority of funding for this section is General Fund (56 percent). Cash funds comprise 27 percent of the funding and are derived from

fees collected by various cash funded programs within the Department. The nine percent cash funds exempt are from indirect cost recoveries and cash fund reserves.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$2,513,628	\$1,271,244	\$542,299	\$272,689	\$4,599,860	22.7
HB 00-1215	23,709	33,625	0	570	57,904	0.0
HB 00-1458	(6,072)	0	0	0	(6,072)	0.0
HB 00-1460	96,127	0	0	0	96,127	0.0
SB 01-179	<u>9,740</u>	<u>718</u>	<u>0</u>	<u>0</u>	<u>10,458</u>	<u>0.0</u>
TOTAL	\$2,637,132	\$1,305,587	\$542,299	\$273,259	\$4,758,277	22.7
FY 2001-02 Appropriation:						
SB 01-212	<u>\$2,800,852</u>	<u>\$1,354,835</u>	<u>\$453,415</u>	<u>\$415,675</u>	<u>\$5,024,777</u>	<u>23.7</u>
TOTAL	\$2,800,852	\$1,354,835	\$453,415	\$415,675	\$5,024,777	23.7
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$163,720	\$49,248	(\$88,884)	\$142,416	\$266,500	1.0
Percentage Change	6.2%	3.8%	-16.4%	52.1%	5.6%	4.4%

FTE Detail	FY 2000-01	FY 2001-02
Commissioner's Office	7.7	7.7
Resource Analysis	2.0	2.0
Administrative Services	<u>13.0</u>	<u>14.0</u>
	22.7	23.7

FTE Changes: The increase of 1.0 FTE is for an information technology position for help desk, asset deployment, and general training.

General Fund Changes: The General Fund increase includes the following: (1) personal services increases of \$134,000 (salary survey, anniversary, health, life, dental, and short-term disability); (2) an increase of \$93,000 related to the transfer of the Soil Conservation Board to the Department of Agriculture from the Department of Natural Resources in FY 2000-01; (3) an increase of \$44,000 for an information technology position for help desk, asset deployment, and general training; (4) an increase of \$21,000 for risk management, vehicle lease and leased space; (5) a decrease of \$63,000

of the General Fund portion of the Licensing and Registration Systems Integration Project; (6) a General Fund reduction of \$60,000 due to increases in indirect cost assessments; and (7) a decrease of \$6,000 for utilities.

Cash Funds Changes: The cash funds increase includes the following: (1) personal services increases of \$103,000 (salary survey, anniversary, health, life, dental, and short-term disability); (2) an increase of \$20,000 for legal services, risk management, vehicle lease and leased space; and (3) a decrease of \$74,000 of the cash funds portion of the Licensing and Registration Systems Integration Project.

Cash Funds Exempt Changes: The net cash funds exempt decrease is primarily due to personal services increases of \$53,000 (salary survey and anniversary), and a decrease of \$142,000 of the cash funds exempt portion of the Licensing and Registration Systems Integration Project.

Federal Funds Changes: The federal fund increase is primarily due to an increase in the federally-funded portion of the Licensing and Registration Systems Integration Project.

Agricultural Services Division

The Agricultural Services Division administers the following three functional divisions: (1) Inspection and Consumer Services, (2) Animal Industry, and (3) Plant Industry. The majority of funding for this division is General Fund (56 percent). Cash funds comprise 40 percent of the funding and is primarily from fees collected for services provided by the Division.

Inspection and Consumer Services

This division ensures compliance with product quality standards, certifies commercial weights, and analyzes fertilizer for chemical contaminants. The Fruit and Vegetable Inspection Program determine the grade, size, and quality of more than 2.1 billion pounds of fresh fruits and vegetables annually. The Consumer/Producer Protection Program includes the Farm Products Section which assures a stable agricultural products distribution system, the Technical and Field Services Section, which inspects for accuracy in labeling and food safety, and Laboratory Services Section, which provides detailed analysis of agricultural products and issues. The program also includes the Measurement Standards Section which tests and inspects all commercial measuring devices in the State.

Animal Industry

The Animal and Animal Health Program helps protect the economic viability of the livestock producer, as well as protecting animal health and well being. These purposes are addressed through the Veterinary and Animal Health Lab Section, the Rodent and Predatory Animal Control Section, the Bureau of Animal Protection, and the Pet Care Section.

Plant Industry

This division manages statewide pest control programs, registers pesticides and related applicators, and inspects plant products intended for domestic and overseas export or import to ensure that they are free from pests, disease, and weeds. The program also assists local and regional efforts with the

management and control of noxious weeds, and maintains the State's Insectary which rears and releases beneficial insects to help control the insect and weed pests that are destructive to Colorado.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
IIB 00-1451	\$5,983,876	\$4,397,117	\$200,177	\$225,709	\$10,806,879	158.6
HB 00-1422	0	0	(10,000)	0	(10,000)	0.0
HB 00-1458	(20,963)	(14,524)	0	(700)	(36,187)	0.0
SB 01-179	<u>0</u>	<u>0</u>	<u>(5,177)</u>	<u>0</u>	<u>(5,177)</u>	<u>0.0</u>
TOTAL	\$5,962,913	\$4,382,593	\$185,000	\$225,009	\$10,755,515	158.6
FY 2001-02 Appropriation:						
SB 01-212	<u>\$6,016,890</u>	<u>\$4,362,380</u>	<u>\$183,067</u>	<u>\$233,229</u>	<u>\$10,795,566</u>	<u>156.6</u>
TOTAL	\$6,016,890	\$4,362,380	\$183,067	\$233,229	\$10,795,566	156.6
Change FY 01-FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$53,977	(\$20,213)	(\$1,933)	\$8,220	\$40,051	(2.0)
Percentage Change	0.9%	-0.5%	-1.0%	3.7%	0.4%	-1.3%

FTE Detail	FY 2000-01	FY 2001-02
Inspection and Consumer Services	92.5	91.5
Animal Industry	21.0	21.0
Plant Industry	<u>45.1</u>	<u>44.1</u>
	158.6	156.6

FTE Changes: The decrease of 2.0 FTE is due to consistent historical reversions in the division.

General Fund Changes: The General Fund increase includes salary survey and anniversary increases of \$131,000 awarded in FY 2000-01, an increase of \$18,000 for annual systems maintenance of the climate control systems of the Insectary, and an \$18,000 increase in fleet fuel and telecommunication costs. These increases are partially offset by a reduction of \$93,000 from the prior year's cost of the fifth of six replacement trucks in the Measurement Standards Program.

Cash Funds Changes: The net cash funds decrease includes an increase of \$95,000 for salary survey and anniversary increases awarded in FY 2000-01, an increase of \$30,000 in indirect cost

assessments, personal services reductions of \$80,000 due to historical reversions, and a reduction of \$50,000 in operating expenses due to historical reversions.

Cash Funds Exempt Changes: The cash funds exempt increase is primarily due to small personal services related increases.

Federal Funds Changes: The federal fund increase is primarily due to anticipated increases of \$12,000 received from federal grants, and a \$3,000 decrease in indirect cost assessments.

Agricultural Markets Division

This division provides marketing assistance and related support to Colorado agricultural producers and processors competing in local, national, and international arenas. It also coordinates commodities market orders, promotes Colorado agricultural products, and works to assist start-up food processing companies or those implementing business expansion of their processing operations within the State. The vast majority of funding for this section is cash funds exempt (91 percent) and represent transfers of economic development funds from the Governor's Office. The nine percent of cash funds are from aquaculture program fees used for economic development.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$75,945	\$712,166	\$0	\$788,111	10.7
HB 00-1458	<u>0</u>	<u>0</u>	<u>(2,707)</u>	<u>0</u>	<u>(2,707)</u>	<u>0.0</u>
TOTAL	\$0	\$75,945	\$709,459	\$0	\$785,404	10.7
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$75,945	\$720,344	\$0	\$796,289	10.7
HB 01-1086	<u>0</u>	<u>0</u>	<u>74,837</u>	<u>0</u>	<u>74,837</u>	<u>0.5</u>
TOTAL	\$0	\$75,945	\$795,181	\$0	\$871,126	11.2
Change FY 01-FY 02						
Increase/(Decrease)	\$0	\$0	\$85,722	\$0	\$85,722	0.5
Percentage Change	0.0%	0.0%	12.1%	0.0%	10.9%	4.7%

FTE Detail	FY 2000-01	FY 2001-02
Marketing Supervisor and Clerical Support	3.5	3.5
Senior Agricultural Market Specialist	3.0	3.0

FTE Detail	FY 2000-01	FY 2001-02
Agricultural Market Specialist	<u>4.2</u>	<u>4.7</u>
	10.7	11.2

FTE Changes: The increase of 0.5 FTE is for the newly created Colorado Agricultural Value-Added Development Board pursuant to H.B. 01-1086.

Cash Funds Exempt Changes: The increase in cash funds exempt is primarily due to an appropriation associated with the Colorado Agricultural Value-Added Development Board pursuant to H.B. 01-1086

Brand Board

The Brand Board serves the livestock industry and assists members of the public with problems related to livestock management and commerce. This program administers and records livestock brands, inspects cattle, horse, and alternative livestock brands to verify ownership at the time of sale, transport, or slaughter, and licenses and inspects, livestock facilities. This division is fully funded by fees for service.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$3,003,512	\$0	\$0	\$3,003,512	64.7
HB 00-1458	0	(11,907)	0	0	(11,907)	0.0
SB 01-179	<u>0</u>	<u>45,133</u>	<u>0</u>	<u>0</u>	<u>45,133</u>	<u>0.0</u>
TOTAL	\$0	\$3,036,738	\$0	\$0	\$3,036,738	64.7
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$3,369,105</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,369,105</u>	<u>66.3</u>
TOTAL	\$0	\$3,369,105	\$0	\$0	\$3,369,105	66.3
Change FY 01-FY 02						
Increase/(Decrease)	\$0	\$332,367	\$0	\$0	\$332,367	1.6
Percentage Change	0.0%	10.9%	0.0%	0.0%	10.9%	2.5%

FTE Detail	FY 2000-01	FY 2001-02
Program Director and Administrative Staff	7.0	7.4
Inspection Agents	<u>57.7</u>	<u>58.9</u>
	64.7	66.3

FTE Changes: The increase of 1.6 FTE is for alternative livestock inspectors due to increases in alternative livestock farms.

Cash Funds Changes: The \$332,000 increase in the Brand Board includes the following: (1) \$126,000 for the replacement of nine brand inspection vehicles; (2) an increase of \$65,000 for increased inspections of alternative livestock; (3) a net increase of \$53,000 cash funds for salary survey and anniversary awarded in FY 2000-01; (4) an increase of \$45,000 for Brand Board vehicle fuel costs; and, (5) a one-time increase of \$43,000 to gather information for publishing the Colorado Brand Book as required every five years.

Special Purpose

This budget area is comprised of the following miscellaneous program lines: the Wine Promotion Board, which promotes wines produced in Colorado; the Vaccine and Service Fund, which provides money for the vaccination of heifer calves against brucellosis; and the Brand Estray Fund, which funds the maintenance and sale or return of abandoned or runaway livestock. Cash funds are from the Colorado Wine Industry Development Funds, the Brand Estray Fund, and the Veterinary Vaccine and Service Fund. The cash funds exempt source is the Brand Estray Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$413,505	\$34,650	\$0	\$448,155	1.0
HB 00-1458	<u>0</u>	<u>(366)</u>	<u>0</u>	<u>0</u>	<u>(366)</u>	0.0
TOTAL	\$0	\$413,139	\$34,650	\$0	\$447,789	1.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$463,751</u>	<u>\$34,650</u>	<u>\$0</u>	<u>\$498,401</u>	<u>1.0</u>
TOTAL	\$0	\$463,751	\$34,650	\$0	\$498,401	1.0
Change FY 01-FY 02						
Increase/(Decrease)	\$0	\$50,612	\$0	\$0	\$50,612	0.0
Percentage Change	0.0%	12.3%	0.0%	0.0%	11.3%	0.0%

Cash Funds Changes: The cash fund increase primarily reflects an increase of \$50,000 for the Vaccine and Service Fund based on historical levels of need.

Colorado State Fair

This program includes personal services and operating expenses associated with the Colorado State Fair, which is administered by the State Fair Authority. In previous fiscal years, the operating budget had been designated cash funds exempt since the State Fair qualifies for enterprise status under the stipulations of Article X, Section 20, of the Colorado Constitution. However, local grants and controlled maintenance funds received by the State Fair starting in FY 1999-00 have exceeded the ten percent threshold for such status, and have resulted in a cash funds designation. Cash funds are from fees collected by the Colorado State Fair.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$8,052,380	\$0	\$0	\$8,052,380	26.9
HB 00-1458	<u>0</u>	<u>(7,882)</u>	<u>0</u>	<u>0</u>	<u>(7,882)</u>	<u>0.0</u>
TOTAL	\$0	\$8,044,498	\$0	\$0	\$8,044,498	26.9
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$8,062,750</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,062,750</u>	<u>26.9</u>
TOTAL	\$0	\$8,062,750	\$0	\$0	\$8,062,750	26.9
Change FY 01-FY 02						
Increase/(Decrease)	\$0	\$18,252	\$0	\$0	\$18,252	0.0
Percentage Change	0.0%	0.2%	0.0%	0.0%	0.2%	0.0%

FTE Detail	FY 2000-01	FY2001-02
Administrative/Clerical Staff.	14.1	14.1
Maintenance and Security	<u>12.8</u>	<u>12.8</u>
	26.9	26.9

Cash Funds Changes: The program includes funding of approximately \$1.9 million for personal services and \$6.2 million for operating expenses. The cash funds net increase of \$18,000 is primarily due to salary survey and anniversary increases awarded in FY 2000-01.

Soil Conservation Board

The Soil Conservation Board is responsible for providing administrative and fiscal oversight and technical assistance to Colorado's approximately 80 soil conservation districts. The Board also coordinates various programs with federal agencies on natural resource issues, oversees the State's living snow fence program, provides guidance on streambank erosion and riparian issues, and assists farmers and ranchers in implementing various water and energy efficiency practices. The Soil Conservation Board was transferred to the Department of Agriculture from the Department of Natural Resources in FY 2000-01. The majority of funding for this section is General Fund (68 percent). Federal funds comprise 28 percent of funding and come from the Bureau of Reclamation to assist land owners with conservation practices to reduce salt loading to the Colorado River.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$0	\$0	\$0	\$0	0.0
HB 00-1460	1,495,831	80,973	14,004	599,877	2,190,685	9.0
SB 01-179	<u>707</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>707</u>	<u>0.0</u>
TOTAL	\$1,496,538	\$80,973	\$14,004	\$599,877	\$2,191,392	9.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$1,462,153</u>	<u>\$79,024</u>	<u>\$13,660</u>	<u>\$600,000</u>	<u>\$2,154,837</u>	<u>9.0</u>
TOTAL	\$1,462,153	\$79,024	\$13,660	\$600,000	\$2,154,837	9.0
Change FY 01-FY 02						
Increase/(Decrease)	(\$34,385)	(\$1,949)	(\$344)	\$123	(\$36,555)	0.0
Percentage Change	-2.3%	-2.4%	-2.5%	0.0%	-1.7%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Administrative/Clerical Staff	3.0	3.0
Soil Conservation Specialists	3.0	3.0
Irrigation Conservation Representatives	<u>3.0</u>	<u>3.0</u>
	9.0	9.0

General Fund Changes: The General Fund net decrease is due to a \$30,000 increase for the Irrigation/Conservation Program, an increase of \$24,000 for salary survey and anniversary increases

awarded to Soil Conservation Board staff in FY 2000-01, and a \$96,000 decrease for the Fountain Creek project which was funded for only one year.

Recent Legislation

2000 Session Bills

H.B. 00-1215: Increases the amount of State contributions for employees in group benefit plans in selected areas.

H.B. 00-1286: Changes the method of appropriation for the Diseased Livestock Indemnity and Cervidae Disease Revolving Funds from annual appropriation by the General Assembly to continuous appropriation.

H.B. 00-1422: Transfers the animal cruelty prevention program and associated spending authority of \$10,000 cash funds exempt to the Department of Public Safety.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Reduces the State's contribution to the Public Employees' Retirement Association (PERA) by 0.5 percent as well as other changes.

H.B. 00-1460: Transfers all employees, assets, contracts, rules, and regulations related to the Soil Conservation Board from the Department of Natural Resources to the Department of Agriculture. The Department of Agriculture assumes the Board's Long Bill appropriation of \$2,286,812 (\$1,591,958 General Fund, \$80,973 cash funds, \$14,004 cash funds exempt, and \$599,877 federal funds) and 9.0 FTE.

2001 Session Bills

S.B. 01-179: Supplemental appropriation to the Department of Agriculture to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1020: Revises the Colorado Marketing Act of 1939 by subjecting certain crops produced outside of Colorado for sale within the State to market order assessments.

H.B. 01-1086: Creates the seven member Colorado Agricultural Value-Added Development Board within the Department of Agriculture to offer tax credits, loans, and equity investments to eligible agricultural value-added cooperatives and to certain other eligible agricultural businesses for the

purposes of promoting and encouraging agriculturally based economic development and employment in rural Colorado.

H.B. 01-1378: Clarifies that the State Veterinarian has a legitimate role in determining if an animal livestock disease poses a threat and can act through rule to establish protocol to help prevent the spread of the disease into and within the State of Colorado.

DEPARTMENT OF CORRECTIONS

The Department is responsible for the following activities:

- ▶ Managing, supervising, and controlling the penal, correctional, and reformatory institutions operated and supported by the state.
- ▶ Improving, developing, and carrying forward programs of counseling and parole supervision to the end that persons now dependent upon tax-supported programs may be afforded opportunity and encouragement to be restored to productive independence.
- ▶ Developing a systematic building program providing for the projected, long-range needs of the institutions under the Department's control.
- ▶ Developing correctional industries within the institutions which have a rehabilitative or therapeutic value for inmates and which also supplies necessary products for state institutions and other public purposes, as provided by law.

The Department is comprised of the following divisions:

1. Management
2. Institutions
3. Support Services
4. Inmate Programs
5. Community Services
6. Parole Board
7. Correctional Industries
8. Canteen Operation

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$339,125,488	\$381,636,624	\$423,802,942	\$478,169,217
Cash Fund	8,694,803	10,266,336	14,167,020	14,680,488
Cash Funds Exempt	29,148,923	32,246,978	40,468,029	42,831,939
Federal Funds	<u>5,499,502</u>	<u>5,705,222</u>	<u>4,429,716</u>	<u>4,433,759</u>
Total Funds	\$382,468,716	\$429,855,160	\$482,867,707	\$540,115,403
Full Time Equiv. Staff	4,654.5	5,078.2	5,753.6	6,043.3

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- An increase of \$17.9 million General Fund to house the anticipated inmate population in jail backlog and private prisons;
- An increase of \$17.1 million General Fund for personal services expenditures due to salary survey and anniversary increases awarded in FY 2000-01;
- An additional 192.7 FTE and \$9.8 million General Fund and \$620,000 cash funds exempt for annualization of FY 2000-01 decision items (primarily Denver Women's Correctional Facility, Sterling Correctional Facility, and Colorado Women's Correctional Facility);
- An additional 103.5 FTE and \$6.9 million General Fund and \$576,000 cash funds exempt for the 500-bed Fort Lyon Correctional Facility;
- A reduction of \$5.9 million General Fund and 93.0 FTE due to excess capacity at Denver Women's Correctional Facility;
- An additional 52.6 FTE and \$3.5 million General Fund for the 480-bed Trinidad Correctional Facility;
- An additional 7.0 FTE and \$2.6 million cash funds exempt for expansion of Correctional Industries program;
- An additional 17.7 FTE for community corrections and parole agents and \$1.6 million General Fund for projected increases in the community corrections and parole populations;
- An increase of \$1.8 million General Fund for centrally appropriated items such as workers' compensation, health, life, and dental insurance;
- An additional 1.2 FTE and \$344,000 cash funds for expansion of the Canteen Operation as a result of the increasing inmate population;
- A \$900,000 increase, including \$840,000 General Fund, for personal services increases, based on salary survey and anniversary increases awarded in FY 2000-01. This amount is net of a decrease of \$4.1 million, including \$4.0 million General Fund, for a 1.5 percent personal services reduction; and
- A \$2.3 million General Fund increase, for medical and food inflationary increases.

General Factors Driving the Budget

Funding for this department consists of 88.6 percent General Fund, 2.7 percent cash funds, 7.9 percent cash funds exempt, and 0.8 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Jail Backlog

Jail backlog occurs when inmates are sentenced to the Department of Corrections (DOC) and the capacity does not exist in state prisons or private contract facilities to hold them. In these instances, counties hold the inmates in the county jail until the DOC has the capacity to take them. Pursuant to Section 17-1-112, C.R.S., the DOC, subject to available appropriations, is required to reimburse the counties for holding these inmates. The following information highlights the jail backlog history for the past five years.

	Actual FY 97-98	Actual FY 98-99	Actual FY 99-00	Approp. FY 00-01	Approp. FY 01-02
County Jail Backlog (Avg. Month-end)	454	555	393	293	234
Cost of Jail Backlog	\$7,801,033	\$8,479,013	\$7,101,766	\$5,610,297	\$4,411,426
Daily Reimbursement Rate	\$47.02	\$48.43	\$49.40	\$50.39	\$51.65
Percent Rate Increase/(Decrease)	N/A	3.0%	2.0%	2.0%	2.5%

Private Contracts

In the early 1990's, the DOC began contracting with private prison operators in order to reduce the number of inmates in the jail backlog while state facilities were being constructed. As of April 30, 2001, the DOC had approximately 2,225 inmates in contract facilities. Combined with the number of inmates held in the jail backlog, this represented approximately 19.9 percent of the existing population. There were 386 inmates in Burlington, 568 inmates in Olney Springs, 601 inmates in Bent County, and 670 inmates in Huerfano County. In the past, inmates were also sent to private facilities in other states. However, after the completion of the private facilities in Colorado, all inmates were returned from out of state private facilities to Colorado. The following information highlights the private contracts over the past five years.

	Actual FY 97-98	Actual FY 98-99	Actual FY 99-00	Approp. FY 00-01	Approp. FY 01-02
Cost of Private Contracts	\$45,064,142	\$45,486,080	\$43,941,573	\$40,858,380	\$59,969,536
Daily Reimbursement Rate	\$41.00 to \$49.96	\$50.59	\$52.28	\$53.33	\$54.66

Population Increase - Impact on Capital Construction

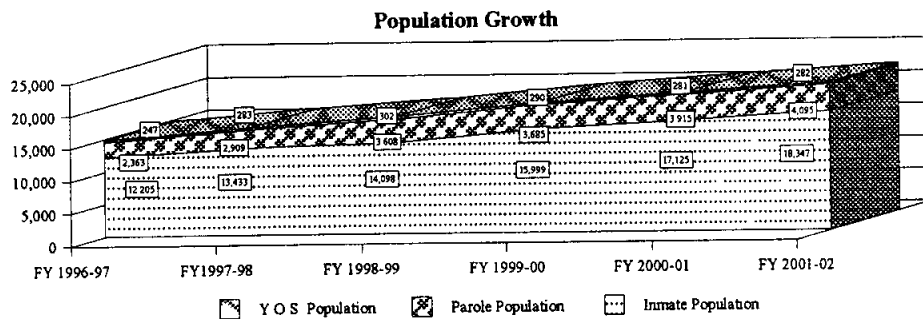
Population increases have resulted in the need to build or renovate several prisons. The following information highlights the appropriations for the past five years with regard to prison capacity expansion.

	Approp. FY 97-98	Approp. FY 98-99	Approp. FY 99-00	Approp. FY 00-01	Approp. FY 01-02
Capital Appropriation	\$65,625,915	\$133,135,575	\$0	\$2,088,700	\$66,303,249

When the new administration took office in 1999, the capital construction requests for new prisons were withdrawn. This was done to give the new administration an opportunity to review options other than state prison construction, including the use of private facilities. The FY 2000-01 capital appropriation was for professional services to plan the 250 bed expansion of San Carlos Correctional Facility, which houses mentally ill inmates. During the 2000 Legislative Session, it was determined that the Department of Corrections (DOC) should, when feasible, place inmates with classifications of medium and below in private facilities and build state facilities for inmates classified as close and administrative segregation.

Population Increase - Impact on Operating

The following graph illustrates the growth in average annual population from FY 1996-97 through FY 2001-02. (FY 1996-97 through FY 1999-00 based on actuals, FY 2000-01 and FY 2001-02 based on projections.)



As a result of expanding populations, the operating budget of the DOC has increased significantly. This can best be seen in the growth of the Housing and Security Subprogram. The Housing and Security portion of the Long Bill includes the costs associated with the operation of facility security, response to facility emergencies, documentation of facility system performance, control of harmful substances, and access/egress to facility property. In addition, funding for provision of counseling, discipline, grievance resolution, and classification of inmates is provided. The following information shows the growth in terms of costs and FTE.

	Actual FY 97-98	Actual FY 98-99	Actual FY 99-00	Approp. FY 00-01	Approp. FY 01-02
Total Department GF Expenditures	\$296,952,037	\$339,125,488	\$381,636,624	\$423,802,942	\$478,153,296
Percent Change - Total	N/A	14.20%	12.54%	11.05%	12.82%
Housing Expenditure	\$65,833,160	\$76,086,089	\$96,378,129	\$107,962,240	\$118,470,934
Percent Change - Housing	N/A	15.57%	26.67%	12.02%	9.73%
FTE	1,835.9	2,078.9	2,413.1	2,632.1	2,755.1

Community Services

An expanding population results in an increase in the number of inmates placed on community corrections and parole. Community corrections allows inmates to transition to community while still classified as a DOC inmate. Inmates assigned to community corrections are either placed in a halfway house or in an intensive supervision program (ISP).

Inmates are released to parole based on the discretion of the Parole Board, or under mandatory parole statutes, depending on the statutes under which they were sentenced. There are two types of parole, regular and intensive supervision. The following information highlights the past five years of community corrections and parole activity.

	Actual FY 97-98	Actual FY 98-99	Actual FY 99-00	Approp. FY 00-01	Approp. FY 01-02
Annual Com. Corr. Expenditures	\$5,239,662	\$7,448,200	\$8,282,753	\$9,181,829	\$10,193,775
Percent Change	N/A	42.15%	11.20%	10.85%	11.02%
Annual Parole Expenditures	\$6,351,572	\$7,356,982	\$8,456,933	\$8,503,150	\$9,569,565
Percent Change	N/A	15.83%	14.95%	0.55%	12.54%

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$423,802,942	\$14,167,020	\$40,468,029	\$4,429,716	\$482,867,707	5,753.6

	GF	CF	CFE	FF	Total	FTE
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	86,402,710	1,153,580	1,396,060	3,614,980	92,567,330	86.5
Institutions	264,730,950	43,279	499,627	80,000	265,353,856	4,489.9
Support Services	21,213,963	554,026	232,324	0	22,000,313	330.9
Inmate Programs	32,924,730	1,600,776	1,603,574	734,736	36,863,816	423.0
Community Services	17,652,504	0	32,475	0	17,684,979	214.9
Parole Board	878,085	0	0	0	878,085	13.5
Correctional Industries	0	0	36,703,969	0	36,703,969	170.7
Canteen Operation	0	10,815,359	0	0	10,815,359	24.2
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	420,286,986	13,939,352	38,488,784	4,825,028	477,540,150	5,831.7
HB 00-1169	72,215	0	0	0	72,215	1.0
HB 00-1215	1,222,843	3,155	35,995	0	1,261,993	0.0
HB 00-1458	(1,153,655)	(4,487)	(35,546)	0	(1,193,688)	0.0
SB 00-121	25,080	0	0	0	25,080	0.0
SB 00-140	103,391	0	0	0	103,391	2.0
HB 99-1068	3,455	0	0	0	3,455	0.0
SB 98-21	1,284	0	0	0	1,284	0.0
HB 97-1077	11,229	0	0	0	11,229	0.0
HB 96-1361	21,175	0	0	0	21,175	0.0
SB 01-180	3,208,939	229,000	1,978,796	(395,312)	5,021,423	(81.1)
FY 2001-02 Total Appropriation:	\$478,169,217	\$14,680,488	\$42,831,939	\$4,433,759	\$540,115,403	6,043.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	111,758,736	1,246,399	1,571,915	3,614,980	118,192,030	88.3
Institutions	289,082,091	43,279	726,785	80,000	289,932,155	4,709.1
Support Services	21,208,771	565,137	205,545	0	21,979,453	340.9
Inmate Programs	35,714,842	1,614,145	1,603,574	738,779	39,671,340	450.2
Community Services	19,484,304	0	32,475	0	19,516,779	232.6

	GF	CF	CFE	FF	Total	FTE
Parole Board	920,473	0	0	0	920,473	13.5
Correctional Industries	0	0	38,691,645	0	38,691,645	183.3
Canteen Operation	0	11,211,528	0	0	11,211,528	25.4
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	476,960,216	14,680,488	42,831,939	4,433,759	538,906,402	6,043.0
HB 01-1130	15,921	0	0	0	15,921	0.3
HB 00-1107	306,985	0	0	0	306,985	0.0
HB 00-1111	97,518	0	0	0	97,518	0.0
HB 00-1158	236,142	0	0	0	236,142	0.0
HB 00-1201	167,267	0	0	0	167,267	0.0
HB 00-1214	157,428	0	0	0	157,428	0.0
HB 00-1247	26,238	0	0	0	26,238	0.0
HB 00-1317	26,238	0	0	0	26,238	0.0
SB 98-21	5,371	0	0	0	5,371	0.0
HB 98-1160	23,916	0	0	0	23,916	0.0
HB 97-1077	145,977	0	0	0	145,977	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$54,366,275	\$513,468	\$2,363,910	\$4,043	\$57,247,696	289.7
Percentage Change	12.8%	3.6%	5.8%	0.1%	11.9%	5.0%

Detail of Appropriation by Administrative Section

Management

The Management division contains the main departmental management functions including the Executive Director's Office, the External Capacity Subprogram, and the Inmate Drug Reduction Subprogram. Funding for the Management division is 94.6 percent General Fund. The cash funds and cash funds exempt are primarily Correctional Industries sales revenue, Canteen Operation sales revenue, Drug Offender Surcharge Fund, and Victims Assistance and Law Enforcement funds. The federal funds are primarily from reimbursement for housing illegal aliens.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$84,238,646	\$1,150,624	\$1,360,554	\$4,745,028	\$91,494,852	86.8
HB 00-1215	1,222,843	3,155	35,995	0	1,261,993	0.0
HB 00-1458	(53,669)	(199)	(989)	0	(54,857)	0.0
SB 01-180	<u>994,890</u>	<u>0</u>	<u>500</u>	<u>(1,130,048)</u>	<u>(134,658)</u>	<u>(0.3)</u>
TOTAL	\$86,402,710	\$1,153,580	\$1,396,060	\$3,614,980	\$92,567,330	86.5
FY 2001-02 Appropriation:						
SB 01-212	<u>\$111,758,736</u>	<u>\$1,246,399</u>	<u>\$1,571,915</u>	<u>\$3,614,980</u>	<u>\$118,192,030</u>	<u>88.3</u>
TOTAL	\$111,758,736	1,246,399	1,571,915	3,614,980	118,192,030	88.3
Change FY 01 - FY 02						
Increase/(Decrease)	\$25,356,026	\$92,819	\$175,855	\$0	\$25,624,700	1.8
Percentage Change	29.3%	8.0%	12.6%	0.0%	27.7%	2.1%

FTE Detail	FY 2000-01	FY 2001-02
Executive Director's Office Subprogram	68.5	70.3
External Capacity Subprogram	13.5	13.5
Inmate Drug Reduction Subprogram	<u>4.5</u>	<u>4.5</u>
	86.5	88.3

FTE Changes: The net increase of 1.8 FTE is due to the following factors: (1) an additional 1.0 FTE for annualization of FTE funded in FY 2000-01 decision items; (2) an additional 0.7 FTE for the Fort Lyon Correctional Facility; (3) an additional 0.4 FTE for central impact positions; and (4) a reduction of 0.3 FTE as a result of an anticipated decrease in the level of Victim Assistance and Law Enforcement grant funds.

General Fund Changes: The General Fund appropriation includes increases for an additional: (1) \$17.9 million for external capacity to house inmates in private prisons and county jail backlog; (2) \$6.7 million for centrally appropriated items such as salary survey and anniversary increases, and workers compensation; (3) \$523,000 for annualization of FY 2000-01 decision items; and (4) \$280,000 for personal services expenditures due to salary survey and anniversary increases awarded in FY 2000-01.

Cash Funds and Cash Funds Exempt Changes: The cash funds and cash funds exempt increases are due to centrally appropriated items such as workers compensation, health/life/dental, salary survey, anniversary and short-term disability.

Institutions

The Institutions division includes all cost centers directly attributable to operation of the State's adult correctional facilities. These subprogram cost centers include utilities, maintenance, housing and security, food service, medical services, superintendents, the Youth Offender System, and the specialized San Carlos Correctional Facility. Funding for the Institutions division is 99.7 percent General Fund. The cash funds are primarily from fees charged for inmate medical costs. The cash funds exempt are primarily from utilities costs associated with Correctional Industries programs. The federal funds are primarily from donated U.S. Department of Agriculture foods.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$261,900,819	\$43,279	\$499,627	\$80,000	\$262,523,725	4,546.5
HB 00-1458	(893,169)	0	0	0	(893,169)	0.0
SB 00-121	25,080	0	0	0	25,080	0.0
HB 99-1068	3,455	0	0	0	3,455	0.0
SB 98-21	1,284	0	0	0	1,284	0.0
HB 97-1077	11,229	0	0	0	11,229	0.0
HB 96-1361	21,175	0	0	0	21,175	0.0
SB 01-180	<u>3,661,077</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,661,077</u>	<u>(56.6)</u>
TOTAL	\$264,730,950	\$43,279	\$499,627	\$80,000	\$265,353,856	4,489.9
FY 2001-02 Appropriation:						
SB 01-212	\$287,873,090	\$43,279	\$726,785	\$80,000	\$288,723,154	4,708.8
HB 01-1130	15,921	0	0	0	15,921	0.3
HB 00-1107	306,985	0	0	0	306,985	0.0
HB 00-1111	97,518	0	0	0	97,518	0.0
HB 00-1158	236,142	0	0	0	236,142	0.0
HB 00-1201	167,267	0	0	0	167,267	0.0
HB 00-1214	157,428	0	0	0	157,428	0.0
HB 00-1247	26,238	0	0	0	26,238	0.0

	GF	CF	CFE	FF	Total	FTE
HB 00-1317	26,238	0	0	0	26,238	0.0
SB 98-21	5,371	0	0	0	5,371	0.0
HB 98-1160	23,916	0	0	0	23,916	0.0
HB 97-1077	<u>145,977</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>145,977</u>	<u>0.0</u>
TOTAL	\$289,082,091	\$43,279	\$726,785	\$80,000	\$289,932,155	4,709.1
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$24,351,141	\$0	\$227,158	\$0	\$24,578,299	219.2
Percentage Change	9.2%	0.0%	45.5%	0.0%	9.3%	4.9%

FTE Detail	FY 2000-01	FY 2001-02
Utilities Subprogram	0.5	0.5
Maintenance Subprogram	270.2	291.4
Housing and Security Subprogram	2,632.1	2,755.1
Food Service Subprogram	237.0	251.1
Medical Services Subprogram	325.7	370.8
Laundry Subprogram	33.6	35.1
Superintendents Subprogram	204.6	221.1
Boot Camp Subprogram	39.0	39.0
Youthful Offender System Subprogram	221.0	202.7
Case Management Subprogram	228.2	236.2
Mental Health Services Subprogram	59.1	66.0
San Carlos Subprogram	223.4	223.4
Legal Access Subprogram	<u>15.5</u>	<u>16.7</u>
	4,489.9	4,709.1

FTE Changes: The increase of 219.2 FTE is due to the following factors: (1) an additional 152.8 FTE for annualization of facility expansions authorized in FY 2000-01; (2) an additional 89.0 FTE for the Fort Lyon Correctional Facility; (3) an additional 44.3 FTE for the Trinidad Correctional Facility; (4) an additional 2.0 FTE for dental assistants; (5) an additional 0.3 FTE for central impact; (6) an additional 0.3 FTE for H.B. 01-1130, DNA Testing; and (7) a reduction of 69.5 FTE due to excess capacity at Denver Women's Correctional Facility.

General Fund Changes: The General Fund appropriation includes increases for an additional: (1) \$13.9 million for personal services expenditures due to salary survey and anniversary increases awarded in FY 2000-01; (2) \$7.7 million for annualization of facility expansions authorized in FY 2000-01; (3) \$6.1 million for the Fort Lyon Correctional Facility; (4) \$2.8 million for the Trinidad Correctional Facility; (5) \$2.0 million for inflationary increases (\$1.4 million for medical, \$286,000 for utilities, and \$339,000 for food); and (6) \$1.3 million for increases in medical costs due to anticipated increases in the inmate population. Partially offsetting the General Fund increases are reductions of: (1) \$4.2 million due to excess capacity at Denver Women's Correctional Facility; (2) \$3.2 million for application of a 1.5 percent reduction of the personal services base; and (3) \$1.9 for application of a reduction in PERA contributions.

Cash Exempt Changes: The cash funds exempt increase is primarily due to utilities costs for Correctional Industries programs associated with the Fort Lyon Correctional Facility.

Support Services

The Support Services division represents the Department's operations programs, including business operations, personnel, offender services, communications, transportation, training, information systems, and facility services. Funding for the Support Services division is 96.5 percent General Fund. The cash funds and cash funds exempt are primarily from sales from Canteen operations and sales from Correctional Industries.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$21,045,234	\$554,026	\$232,324	\$0	\$21,831,584	330.4
HB 00-1169	72,215	0	0	0	72,215	1.0
HB 00-1458	(70,052)	0	0	0	(70,052)	0.0
SB 01-180	<u>166,566</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>166,566</u>	<u>(0.5)</u>
TOTAL	\$21,213,963	\$554,026	\$232,324	\$0	\$22,000,313	330.9
FY 2001-02 Appropriation:						
SB 01-212	<u>\$21,208,771</u>	<u>\$565,137</u>	<u>\$205,545</u>	<u>\$0</u>	<u>\$21,979,453</u>	<u>340.9</u>
TOTAL	\$21,208,771	\$565,137	\$205,545	\$0	\$21,979,453	340.9
Change FY 01 - FY 02						
Increase/(Decrease)	(\$5,192)	\$11,111	(\$26,779)	\$0	(\$20,860)	10.0
Percentage Change	0.0%	2.0%	-11.5%	n/a	-0.1%	3.0%

FTE Detail	FY 2000-01	FY 2001-02
Business Operations Subprogram	123.1	126.5
Personnel Subprogram	35.0	35.3
Offender Services Subprogram	39.0	39.3
Communications Subprogram	10.4	10.4
Transportation Subprogram	27.7	29.3
Training Subprogram	30.0	31.5
Information Systems Subprogram	37.1	40.0
Facility Services Subprogram	<u>28.6</u>	<u>28.6</u>
	330.9	340.9

FTE Changes: The overall appropriation includes a net increase of 10.0 FTE due to the following factors: (1) an additional 4.8 FTE as a result of annualization of FTE funded in FY 2000-01; (2) an additional 7.2 FTE as a result of the required increase in support services due to the expansion of correctional facilities; and (3) a reduction of 2.0 FTE as the result of excess capacity at Denver Women's Correctional Facility.

General Fund Changes: The decrease in General Fund results from reductions of: (1) \$1.3 million for elimination of funding associated with one-time information technology projects; (2) \$241,000 for application of a 1.5 percent reduction of the personal services base; and (3) \$145,000 for application of a reduction in PERA. These decreases are partially offset by increases of: (1) \$988,000 for personal services increases due to salary survey and anniversary amounts awarded in FY 2000-01; (2) \$213,000 for lease payments on new and replacement vehicles; (3) \$196,000 for positions and operating funds to support new and expanding facilities; (4) \$169,000 for annualization of positions and operating funds awarded in FY 2000-01 to support expanding facilities; and (5) other minor miscellaneous increases.

Cash Funds Changes: The increase in cash funds is the result of increased vehicle lease payments for new and replacement vehicles.

Cash Funds Exempt Changes: The cash funds exempt decrease is due to the following factors: (1) a reduction of \$94,000 for grants that are no longer available for information technology projects; (2) an increase of \$58,000 for the cost of new and replacement vehicles to support Correctional Industries programs; and (3) an increase of \$10,000 for indirect cost recoveries.

Inmate Programs

The Inmate Programs division includes all educational, vocational, recreational, and inmate labor programs operated by the Department. Also included in this division are the sex offender treatment program and drug and alcohol treatment programs. Funding for the Inmate Programs is 90.0 percent

General Fund. The cash funds are primarily from Drug Offender Surcharge funds. The cash funds exempt and federal funds are primarily from educational grants.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$33,833,420	\$1,371,776	\$2,216,136	\$0	\$37,421,332	431.2
HB 00-1458	(85,672)	0	0	0	(85,672)	0.0
SB 00-140	103,391	0	0	0	103,391	2.0
SB 01-180	<u>(926,409)</u>	<u>229,000</u>	<u>(612,562)</u>	<u>734,736</u>	<u>(575,235)</u>	<u>(10.2)</u>
TOTAL	\$32,924,730	\$1,600,776	\$1,603,574	\$734,736	\$36,863,816	423.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$35,714,842</u>	<u>\$1,614,145</u>	<u>\$1,603,574</u>	<u>\$738,779</u>	<u>\$39,671,340</u>	<u>450.2</u>
TOTAL	\$35,714,842	\$1,614,145	\$1,603,574	\$738,779	\$39,671,340	450.2
Change FY 01 - FY 02						
Increase/(Decrease)	\$2,790,112	\$13,369	\$0	\$4,043	\$2,807,524	27.2
Percentage Change	8.5%	0.8%	0.0%	0.6%	7.6%	6.4%

FTE Detail	FY 2000-01	FY 2001-02
Labor Subprogram	98.3	105.2
Education Subprogram	147.0	151.6
Recreation Subprogram	113.1	120.8
Drug and Alcohol Treatment Subprogram	5.0	5.0
Sex Offender Treatment Subprogram	43.6	44.6
Volunteers Subprogram	7.0	9.0
Community Reintegration Subprogram	<u>9.0</u>	<u>14.0</u>
	423.0	450.2

FTE Changes: The overall appropriation includes a net increase of 27.2 FTE due to the following factors: (1) an additional 31.8 FTE for annualization of positions appropriated in FY 2000-01; (2) an additional 7.3 FTE for Trinidad Correctional Facility; (3) an additional 7.1 FTE for the Fort Lyon Correctional Facility; (4) an additional 4.0 FTE for the community reintegration program; (5) an

additional 2.0 FTE for the volunteer program; (6) a reduction of 21.5 FTE as a result of excess capacity at the Denver Women's Correctional Facility; and (7) a reduction of 3.5 FTE as a result of a decrease in federal grant programs.

General Fund Changes: The overall net increase in General Fund is due to an additional: (1) \$2.1 million for annualization of facility expansions in FY 2000-01; (2) \$1.2 for increased personal services expenditures for salary survey and anniversary increases awarded in FY 2000-01; (3) \$507,000 for the Trinidad Correctional Facility; (4) \$307,000 for the Fort Lyon Correctional Facility; (5) \$218,000 for medical inflationary increases; and (6) \$174,000 for the community reintegration program. These increases are partially offset by the following reductions: (1) \$1.4 million as a result of excess capacity at Denver Women's Correctional Facility; (2) \$319,000 for application of a 1.5 percent reduction to the personal services base; and (3) \$181,000 for application of a reduction in PERA.

Cash Funds Changes: The increase in cash funds is due to increases for medical inflation in the drug and alcohol treatment programs.

Community Services

The Community Services division includes the parole, parole Intensive Supervision Program (ISP), community supervision (transition), and community ISP (transition) subprograms. This major program area is designed to isolate most costs associated with supervising inmates and parolees in a community setting. Other costs associated with residential community corrections placements are appropriated to the Department of Public Safety, Division of Criminal Justice. Funding for the Community Services division is 99.8 percent General Fund. The cash funds exempt are moneys transferred from the Division of Criminal Justice in the Department of Public Safety.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$18,389,071	\$0	\$32,475	\$0	\$18,421,546	228.4
HB 00-1458	(47,336)	0	0	0	(47,336)	0.0
SB 01-180	<u>(689,231)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(689,231)</u>	<u>(13.5)</u>
TOTAL	\$17,652,504	\$0	\$32,475	\$0	\$17,684,979	214.9
FY 2001-02 Appropriation:						
SB 01-212	<u>\$19,484,304</u>	<u>\$0</u>	<u>\$32,475</u>	<u>\$0</u>	<u>\$19,516,779</u>	<u>232.6</u>
TOTAL	\$19,484,304	\$0	\$32,475	\$0	\$19,516,779	232.6

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$1,831,800	\$0	\$0	\$0	\$1,831,800	17.7
Percentage Change	10.4%	n/a	0.0%	n/a	10.4%	8.2%

FTE Detail	FY 2000-01	FY 2001-02
Parole	97.0	99.8
Parole Intensive Supervision Subprogram	35.9	43.8
Community Intensive Supervision Subprogram	43.5	48.5
Community Supervision Subprogram	28.5	30.5
Youthful Offender System Aftercare	<u>10.0</u>	<u>10.0</u>
	214.9	232.6

FTE Changes: The overall appropriation includes funding for an additional 17.7 FTE due to the following factors: (1) an additional 7.9 FTE for management of the projected increase in the parole intensive supervision program population; (2) an additional 5.0 FTE for management of the projected increase in the community intensive supervision program population; (3) an additional 2.8 FTE for management of the projected increase in the parole population; and (4) an additional 2.0 FTE for management of the projected increase in the regular community corrections population.

General Fund Changes: The overall increase in General Fund is the result of an additional: (1) \$1.5 million to oversee the projected increase in the populations discussed above; and (2) \$688,000 for increased personal services for salary survey and anniversary increases awarded in FY 2000-01. Partially offsetting these increases are reductions of: (1) \$238,000 annualization of FY 2000-01 decision items; (2) \$157,000 for application of a 1.5 percent reduction to the personal services base; and (3) \$98,000 for application of a reduction in PERA contributions.

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. When conditions of parole are violated, the Board can revoke a person's parole. Funding for the Parole Board is 100.0 percent General Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$879,796	\$0	\$0	\$0	\$879,796	13.5
HB 00-1458	(3,757)	0	0	0	(3,757)	0.0

	GF	CF	CFE	FF	Total	FTE
SB 00-180	<u>2,046</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,046</u>	<u>0.0</u>
TOTAL	\$878,085	\$0	\$0	\$0	\$878,085	13.5
FY 2001-02 Appropriation:						
SB 01-212	<u>\$920,473</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$920,473</u>	<u>13.5</u>
TOTAL	\$920,473	\$0	\$0	\$0	\$920,473	13.5
Change FY 01 - FY 02						
Increase/(Decrease)	\$42,388	\$0	\$0	\$0	\$42,388	0.0
Percentage Change	4.8%	n/a	n/a	n/a	4.8%	0.0%

General Fund Changes: The overall increase in General Fund results from personal services expenditures for salary survey and anniversary increases awarded in FY 2000-01.

Correctional Industries

The Correctional Industries division manages profit-oriented work programs to provide inmates with training in various job skills while generating revenues 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. Funding for the Correctional Industries division is 100.0 percent cash funds exempt from sales of Correctional Industries products and services.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$0	\$34,147,668	\$0	\$34,147,668	170.7
HB 00-1458	0	0	(34,557)	0	(34,557)	0.0
SB 01-180	<u>0</u>	<u>0</u>	<u>2,590,858</u>	<u>0</u>	<u>2,590,858</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$36,703,969	\$0	\$36,703,969	170.7

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$0	\$38,691,645	\$0	\$38,691,645	183.3
TOTAL	\$0	\$0	\$38,691,645	\$0	\$38,691,645	183.3
Change FY 01 - FY 02						
Increase/(Decrease)	\$0	\$0	\$1,987,676	\$0	\$1,987,676	12.6
Percentage Change	n/a	n/a	5.4%	n/a	5.4%	7.4%

FTE Changes: The overall appropriation includes funding for an additional 12.6 FTE which are the result of the following factors: (1) an additional 7.0 FTE to expand various Correctional Industries programs; (2) an additional 3.3 FTE for Fort Lyon Correctional Facility; and (3) an additional 2.3 FTE for annualization of positions appropriated in FY 2000-01.

Cash Funds Exempt Changes: The cash funds exempt increase is the result of an additional: (1) \$2.6 million for the expansion of Correctional Industries programs; (2) \$2.0 million for manufacture of license plates; (3) \$620,000 for annualization of facility expansions funded in FY 2000-01; (4) \$546,000 for increased personal services expenditures for salary survey and anniversary increases awarded in FY 2000-01; and (5) \$357,000 for Correctional Industries programs at Fort Lyon Correctional Facility. Partially offsetting these increases are reductions of: (1) \$2.6 million as a result of the elimination of one-time funding associated with the manufacture of license plates; (2) \$1.5 million as a result of the elimination of funding for the lease purchase of license plate manufacturing equipment which has been paid in full; (3) \$125,000 for application of a 1.5 percent reduction to the personal services base; and (4) \$72,000 for application of a reduction in PERA.

Canteen Operation

The canteen provides various personal items for purchase by inmates including toiletries, snack foods, phone services, and other approved items. Per court order, all funds remaining after expenses are to be used to provide inmates with additional educational or recreational resources including library materials and cable television services. Funding for the Canteen Operation is 100.0 percent cash funds from sales of canteen products to inmates.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$10,819,647	\$0	\$0	\$10,819,647	24.2
SB 00-1458	0	(4,288)	0	0	(4,288)	0.0
TOTAL	\$0	\$10,815,359	\$0	\$0	\$10,815,359	24.2

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$11,211,528	\$0	\$0	\$11,211,528	25.4
TOTAL	\$0	\$11,211,528	\$0	\$0	\$11,211,528	25.4
Change FY 01 - FY 02						
Increase/(Decrease)	\$0	\$396,169	\$0	\$0	\$396,169	1.2
Percentage Change	n/a	3.7%	n/a	n/a	3.7%	5.0%

FTE Changes: The overall appropriation includes funding for an additional 1.2 FTE for expansion of the Colorado Inmate Phone System.

Cash Funds Changes: The increase in cash funds is the result of an additional: (1) \$340,000 for expansion of the Colorado Inmate Phone System to new facilities; and (2) \$68,000 for increased personal services expenditures for salary survey and anniversary increases awarded in FY 2000-01. Partially offsetting these increases is a \$15,000 reduction for application of a 1.5 percent reduction to the personal services base.

Recent Legislation

2000 Session Bills

H.B. 00-1107: Makes several changes to criminal sentencing law.

H.B. 00-1111: Creates a definition for document-making and expands the definition of first degree forgery to include possession of document-making implements that can be used to produce false identification documents.

H.B. 00-1158: Authorizes the prosecuting attorney to petition the court to sentence a person as an habitual domestic violence offender in cases in which a criminal defendant has been convicted of a misdemeanor, which has been found to be an act of domestic violence, and that person has been convicted three times previously of a felony, misdemeanor, or municipal ordinance violation, which were found to include an act of domestic violence.

H.B. 00-1169: Requires that every order of conviction of a felony, misdemeanor, petty or traffic misdemeanor, with the exception of traffic convictions in municipal or county courts include a consideration of restitution.

H.B. 00-1201: Changes the penalty for possession of a weapon by a felon from a class 1 misdemeanor to a class 6 felony and requires the imposition of a mandatory, consecutive sentence.

H.B. 00-1214: Creates a class 4 felony for persons who purchase a firearm on behalf of or for transfer to a person who is ineligible to possess or purchase a firearm under federal or state law.

H.B. 00-1215: Makes changes to statutes concerning state employee health, life, and dental benefits.

H.B. 00-1247: Makes it an offense for any person, not just a parent or legal guardian, to fail to make reasonable efforts to prevent a juvenile from committing a violation with a handgun, or to provide a handgun or permit a juvenile to possess a handgun even though he or she knows the juvenile is likely to use the handgun to commit an offense.

H. B. 00-1317: Makes numerous changes to statutes with regard to sex offenders.

H.B 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Makes changes to statutes concerning the Public Employees Retirement Association.

S.B. 00-121: Expands the requirement for genetic testing to persons who were convicted of or plead guilty to specified violent or sexual crimes and who, as of July 1, 2000, were in the custody of the Department of Corrections, on probation, or parole.

S.B. 00-140: Makes changes to the Youthful Offender System (YOS), including:

- moves the location of the YOS Phase II to the YOS facility in Pueblo;
- limits the time a youthful offender sentenced to the YOS may be held in isolation, segregation, or another facility;
- directs the Department of Corrections to transfer a youthful offender to another facility for diagnosis if he or she is thought to have mental illness or a developmental disability, and to determine whether the youthful offender is capable of completing the YOS program; and
- directs the YOS to provide sex offender treatment services for any offender with a history of sexual offenses.

2001 Session Bills

S.B. 01-046: Institutes penalties for cheating at gaming establishments to include persons other than licensed operators. This bill contains a five year sentencing appropriation in compliance with Section 2-2-703, C.R.S. as follows:

- FY 2001-02: Transfers \$69,467 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- FY 2002-03: Appropriates \$23,833 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2002-03.
- FY 2003-04: Appropriates \$23,833 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.

S.B. 01-180: Supplemental appropriation to the Department of Corrections to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-210: Increases the penalties for failure to register as a sex offender. This bill contains a five year sentencing appropriation in compliance with Section 2-2-703, C.R.S. as follows:

- FY 2001-02: Transfers \$466,008 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- FY 2002-03: Appropriates \$176,013 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2002-03.
- FY 2003-04: Appropriates \$176,013 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.
- FY 2004-05: Appropriates \$176,013 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.
- FY 2005-06: Appropriates \$176,013 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1074: Authorizes the transfer of the Fort Lyon Veterans Hospital from the federal government to the state government for use as a correctional facility.

H.B. 01-1130: Expands DNA testing to include all inmates at the Department of Corrections prior to discharge or release to parole. This bill contains an appropriation of:

- \$15,921 General Fund and 0.3 FTE for the Department of Corrections; and
- \$94,008 General Fund, \$192,625 federal funds, and 1.0 FTE for the Department of Public Safety.

The bill will only become effective upon enactment of S.B. 01-77 and the receipt of the required federal funds.

H.B. 01-1204: Creates enhanced penalties for offenses committed against pregnant women. This bill contains a five year sentencing appropriation in compliance with Section 2-2-703, C.R.S. as follows:

- FY 2003-04: Transfers \$26,629 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- FY 2004-05: Appropriates \$10,058 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.
- FY 2005-06: Appropriates \$7,215 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.

H.B. 01-1205: Eliminates the repeal of laws concerning community corrections escapees. This bill contains a five year sentencing appropriation in compliance with Section 2-2-703, C.R.S. as follows:

- FY 2002-03: Transfers \$1,768,225 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- FY 2003-04: Appropriates \$679,346 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.

H.B. 01-1242: Makes several changes to criminal sentencing laws. This bill contains a five year sentencing appropriation in compliance with Section 2-2-703, C.R.S. as follows.

- FY 2001-02: Transfers \$277,868 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- FY 2002-03: Transfers \$138,934 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$106,756 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2002-03.
- FY 2003-04: Transfers \$138,934 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$160,134 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.
- FY 2004-05: Transfers \$79,887 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$213,512 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.
- FY 2005-06: Appropriates \$244,204 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.

H.B. 01-1344: Eliminates the statute of limitations for crimes in which the identity of the defendant is determined through genetic means. This bill contains a five year sentencing appropriation in compliance with Section 2-2-703, C.R.S. as follows:

- FY 2001-02: Transfers \$69,467 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- FY 2002-03: Appropriates \$26,689 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2002-03.

- FY 2003-04: Appropriates \$26,689 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.
- FY 2004-05: Appropriates \$26,689 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.
- FY 2005-06: Appropriates \$26,689 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.

DEPARTMENT OF EDUCATION

Article IX of the Colorado Constitution requires the General Assembly to "provide for the establishment and maintenance of a thorough and uniform system of free public schools throughout the state, wherein all residents of the state, between the ages of six and twenty-one years, may be educated gratuitously". The General Assembly is also to provide for the organization of school districts throughout the State. In each district a locally-elected board of education has control over instruction of the public schools within its district. The State Board of Education, currently comprised of six members representing each of Colorado's congressional districts and one at-large member, is responsible for the general supervision of public schools. The Commissioner of Education, appointed by the State Board, advises the State Board concerning the operation and status of public schools and serves as the executive officer of the Department of Education.

The Department distributes state and federal funds to school districts and is responsible for accrediting school districts and administering educator licensure and professional development programs. The Department also administers a variety of education-related programs, including the education of children with special needs, the English Language Proficiency Program, the Colorado Preschool Program, adult basic education programs, and a variety of grant programs. The Department is responsible for developing and maintaining state model content standards and administering the associated Colorado Student Assessment Program (CSAP). Further, beginning in 2001, the Department is required to issue annual accountability reports for every public school in the State. In addition to its responsibilities related to public schools, the Department is charged with promoting the improvement of library services statewide to ensure equal access to information, including providing library services to persons who reside in state-funded institutions and to persons who are blind or physically disabled. Finally, the Department operates the Colorado School for the Deaf and the Blind, located in Colorado Springs.

On November 7, 2000, a majority of Colorado voters approved Amendment 23, which added Section 17 to Article IX of the Colorado Constitution. Beginning in FY 2001-02, this provision requires the General Assembly to provide annual inflationary increases for kindergarten through twelfth grade education. This provision also makes more state funds available for spending on education by creating the State Education Fund, consisting of one-third of one percent of income tax revenues and any interest earned on the fund balance. State Education Fund revenues are not subject to the Taxpayer Bill of Rights (TABOR) limitation on fiscal year spending, and any appropriation from the State Education Fund is not subject to the six percent statutory limitation on General Fund appropriations. To facilitate compliance with Section 17 of Article IX of the Colorado Constitution, appropriations made to the Department in the FY 2001-02 Long Bill are organized differently than in previous years. The new organization is comprised of the following four sections: (1) management and administration; (2) assistance to public schools; (3) library programs; and (4) School for the Deaf and the Blind. For purposes of providing comparable figures, this report reflects all prior year appropriations and expenditures in the same format as the FY 2001-02 Long Bill.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$1,914,084,188	\$2,035,189,137	\$2,143,484,864	\$2,286,324,068
Cash Funds	6,866,675	10,902,216	12,456,123	13,600,926
Cash Funds Exempt	80,534,766	44,995,137	127,600,423	247,231,723
Federal Funds	<u>222,483,001</u>	<u>241,961,126</u>	<u>265,680,414</u>	<u>270,982,997</u>
Total Funds	\$2,223,968,630	\$2,333,047,616	\$2,549,221,824	\$2,818,139,714
Full Time Equiv. Staff	374.4	378.1	409.5	417.8

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following.

- ☐ A total increase in funding for schools pursuant to the School Finance Act of \$261.7 million or 7.3 percent (including both state and local funding). Of the total increase, \$241.0 million is required to cover a 1.6 percent projected increase in student enrollment and a 5.0 percent increase in the statewide base per pupil funding amount (the latter increase is based on the actual 4.0 percent inflation rate for the Denver-Boulder area for calendar year 2000 plus an additional one percent as required by Section 17 of Article IX of the Colorado Constitution). The remainder of the increase is required to cover the cost of the following changes to the School Finance Act pursuant to S.B. 01-129 and S.B. 01-91:

 - ✓ changes to the size factor, which increase per pupil funding for certain mid-sized school districts (\$7.8 million);
 - ✓ changes to the at-risk factor, including expanding the definition of "at-risk" to include students with limited proficiency in English (\$6.2 million);
 - ✓ the implementation of a full-day kindergarten pilot program for students attending poorly performing schools (\$2.8 million);
 - ✓ an increase in the number of children that may be served through the Colorado Preschool Program (\$2.7 million); and
 - ✓ various changes to minimum per pupil funding and the method of calculating funded pupil counts for certain districts (\$1.2 million).

It is anticipated that *local* property and specific ownership tax revenues (which are not reflected in appropriations to the Department) will increase by \$87.8 million (5.7 percent) for FY 2001-02. Appropriations of *state* funds for FY 2001-02 for districts' total program

funding thus reflect an increase of \$173.8 million (8.5 percent). The total increase in the state share of districts' total program funding includes an increase of \$114.5 million (5.8 percent) General Fund, an appropriation of \$70.5 million from the newly created State Education Fund, and a net reduction of \$11.2 million in other cash and cash exempt fund sources;

- Appropriations totaling \$43.6 million from the newly created State Education Fund for a variety of purposes, including the following [for further information concerning the State Education Fund, including a table detailing FY 2001-02 appropriations from the Fund, see Appendix E]:
 - ✓ \$14.1 million for districts to purchase new textbooks (H.B. 01-1272);
 - ✓ \$12.6 million to assist districts with poorly performing schools in recruiting and maintaining quality teachers (S.B. 01-98);
 - ✓ \$10.6 million for school capital construction needs, including \$5.3 million earmarked for charter schools (S.B. 01-129);
 - ✓ \$2.9 million to assist poorly performing schools in implementing school improvement plans (S.B. 01-129);
 - ✓ \$1.4 million for the development and operation of science and technology education centers (H.B. 01-1365);
 - ✓ \$946,000 to provide funding to districts for the operation of summer school reading programs for certain third- and fourth-grade students (S.B. 01-129);
 - ✓ \$412,000 for the Department to review and update assessments annually, including assessments administered in languages other than English (S.B. 01-98);
 - ✓ \$388,000 and 2.0 FTE for the Department to make the state data reporting system capable of performing longitudinal analyses of assessment results (S.B. 01-129); and
 - ✓ \$100,000 for studies concerning student assessments (S.B. 01-98);
- The *transfer* of a \$17.8 million General Fund appropriation for vocational education programs from the Department of Higher Education to the Department of Education for purposes of consolidating General Fund appropriations for categorical programs;
- Appropriations totaling \$7.2 million from the State Education Fund to provide a 5.0 percent increase for various categorical programs (based on the actual 4.0 percent inflation rate for the Denver-Boulder area for calendar year 2000 plus an additional one percent as required by Section 17 of Article IX of the Colorado Constitution);
- An increase of \$5.0 million General Fund appropriated to the School Capital Construction Expenditure Reserve as required by S.B. 00-181, plus 1.0 FTE to administer such program;
- The elimination of \$4.2 million in one-time funding from the General Fund for the development and implementation of the state data reporting system and the production of school report cards (pursuant to S.B. 00-186);

- ❑ An increase of \$3.9 million General Fund to implement eight additional student assessments as required by S.B. 00-186;
- ❑ An increase of \$2.4 million federal funds anticipated to be available for special education programs for children with disabilities;
- ❑ A decrease of \$2.0 million General Fund for the Contingency Reserve to eliminate one-time funding that was provided to assist the Fort Morgan and Windsor school districts;
- ❑ An increase of \$1.5 million General Fund for the Colorado School Awards Program (as anticipated with the passage of S.B. 00-186);
- ❑ An increase of \$168,000, including \$151,000 General Fund, for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. The total FY 2001-02 appropriation for salary survey and anniversary increases is \$857,000, reflecting a 25 percent increase over the FY 2000-01 base;
- ❑ A \$144,000 increase, including \$112,000 General Fund, to annualize anniversary increases awarded in FY 2000-01; and
- ❑ A decrease of \$97,000, including \$72,000 General Fund, for a 1.5 percent personal services reduction.

General Factors Driving the Budget

Although local government revenues provide a significant source of funding for K-12 education in Colorado, such funds are not reflected in appropriations to the Department of Education. Funding appropriated to the Department for FY 2001-02 consists of 81 percent General Fund, nine percent cash funds exempt, ten percent federal funds, and less than one percent cash funds. Some of the most important factors driving the budget are reviewed below.

School Finance - State's Share of Districts' Total Program

The primary source of funding for public schools in Colorado is provided pursuant to the Public School Finance Act. The state's share of such funding is the largest single annual appropriation of state General Fund moneys. For FY 2001-02, the General Assembly appropriated over \$2.2 billion dollars for this purpose, including nearly \$2.1 billion General Fund or roughly 40 percent of all General Fund operating appropriations. Local government revenues also help pay for public schools, bringing the total amount available for school finance for FY 2001-02 to over \$3.8 billion. The \$3.8 billion in state and local funds are allocated to school districts through a statutory formula that calculates a specific per pupil level of funding for each school district, as well as a specific state and local share of funding for each district.

The formula provides a *base* amount per pupil, which is then adjusted for each district based on factors that affect districts' costs of providing educational services. The formula also provides additional funding for districts with students who may be at risk of failing or dropping out of school. Each district's per pupil funding is multiplied by its funded pupil count to determine its "total program" funding. In addition, the General Assembly has generally provided for annual increases in the amount of base per pupil funding that each district receives. Pursuant to Section 17 of Article IX of the Colorado Constitution, the General Assembly is now *required* to provide annual inflationary increases in base per pupil funding. Specifically, for FY 2001-02 through FY 2010-11, the base per pupil funding amount must increase annually by at least the rate of inflation plus one percent; for FY 2011-12 and each fiscal year thereafter, the base per pupil funding amount must increase annually by at least the rate of inflation. For FY 2001-02, base per pupil funding increased from \$4,001.70 to \$4,202.00 (5.0 percent).

Local property and specific ownership taxes provide the first source of revenue for districts' total program funding, and the remainder is covered by state funds. Property taxes are based on each district's mill levy and the assessed, or taxable, value of property in each district; specific ownership taxes are paid on motor vehicles in lieu of property taxes.

In summary, the following factors directly affect the amount of state funding necessary to fund the School Finance Act:

- the number of pupils enrolled in public schools (including the number of slots statutorily authorized for state-funded preschool and full-day kindergarten programs);
- the rate of inflation (defined as the annual change in the consumer price index for the Denver-Boulder area);
- the statutory definition of at-risk students and the number of such students attending public schools;
- changes in the relative cost-of-living in various regions of the State; and,
- fluctuations in local property and specific ownership taxes.

School Finance: Total Program	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Approp.	FY 01-02 Approp.
Funded Pupil Count (FTE)	657,531.1	670,913.4	681,743.1	693,658.5	705,782.3
<i>Percent Change</i>	2.1%	2.0%	1.6%	1.7%	1.7%
Statewide Base Per Pupil Funding	\$3,667	\$3,783	\$3,878	\$4,002	\$4,202
<i>Percent Change</i>	2.8%	3.2%	2.5%	3.2%	5.0%
Statewide Average Per Pupil Funding	\$4,710	\$4,867	\$4,994	\$5,168	\$5,450
<i>Percent Change</i>	3.0%	3.3%	2.6%	3.5%	5.5%

School Finance: Total Program	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Approp.	FY 01-02 Approp.
State Share of Districts' Total Program Funding	\$1,725,593,201	\$1,849,433,817	\$1,929,588,366	\$2,048,073,874	\$2,221,879,782
<i>Percent Change</i>	4.7%	7.2%	4.3%	6.1%	8.5%
<i>State Share as a Percent of Districts' Total Program</i>	55.7%	56.6%	56.7%	57.2%	57.8%

Grant Programs

Historically, the Department of Education has administered a variety of grant programs. Legislation adopted in both the 2000 and 2001 Sessions significantly increased both the number of grant programs and the magnitude of state funds appropriated for such programs. The following table provides a summary of programs that have been created in the last two years that are currently funded, at least in part, with state funds. The list includes grant programs, as well as other programs through which districts receive funding for a specified purpose (excluding programs providing capital construction funding, which are discussed below).

Program	Statutory Cite (C.R.S.)	FY 2001-02 Appropriation*	
		Fund Source	Amount
Read-to-Achieve Grant Program	Section 22-7-506	Tobacco Settlement Funds; cash fund reserves	\$17,579,872
Funding for New Textbooks	Section 22-54-105 (1) (b) (III)	State Education Fund	14,095,340
Teacher Pay Incentive Program	Section 22-7-607.5	State Education Fund	12,630,000
School Improvement Grants	Section 22-7-609.5	State Education Fund	2,900,000
State Match for the School Lunch Program	Section 22-54-123	State Public School Fund	2,472,644
Teacher Development Grant Program	Section 22-7-701, et seq.	General Fund	2,000,000
State Grants to Publicly-Supported Libraries Program	Section 24-90-401, et seq.	General Fund	2,000,000
Colorado School Awards Program	Section 22-11-301, et seq.	General Fund	1,500,000
Summer School Grant Program	Section 22-7-801, et seq.	State Education Fund	945,800
Total			\$56,123,656

* In order to eliminate duplication and thus provide comparable figures, cash funds exempt appropriations that simply provide spending authority out of a program's cash fund are excluded.

School Capital Construction Funding

Pursuant to S.B. 00-181, the General Assembly is required to appropriate a total of \$190.0 million from the General Fund over an eleven-year period to provide assistance to school districts for capital improvements. The \$190.0 million will be split between two funds. First, a total of \$105.0 million will be appropriated to the School Capital Construction Expenditures Reserve for capital expenditures of school districts that: (a) address immediate safety hazards or health concerns; (b) relieve excessive operating costs created by insufficient maintenance or construction spending; or (c) relieve conditions that detract from an effective learning environment. The remaining \$85.0 million will be appropriated to the School Construction and Renovation Fund beginning in FY 2002-03; such moneys will be used to provide matching grants to districts for qualified capital construction projects. Senate Bill 00-181 does not, however, require any General Fund appropriation in a fiscal year in which General Fund revenues do not exceed certain annual obligations by more than \$80.0 million.

In addition to appropriations required by S.B. 00-181, S.B. 01-129 creates a new program to distribute State Education Fund moneys to charter schools for capital construction and it increases the funding that will be available to school districts through the existing School Capital Construction Expenditures Reserve. Specifically, S.B. 01-129 provides that certain "qualified" charter schools will receive a flat amount of funding per pupil for capital construction expenditures. The amount that each charter school receives per pupil is calculated as 130 percent of the minimum per pupil capital reserve amount that each district is required to budget; for FY 2001-02, qualified charter schools will receive \$322 per pupil. Thus, the amount of funding required for charter school capital construction will increase each year based on both the number of pupils in qualified charter schools and inflationary increases in the minimum per pupil capital reserve amount. Senate Bill 01-129 also requires the General Assembly to annually appropriate to the School Capital Construction Expenditure Reserve an amount equal to the amount appropriated for charter school capital construction. Such additional funding is to come from the State Education Fund.

The following table lists the annual appropriations required by S.B. 00-181 as well as estimated appropriations required by S.B. 01-129 through FY 2011-12 (please note that appropriations will continue to be required beyond FY 2011-12 pursuant to S.B. 01-129):

Fiscal Year	General Fund Appropriations Required Pursuant to S.B. 00-181	Estimated Appropriations from the State Education Fund Required Pursuant to S.B. 01-129	Total Estimated Appropriations Required for School Capital Construction
2000-01	\$5,000,000	\$0	\$5,000,000
2001-02	10,000,000	10,617,922	20,617,922
2002-03	15,000,000	13,791,906	28,791,906
2003-04	20,000,000	15,096,510	35,096,510
2004-05	20,000,000	16,438,240	36,438,240
2005-06	20,000,000	17,876,586	37,876,586

Fiscal Year	General Fund Appropriations Required Pursuant to S.B. 00-181	Estimated Appropriations from the State Education Fund Required Pursuant to S.B. 01-129	Total Estimated Appropriations Required for School Capital Construction
2006-07	20,000,000	19,482,044	39,482,044
2007-08	20,000,000	21,271,918	41,271,918
2008-09	20,000,000	23,263,230	43,263,230
2009-10	20,000,000	25,475,112	45,475,112
2010-11	20,000,000	27,929,058	47,929,058
2011-12	0	30,316,842	30,316,842
Total	\$190,000,000	\$221,559,368	\$411,559,368

Categorical Programs

Programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation) have traditionally been referred to as "categorical" programs. Section 17 of Article IX of the Colorado Constitution requires the General Assembly to provide annual increases in state funding for categorical programs. Specifically, the General Assembly must increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least the rate of inflation for subsequent fiscal years. Fiscal year 2000-01 appropriations for categorical programs total \$142.2 million. Based on the actual inflation rate for calendar year 2000 (4.0 percent), the General Assembly is required to provide an additional \$7.1 million for such programs for FY 2001-02. The table below details the allocation of the required inflationary increase, by program area.

Required Increase in State Funding for Categorical Programs			
Long Bill Line Item	FY 2000-01 Appropriation	Allocation of Required FY 2001-02 Increase	
Special education - children with disabilities	\$71,510,773	\$4,527,860	6.3%
English Language Proficiency Program	3,101,598	196,384	6.3%
Public school transportation	36,922,227	1,476,889	4.0%
Colorado Vocational Act distributions	17,792,850	711,714	4.0%
Special education - gifted and talented children	5,500,000	302,500	5.5%
Expelled and at-risk student services grant program	5,290,850	0	0.0%
Grant program for in-school or in-home suspension programs	497,957	0	0.0%
Small attendance center aid*	948,140	(107,127)	-11.3%
Comprehensive health education	600,000	0	0.0%

Required Increase in State Funding for Categorical Programs			
Long Bill Line Item	FY 2000-01 Appropriation	Allocation of Required FY 2001-02 Increase	
Total	\$142,164,395	\$7,108,220	5.0%

* Please note that although funding provided for small attendance center aid declined, the amount appropriated for FY 2001-02 is estimated to be sufficient to fully fund the amount districts are anticipated to be eligible to receive.

Colorado Student Assessment Program (CSAP)

Pursuant to H.B. 93-1313 and subsequent legislation, the Department developed educational model content standards in twelve subject areas and, each year since 1997, has administered student assessments in a select number of subject areas and grades. The costs associated with administering the assessments include initial and ongoing development, printing and mailing, teacher training related to exam administration, scoring, and reporting scores. The total cost of assessments thus directly relates to the number of subject areas and grade levels assessed each year. Senate Bill 00-186 significantly expanded the number of grade levels to be assessed, phasing in the additional exams over two years. The following table outlines the implementation schedule currently required by statute [see Sections 22-7-409 (1) and (1.5), C.R.S.].

Colorado Student Assessment Program Implementation Schedule						
Grade	FY 96-97	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02
3		reading	reading	reading	reading	reading writing
4	reading writing	reading writing	reading writing	reading writing	reading writing	reading writing
5			math	math	reading math	reading writing math
6					reading	reading writing math
7			reading writing	reading writing	reading writing	reading writing math
8				math science	reading math science	reading writing math science
9					reading	reading writing math

Colorado Student Assessment Program Implementation Schedule						
Grade	FY 96-97	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02
10					reading writing math	reading writing math
11					ACT	ACT
Funding	\$1,600,000	\$1,800,000	\$3,947,206	\$4,634,816	\$11,921,248	\$16,654,149
Increase	\$1,600,000	\$200,000	\$2,147,206	\$687,610	\$7,286,432	\$4,732,901

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$2,143,484,864	\$12,456,123	\$127,600,423	\$265,680,414	\$2,549,221,824	409.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	25,511,558	1,796,123	1,235,268	188,160	28,731,109	116.5
Assistance to Public Schools	2,103,832,484	10,575,000	122,194,479	265,492,254	2,502,094,217	132.4
Library Programs	7,376,576	0	2,113,800	0	9,490,376	0.5
School for the Deaf and the Blind	6,764,246	85,000	2,056,876	0	8,906,122	160.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	2,131,034,393	12,455,170	69,623,423	265,669,040	2,478,782,026	405.0
HB 00-1042	66,827	0	0	0	66,827	0.0
HB 00-1140	147,767	0	0	0	147,767	0.0
HB 00-1159	550,000	0	8,963,832	0	9,513,832	0.0
HB 00-1173	2,000,000	0	2,000,000	0	4,000,000	0.0
HB 00-1215	68,662	2,597	2,431	0	73,690	0.0
HB 00-1458	(51,058)	(3,379)	(3,811)	0	(58,248)	0.0
SB 00-49	1,600,000	0	0	0	1,600,000	0.0

	GF	CF	CFE	FF	Total	FTE
SB 00-71	0	0	15,339,874	0	15,339,874	0.0
SB 00-85	2,000,000	0	2,000,000	0	4,000,000	0.5
SB 00-133	2,000,000	0	0	0	2,000,000	0.0
SB 00-181	5,000,000	0	5,000,000	0	10,000,000	0.0
SB 00-186	11,769,120	0	0	0	11,769,120	4.0
SB 01-129	(5,853,255)	0	5,853,255	0	0	0.0
SB 01-181	1,118,059	1,735	(3,853,537)	11,374	(2,722,369)	0.0
SB 01-212	(7,965,651)	0	22,674,956	0	14,709,305	0.0
FY 2001-02 Total Appropriation:	\$2,286,324,068	\$13,600,926	\$247,231,723	\$270,982,997	\$2,818,139,714	417.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	25,608,355	1,940,926	2,256,436	195,211	30,000,928	118.5
Assistance to Public Schools	2,246,060,761	11,575,000	240,763,038	270,787,786	2,769,186,585	138.7
Library Programs	7,460,365	0	2,113,800	0	9,574,165	0.5
School for the Deaf and the Blind	7,194,587	85,000	2,098,449	0	9,378,036	160.1
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	2,280,470,813	13,600,926	188,014,402	270,982,997	2,753,069,138	415.8
SB 01-91	0	0	2,853,075	0	2,853,075	0.0
SB 01-98	0	0	13,216,953	0	13,216,953	0.0
SB 01-129	5,853,255	0	26,545,190	0	32,398,445	2.0
HB 01-1199	0	0	(293,237)	0	(293,237)	0.0
HB 01-1272	0	0	14,095,340	0	14,095,340	0.0
HB 01-1365	0	0	2,800,000	0	2,800,000	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$142,839,204	\$1,144,803	\$119,631,300	\$5,302,583	\$268,917,890	8.3
Percentage Change	6.7%	9.2%	93.8%	2.0%	10.5%	2.0%

Detail of Appropriation by Administrative Section

Management and Administration

This section provides funding and staff for the State Board of Education, for the administration of a variety of education- and library-related programs, and for general department administration, including human resources, budgeting, accounting, information management, and facilities maintenance. The primary source of cash funds for this section is the Educator Licensure Cash Fund, which consists of fees paid by applicants for educator licenses and certificates. Cash funds exempt sources consist primarily of indirect cost recoveries and transfers of funds from various cash- and federally-funded line items. In addition, FY 2001-02 appropriations include approximately \$975,000 from the State Education Fund pursuant to S.B. 01-98 and S.B. 01-129. [For further information concerning the State Education Fund, including a table detailing FY 2001-02 appropriations from the Fund, see Appendix E]. Federal funds reflected in this section are from a variety of sources.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$13,639,798	\$1,795,170	\$1,235,684	\$188,160	\$16,858,812	112.5
HB 00-1159	50,000	0	0	0	50,000	0.0
HB 00-1215	68,662	2,597	2,431	0	73,690	0.0
HB 00-1458	(20,908)	(3,379)	(3,811)	0	(28,098)	0.0
SB 00-186	11,769,120	0	0	0	11,769,120	4.0
SB 01-181	<u>4,886</u>	<u>1,735</u>	<u>964</u>	<u>0</u>	<u>7,585</u>	<u>0.0</u>
TOTAL	\$25,511,558	\$1,796,123	\$1,235,268	\$188,160	\$28,731,109	116.5
FY 2001-02 Appropriation:						
SB 01-212	\$25,608,355	\$1,940,926	\$1,281,483	\$195,211	\$29,025,975	116.5
SB 01-98	0	0	586,953	0	586,953	0.0
SB 01-129	<u>0</u>	<u>0</u>	<u>388,000</u>	<u>0</u>	<u>388,000</u>	<u>2.0</u>
TOTAL	\$25,608,355	\$1,940,926	\$2,256,436	\$195,211	\$30,000,928	118.5
Change FY 01-FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$96,797	\$144,803	\$1,021,168	\$7,051	\$1,269,819	2.0
Percentage Change	0.4%	8.1%	82.7%	3.7%	4.4%	1.7%

FTE Detail	FY 2000-01	FY 2001-02
General Department Administration	81.1	83.1
Office of Professional Services	16.0	16.0
Library Programs	<u>19.4</u>	<u>19.4</u>
	116.5	118.5

FTE Changes: The appropriation reflects an increase of 2.0 FTE which were appropriated in S.B. 01-129 for the Department to modify the state data reporting system to perform longitudinal analyses of student assessment results.

General Fund Changes: The net increase in the General Fund appropriation primarily reflects an increase of \$3,933,000 for the Department to implement eight additional student assessments pursuant to S.B. 00-186. The appropriation also reflects the following increases: (1) \$171,000 for salary survey, anniversary increases, and shift differential; (2) \$146,000 for the General Fund share of various administrative costs; and (3) \$63,000 for information technology asset maintenance. Such increases are partially offset by the elimination of \$4,166,000 in one-time funding associated with the development and implementation of the state data reporting system and the production of school report cards, as well as the elimination of \$50,000 in one-time funding for a study of funding for education programs for children with disabilities.

Cash Funds Changes: The net increase in cash funds reflects changes in the share of various administrative costs associated with teacher licensure activities.

Cash Funds Exempt Changes: The cash funds exempt increase is primarily due to appropriations from the State Education Fund made in S.B. 01-98 and S.B. 01-129.

Federal Funds Changes: The increase in federal funds is the result of an increase in the amount of capitol complex leased space charged to federal grants.

Assistance to Public Schools

This section includes all funding that is distributed to public schools or is used to directly support public schools (e.g., federally-funded Department staff that provide technical assistance to districts concerning special education programs). This section is comprised of four subsections:

- Public School Finance - funding for the *state* share of districts' total program funding required under the School Finance Act (local funding is not reflected in appropriations to the Department);
- Categorical Programs - funding for all programs defined as "categorical programs" pursuant to Section 17 of Article IX of the Colorado Constitution;
- Grant Programs and Other Distributions - other funding that is distributed to public schools or is used to directly support public schools; and

- Appropriated Sponsored Programs - federal funds and transfers from other departments that support a variety of programs.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$2,105,266,892	\$10,575,000	\$66,217,063	\$265,480,880	\$2,447,539,835	132.4
HB 00-1042	66,827	0	0	0	66,827	0.0
HB 00-1140	147,767	0	0	0	147,767	0.0
HB 00-1159	500,000	0	8,963,832	0	9,463,832	0.0
HB 00-1173	2,000,000	0	2,000,000	0	4,000,000	0.0
SB 00-49	1,600,000	0	0	0	1,600,000	0.0
SB 00-71	0	0	15,339,874	0	15,339,874	0.0
SB 00-133	2,000,000	0	0	0	2,000,000	0.0
SB 00-181	5,000,000	0	5,000,000	0	10,000,000	0.0
SB 01-129	(5,853,255)	0	5,853,255	0	0	0.0
SB 01-181	1,069,904	0	(3,854,501)	11,374	(2,773,223)	0.0
SB 01-212	<u>(7,965,651)</u>	<u>0</u>	<u>22,674,956</u>	<u>0</u>	<u>14,709,305</u>	<u>0.0</u>
TOTAL	\$2,103,832,484	\$10,575,000	\$122,194,479	\$265,492,254	\$2,502,094,217	132.4
FY 2001-02 Appropriation:						
SB 01-212	\$2,240,207,506	\$11,575,000	\$182,520,670	\$270,787,786	\$2,705,090,962	138.7
SB 01-91	0	0	2,853,075	0	2,853,075	0.0
SB 01-98	0	0	12,630,000	0	12,630,000	0.0
SB 01-129	5,853,255	0	26,157,190	0	32,010,445	0.0
HB 01-1199	0	0	(293,237)	0	(293,237)	0.0
HB 01-1272	0	0	14,095,340	0	14,095,340	0.0
HB 01-1365	<u>0</u>	<u>0</u>	<u>2,800,000</u>	<u>0</u>	<u>2,800,000</u>	<u>0.0</u>
TOTAL	\$2,246,060,761	\$11,575,000	\$240,763,038	\$270,787,786	\$2,769,186,585	138.7

Change FY 01-FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$142,228,277	\$1,000,000	\$118,568,559	\$5,295,532	\$267,092,368	6.3
Percentage Change	6.8%	9.5%	97.0%	2.0%	10.7%	4.8%

FTE Detail	FY 2000-01	FY 2001-02
Various Appropriated Sponsored Programs	85.9	88.3
Special Education for Children with Disabilities	42.9	45.5
English Language Proficiency Program	2.8	2.6
Public School Health Services	0.8	1.3
School Construction Program	<u>0.0</u>	<u>1.0</u>
	132.4	138.7

Public School Finance

This section consists of appropriations for the state share of funding required under the School Finance Act. The local share of funding (about 42 percent of the amount required pursuant to the School Finance Act or \$1.6 billion), is not reflected in appropriations to the Department. For FY 2001-02, 94.0 percent of the state share is funded from the General Fund. Cash funds appropriations reflect anticipated rental income earned on public school lands. Cash funds exempt appropriations consist of federal mineral lease revenues, interest earned on the Public School Fund, spending from reserves in the State Public School Fund, and school district audit recoveries. In addition, FY 2001-02 appropriations include \$70.5 million from the State Education Fund. [For further information concerning the State Education Fund, including a table detailing FY 2001-02 appropriations from the Fund, see Appendix E].

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$1,974,673,211	\$10,000,000	\$63,400,663	\$0	\$2,048,073,874	0.0
FY 2001-02 Appropriation:						
TOTAL	\$2,089,133,493	\$11,000,000	\$121,746,289	\$0	\$2,221,879,782	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$114,460,282	\$1,000,000	\$58,345,626	\$0	\$173,805,908	0.0
Percentage Change	5.8%	10.0%	92.0%	0.0%	8.5%	0.0%

The School Finance Act requires a \$261.7 million (7.3 percent) increase in total funding for FY 2001-02 (including both state and local funding). Of the total increase, \$241.0 million is required to cover a 1.6 percent projected increase in student enrollment and a 5.0 percent increase in the statewide base per pupil funding amount (the latter increase is based on an actual 4.0 percent inflation rate for the Denver-Boulder area for calendar year 2000 plus an additional percent as required by Section 17 of Article IX of the Colorado Constitution). The remainder of the increase is required to cover the cost of the following changes to the School Finance Act pursuant to S.B. 01-129 and S.B. 01-91:

- changes to the size factor, which increase per pupil funding for certain mid-sized school districts (\$7.8 million);
- changes to the at-risk factor, including expanding the definition of "at-risk" to include students with limited proficiency in English (\$6.2 million);
- the implementation of a full-day kindergarten pilot program for students attending poorly performing schools (\$2.8 million);
- an increase in the number of four- and five-year old children that may be served through the Colorado Preschool Program (\$2.7 million); and
- various changes to minimum per pupil funding and the method of calculating funded pupil counts for certain districts (\$1.2 million).

It is anticipated that *local* property and specific ownership tax revenues (which are not reflected in appropriations to the Department) will increase by \$87.8 million (5.7 percent) for FY 2001-02. Appropriations of *state* funds for FY 2001-02 thus reflect an increase of \$173.8 million (8.5 percent) for the state share of funding for districts' total program funding.

General Fund Changes: Of the total increase in state funding, the General Fund share increased by \$114.5 million or 5.8 percent.

Cash Funds Changes: The increase in cash funds reflects an increase in projected rental income earned on state trust lands.

Cash Funds Exempt Changes: The net increase in cash funds exempt includes an appropriation of \$70.5 million from the State Education Fund, partially offset by a \$12.2 million reduction in appropriations from the State Public School Fund.

Categorical Programs

This section includes appropriations for all "categorical programs", a term traditionally used to refer to programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation). Section 17 of Article IX of the Colorado Constitution requires the General Assembly to provide annual increases in state funding for categorical programs. Specifically, the General Assembly must increase total state funding for all categorical programs annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11, and by at least inflation for subsequent fiscal years.

Categorical programs are funded primarily with General Fund and various sources of federal funds. Cash funds exempt sources include funds transferred from other departments, local funds, and spending from reserves in the Colorado Comprehensive Health Education Fund. In addition, FY 2001-02 appropriations include \$7.2 million from the State Education Fund. [For further information concerning the State Education Fund, including a table detailing FY 2001-02 appropriations from the Fund, see Appendix E].

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$118,218,290	\$0	\$6,737,706	\$70,854,775	\$195,810,771	45.7
FY 2001-02 Appropriation:						
TOTAL	\$141,457,268	\$0	\$8,386,097	\$73,380,062	\$223,223,427	48.1
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$23,238,978	\$0	\$1,648,391	\$2,525,287	\$27,412,656	2.4
Percentage Change	19.7%	n/a	24.5%	3.6%	14.0%	5.3%

FTE Changes: The net increase of 2.4 FTE includes an increase of 2.6 federally-funded FTE for special education programs for children with disabilities, partially offset by a decrease of 0.2 federally-funded FTE for the English Language Proficiency Program.

General Fund Changes: The net increase in General Fund primarily reflects the *transfer* of a \$17,793,000 General Fund appropriation for vocational education programs from the Department of Higher Education to this department. Section 17 of Article IX of the Colorado Constitution requires total state funding for all categorical programs to increase annually by at least the rate of inflation plus one percent for FY 2001-02 through FY 2010-11. To consolidate General Fund appropriations related to categorical programs, the FY 2001-02 Long Bill includes a direct General Fund appropriation for vocational education to the Department of Education. To allow the Department of Higher Education to continue administering the program, the Long Bill also includes a corresponding cash funds exempt appropriation to the Department of Higher Education to provide spending authority to receive funds transferred from the Department of Education.

The net increase in General Fund also reflects an increase of \$5,853,000 for public school transportation to replace a one-time appropriation from the State Public School Fund for FY 2000-01 pursuant to S.B. 01-129. Such increases are partially offset by: (a) a decrease of \$300,000 for the Comprehensive Health Education program, which is instead funded from reserves in the Colorado Comprehensive Health Education Fund; and (b) a decrease of \$107,000 in the amount estimated to be required to fully fund small attendance center aid for eligible districts.

Cash Funds Exempt Changes: The net increase in cash funds exempt primarily reflects appropriations from the State Education Fund totaling \$7,215,000 for the purpose of providing the inflationary increases required by Section 17 of Article IX of the Colorado Constitution. The appropriation also reflects an increase of \$300,000 in the cash funds exempt share of funding for the Comprehensive Health Education program. Such increases are partially offset by the elimination of a \$5,853,000 appropriation from the State Public School Fund for public school transportation for FY 2000-01 pursuant to S.B. 01-129.

Federal Funds Changes: The appropriation reflects an increase of \$2,525,000 federal funds anticipated to be available, including \$2,377,000 for special education programs for children with disabilities and \$148,000 for the English Language Proficiency Program.

Grant Programs and Other Distributions

This section includes funding for a variety of state-funded programs. A portion of the cash funds exempt appropriations are duplicative, simply providing the Department with the authority to spend moneys that are appropriated to various cash funds. For example, for FY 2001-02, \$2.0 million General Fund is appropriated to the Teacher Development Fund, and a \$2.0 million cash funds exempt appropriation is also provided to authorize the Department to spend moneys in the Teacher Development Fund to distribute grants to public schools. Other cash funds exempt sources include moneys in the Tobacco Litigation Settlement Cash Fund, federal Medicaid funds appropriated to the Department of Health Care Policy and Financing that are used to reimburse participating school districts for health care services provided to Medicaid-eligible students, and reserves in the State Public School Fund. In addition, FY 2001-02 appropriations include \$42.6 million from the State Education Fund. [For further information concerning the State Education Fund, including a table detailing FY 2001-02 appropriations from the Fund, see Appendix E].

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$10,940,983	\$0	\$49,877,263	\$0	\$60,818,246	0.8
FY 2001-02 Appropriation:						
TOTAL	\$15,470,000	\$0	\$107,915,261	\$0	\$123,385,261	2.3
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$4,529,017	\$0	\$58,037,998	\$0	\$62,567,015	1.5
Percentage Change	41.4%	n/a	116.4%	n/a	102.9%	187.5%

FTE Changes: The increase of 1.5 FTE includes an additional 0.5 FTE to administer the S.B. 97-101 public school health services program, and 1.0 FTE to administer the school construction program originally funded through S.B. 00-181.

General Fund Changes: The net increase in the General Fund includes an increase of \$5,000,000 appropriated to the School Capital Construction Expenditure Reserve pursuant to S.B. 00-181, and \$1,500,000 for the Colorado School Awards Program (as anticipated with the passage of S.B. 00-186). Such increases are partially offset by a decrease of \$1,971,000 for the Contingency Reserve to eliminate one-time funding that was provided to assist the Fort Morgan and Windsor school districts.

Of the amount appropriated from the General Fund, \$5,000,000 is identified as exempt from the six percent limitation on General Fund appropriations as it is a requirement of a final court order in the *Giardino* case.

Cash Funds Exempt Changes: The net increase in cash funds exempt is comprised of the following increases:

- \$14,095,000 from the State Education Fund for the purchase of new textbooks pursuant to H.B. 01-1272;
- \$12,630,000 from the State Education Fund for a new Teacher Pay Incentive Program pursuant to S.B. 01-98;
- \$10,618,000 from the State Education Fund for school capital construction needs, of which, half is to be allocated to certain qualified charter schools, and half is to be made available to school districts through the School Capital Construction Expenditures Reserve (pursuant to S.B. 01-129);
- \$10,309,000 increased spending authority from the School Capital Construction Expenditure Reserve;
- \$2,900,000 from the State Education Fund for school improvement grants pursuant to S.B. 01-129;
- \$2,473,000 from the State Public School Fund to provide the state match for the federal school lunch program pursuant to S.B. 01-129;
- \$1,500,000 increased spending authority from the School Awards Program Fund;
- \$1,400,000 from the State Education Fund for the Science and Technology Center Grant Program established by H.B. 01-1365, plus a like amount of spending authority to distribute the grants;
- \$946,000 from the State Education Fund for a new Summer School Grant Program pursuant to S.B. 01-129;
- \$50,000 from the State Public School Fund for national academic award winners; and,
- \$50,000 from the State Public School Fund for boards of cooperative services pursuant to S.B. 01-129.

The increases described on the previous page are partially offset by a \$306,000 decrease in the amount of federal Medicaid funds anticipated to be spent to reimburse school districts for the public school health services, primarily due to adjustments made through H.B. 01-1199.

Appropriated Sponsored Programs

This section reflects the majority of federal funds available to the Department and the associated federally-funded department staff. This section also provides cash funds spending authority for the Department to receive fees related to conferences, as well as cash funds exempt spending authority for the Department to receive transfers from other agencies. Over 90 percent of the funds reflected in this section are distributed directly to local school districts, eight percent is utilized by the Department to fund state-wide efforts and to provide technical assistance to school districts, and the balance (two percent) is used to cover department administrative costs.

The most significant sources of federal funds currently reflected in this section include:

- Title I of the Elementary and Secondary Education Act -- funding provided to improve education for children at risk of school failure who live in low income communities;
- Title VI of the Improving America's Schools Act of 1994 -- funding provided for schools to assess local education needs, improve the quality of instruction, and enhance student achievement; and
- U.S. Department of Agriculture Food and Nutrition Service -- funding for the National School Lunch Program, which provides for reduced-cost or free lunches to students.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$0	\$575,000	\$2,178,847	\$194,637,479	\$197,391,326	85.9
FY 2001-02 Appropriation:						
TOTAL	\$0	\$575,000	\$2,715,391	\$197,407,724	\$200,698,115	88.3
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$0	\$536,544	\$2,770,245	\$3,306,789	2.4
Percentage Change	n/a	0.0%	24.6%	1.4%	1.7%	2.8%

FTE Changes: The net increase of 2.4 federally-funded FTE is based on anticipated changes in federal grants.

Cash Funds Exempt Changes: The increase in cash funds exempt reflects net increases in anticipated donations, grants, and transfers from other departments for a variety of programs.

Federal Funds Changes: The increase in federal funds reflects a net increase in the total amount of federal funding the Department anticipates receiving for a variety of programs, including \$1.1 million in federal Title VI funds for classroom size reduction.

Library Programs

This section contains appropriations for all library-related programs, with the exception of Department staff who have historically been funded through the consolidated General Department and Program Administration line item (now located in the Management and Administration section). Library programs are primarily funded with General Fund. Cash funds exempt sources include spending authority for the State Grants to Publicly-Supported Libraries Program, transfers from the Colorado Disabled Telephone Users Fund to support privately operated reading services for the blind, and grants and donations.

	GF	CF	CFE	FF	Total	FTE*
FY 2000-01 Appropriation:						
HB 00-1451	\$5,375,196	\$0	\$113,800	\$0	\$5,488,996	0.0
SB 00-85	2,000,000	0	2,000,000	0	4,000,000	0.5
SB 01-181	<u>1,380</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,380</u>	<u>0.0</u>
TOTAL	\$7,376,576	\$0	\$2,113,800	\$0	\$9,490,376	0.5
FY 2001-02 Appropriation:						
SB 01-212	<u>\$7,460,365</u>	<u>\$0</u>	<u>\$2,113,800</u>	<u>\$0</u>	<u>\$9,574,165</u>	<u>0.5</u>
TOTAL	\$7,460,365	\$0	\$2,113,800	\$0	\$9,574,165	0.5
Change FY 01 - FY 02						
Increase/(Decrease)	\$83,789	\$0	\$0	\$0	\$83,789	0.0
Percentage Change	1.1%	n/a	0.0%	n/a	0.9%	0.0%

* Please note that most department staff responsible for library programs (19.4 FTE) are funded in the Management and Administrative section of the Long Bill.

General Fund Changes: The increase in General Fund reflects additional funding provided for the Department's contract with Denver Public Library to provide services and materials to residents statewide.

School for the Deaf and the Blind

This section contains appropriations for the operation of the Colorado School for the Deaf and the Blind (CSDB), located in Colorado Springs. The CSDB provides educational services for children

who are hearing impaired, deaf, visually impaired, or blind. Over the last several years, enrollment at the CSDB has been relatively stable at about 230 students, with about half of the students attending the school during the day only, and the other half residing at the school during the school year.

The primary source of funding for the CSDB is General Fund. However, for each student eligible for funding under the School Finance Act (an estimated 187 students for FY 2000-01)¹, the CSDB receives funding from each student's "home" school district. The amount the CSDB receives for each eligible pupil is equal to the statewide per pupil *operating* revenue, estimated to total about \$5,200 per pupil for FY 2001-02. The Department effects such transfers by withholding funds appropriated for the state share of districts' total program funding that would otherwise be paid to the home school district. This source of funding is reflected in the Long bill as a cash funds exempt transfer from the Assistance to Public Schools section of the Long Bill. In addition, the CSDB receives federal child nutrition funds, which are also reflected as a cash funds exempt transfer. Cash funds consist of fees paid by individuals for workshops and conferences and housing reimbursements.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$6,752,507	\$85,000	\$2,056,876	\$0	\$8,894,383	160.1
HB 00-1458	(30,150)	0	0	0	(30,150)	0.0
SB 01-181	<u>41,889</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>41,889</u>	<u>0.0</u>
TOTAL	\$6,764,246	\$85,000	\$2,056,876	\$0	\$8,906,122	160.1
FY 2001-02 Appropriation:						
SB 01-212	<u>\$7,194,587</u>	<u>\$85,000</u>	<u>\$2,098,449</u>	<u>\$0</u>	<u>\$9,378,036</u>	<u>160.1</u>
TOTAL	\$7,194,587	\$85,000	\$2,098,449	\$0	\$9,378,036	160.1
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$430,341	\$0	\$41,573	\$0	\$471,914	0.0
Percentage Change	6.4%	0.0%	2.0%	n/a	5.3%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Superintendent / Accountants / Administrative	13.8	13.8

¹ CSDB students who are not eligible for funding under the School Finance Act include preschool students and students ages 18 through 21 that participate in a transition program.

FTE Detail	FY 2000-01	FY 2001-02
Teachers / Special Education Technicians / Teacher Aides	82.9	82.9
Counselors / Nurses / Other Specialists	13.4	13.4
Grants	9.1	9.1
Facility Maintenance / Other Operational Support Staff	<u>40.9</u>	<u>40.9</u>
	160.1	160.1

General Fund Changes: The net increase in General Fund includes an additional \$242,000 for salary survey and anniversary increases awarded in FY 2000-01, \$138,000 to offset a reduction in estimated cash funds exempt revenues, and \$84,000 for information technology asset maintenance. Such increases are slightly offset by a decrease of \$34,000 to partially eliminate FY 2000-01 supplemental increases that were provided for utilities expenses.

Cash Funds Exempt Changes: The net increase in cash funds exempt includes an additional \$180,000 in federal grants anticipated to be available to the CSDB, offset by a reduction of \$138,000 due to a decline in the estimated number of pupils for whom the CSDB will receive funding from school districts.

Recent Legislation

2000 Session Bills

H.B. 00-1042: Exempts Purple Heart recipients from paying certain motor vehicle registration fees and specific ownership taxes for special Purple Heart license plates, resulting in a reduction in local specific ownership tax collections that would otherwise be available for school finance.

H.B. 00-1140: Changes the basis for applying specific ownership taxes to certain vehicles, resulting in a reduction in local specific ownership tax collections that would otherwise be available for school finance.

H.B. 00-1159: Makes several changes to the Public School Finance Act of 1994 to provide funding for school districts for FY 2000-01.

H.B. 00-1173: Creates the Teacher Development Grant Program to provide grants to schools for school-based teacher development activities that are focused on improving skills in teaching reading, writing, mathematics, and science.

H.B. 00-1215: Increases the amount of state contributions for employees in group benefit plans in selected areas.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Among other changes, reduces the State's contribution to the Public Employees' Retirement Association (PERA) by 0.5 percent.

S.B. 00-49: Appropriates funds to increase the reimbursement paid to districts for the costs of providing special education services to children with disabilities. States that such amount shall first be distributed to administrative units serving children with disabilities who have no identifiable district of residence.

S.B. 00-71: Adds a number of provisions with respect to the use of Tobacco Litigation Settlement Cash Fund moneys, including creating the Read-to-Achieve Grant Program.

S.B. 00-84: Authorizes, contingent upon voter approval of the referred statutory measure, the Colorado Lottery Commission to enter into multi-state agreements allowing Colorado residents to play multi-state lottery games. Requires that all net lottery proceeds that would otherwise be transferred to the General Fund be instead transferred to the State Public School Fund to provide supplemental assistance to school districts for certain capital expenditures.

S.B. 00-85: Creates a grant program providing state moneys to public, school, and academic libraries for the purchase of educational resources they would otherwise be unable to afford.

S.B. 00-124: Creates the Read-to-Achieve Grant Program (also created in S.B. 00-71) to provide grants to schools to fund intensive reading programs. Adjusts FY 1999-00 appropriations to the Department of Human Services to make funding available to the program for FY 1999-00.

S.B. 00-133: Includes a number of provisions related to school safety, including amending existing provisions concerning services for suspended and expelled students.

S.B. 00-181: Makes legislative findings concerning K-12 capital construction funding, and establishes three methods for providing state assistance to school districts for capital improvements.

S.B. 00-186: Enacts several education reform measures, including: expanding the Colorado Student Assessment Program; requiring the Department of Education to establish a state data reporting system and produce annual school report cards for each public school; and creating a program to provide transportation assistance for eligible students who attend certain low performing schools.

2001 Session Bills

S.B. 01-82: One of three bills adopted that implements a constitutional provision adopted by voters in November 2000. Sets forth funding requirements and defines terms used in Section 17 of Article

IX of the Colorado Constitution. Requires each school district to include in its accreditation contract with the State Board a plan for the use of additional revenues received pursuant to the new constitutional provision.

S.B. 01-91: Authorizes the State Board of Education to establish a full-day kindergarten educational pilot program to serve those students who attend a school that received an academic performance grade of "F" for the previous school year. Authorizes school districts to count children participating in the newly established full-day kindergarten program as full-day (rather than half-day) pupils, and appropriates \$2,853,075 from the State Education Fund to the Department for FY 2001-02 for the first year of the full-day kindergarten program.

S.B. 01-98: *Accreditation/ Report Cards.* Makes changes to statutory provisions concerning school improvement plans and educational accreditation. Changes statutory terminology concerning school report cards (renamed "accountability reports"), makes a number of changes to the content and format of the accountability reports, and extends the date for delivery of the accountability reports from August 15 to September 15. Appropriates \$50,000 from the State Education Fund to the Department for FY 2001-02 to reconfigure the school accountability reports to accommodate two new items. Makes changes to the method used to calculate schools' academic ratings, and appropriates \$25,000 from the State Education Fund to the Department for FY 2001-02 to include non-English scores in school ratings for one year.

Assessments. Requires the Department to review and update all statewide assessments, including non-English assessments, as necessary to maintain the integrity of the assessments and appropriates \$411,953 from the State Education Fund to the Department for FY 2001-02 to review and update existing Spanish assessments. Directs the Department to conduct a study regarding student assessments administered to students whose dominant language is not English, and to contract for a study of the use of the American College Test (ACT). Appropriates a total of \$100,000 from the State Education Fund to the Department for FY 2001-02, including \$50,000 for each study.

Teacher Pay Incentive Program. Establishes a teacher pay incentive pilot program to assist poorly-performing school districts in recruiting and maintaining quality teachers. Appropriates \$12,630,000 from the State Education Fund to the Department for FY 2001-02 for the purpose of implementing the program.

Teacher Loan Forgiveness Program. Authorizes the Colorado Commission on Higher Education (CCHE) to develop and maintain a teacher loan forgiveness pilot program for the fiscal years 2001-02 through 2007-08 whereby CCHE would provide payment for all or part of the education loans of first-year teachers employed in Colorado public schools or facility schools in the areas of math, science, special education, or linguistically diverse education. Authorizes CCHE to receive gifts, grants, and donations and to expend those private moneys or moneys from the Colorado Student Obligation Bond Authority for the program.

S.B. 01-129: Amends the Public School Finance Act of 1994 to provide funding for school districts for FY 2001-02, making the following changes:

- Increases the statewide *base* per-pupil funding from \$4,001.70 to \$4,202.00 (5.0 percent);
- Increases the minimum per-pupil funding from \$4,824.00 to \$5,100.00 (5.7 percent);
- Makes three changes that affect at-risk funding for school districts, including: (1) permitting the averaging of at-risk counts to mitigate the funding impact of declines in the number of students who qualify as at-risk; (2) expanding the definition of "at-risk pupil" to include students who are not eligible for free lunch, whose dominant language is not English, and whose CSAP scores are not included in calculating a school's performance grade or who took the CSAP in a language other than English; and (3) increasing the at-risk concentration factor for districts with a funded pupil count of greater than 50,000 (i.e., Denver). Requires districts to use any additional at-risk funding received due to the expansion of the definition or increase in the at-risk factor to implement its English Language Proficiency Program;
- Increases the maximum number of children that can participate in the Colorado Preschool Program from 9,050 to 10,050 for FY 2001-02 and budget years thereafter. Reauthorizes the full-day kindergarten component of the preschool program for the 2001-02 budget year and increases the maximum number of children that can participate in the full-day kindergarten component from 500 to 1,000; and
- Specifies how the pupil enrollments of districts involved in a deconsolidation approved by voters at the 2000 general election (i.e., Yuma school districts) are to be determined.

Appropriates an additional \$9,715,118 (including \$846,638 from the State Public School Fund and \$8,868,480 from the State Education Fund), for FY 2001-02 to cover the cost of the above changes.

Other significant provisions included in the bill are summarized below.

Maintenance of Effort. Defines the "maintenance of effort base" for purposes of complying with the General Fund maintenance of effort requirement in Section 17 of Article IX of the Colorado Constitution. States that for FY 2001-02, the General Assembly shall appropriate sufficient General Fund moneys to increase the maintenance of effort base by 5.92% if S.B. 01-119 becomes law, or by 5.80% if S.B. 01-119 does not become law. Adjusts FY 2000-01 appropriations to both the Department of Education and the Department of Human Services in order to make additional General Fund moneys available for the State's FY 2001-02 share of school districts' total program funding. As S.B. 01-119 did not become law, the effective appropriation provides a \$5,853,255 increase in the General Fund appropriation for the state share of districts' total program funding for FY 2001-02, and makes a commensurate decrease in the appropriation from the State Education Fund for such purpose.

Cost of Living Adjustment. Effective July 1, 2001, authorizes districts to submit a ballot question seeking authorization to collect and spend additional property tax revenue to provide a supplemental cost of living adjustment for the district.

Capital Construction Funding. Requires the General Assembly to appropriate State Education Fund moneys for FY 2001-02 and subsequent years for the purpose of assisting qualified charter schools with their capital construction needs. Requires those State Education Fund moneys to be appropriated to the Department, distributed to districts, and allocated to qualified charter schools in amounts equal to 130 percent of the minimum amount of moneys per pupil that a school district must budget as a capital or risk management reserve, multiplied by the number of qualified charter school pupils. Requires that an amount equal to the amount appropriated for capital construction for qualified charter schools be appropriated from the State Education Fund to the School Capital Construction Expenditures Reserve for school districts' capital construction needs. Appropriates a total of \$10,617,922 from the State Education Fund for FY 2001-02 for this purpose (one-half for charter schools and one-half for school districts), and increases the Department's spending authority out of the Reserve accordingly. Directs the State Auditor to review and annually report to the General Assembly on the amount of State Education Fund moneys spent on school district and charter school capital construction.

Requires a portion of proceeds from bonds issued by a school district pursuant to voter approval obtained on or after July 1, 2001, to be allocated to qualified charter schools within the district. [Please note that the effective date of this provision was delayed by one year to July 1, 2002 pursuant to S.B. 01-237.]

School Improvement Grants. Establishes a two-year grant program for schools that receive an academic performance grade of "F" on the school report card prepared for the 2000-01 school year. Sets grant awards for elementary schools, middle or junior high schools, and high schools, and authorizes an additional award of \$25,000 if a school has made "adequate progress". Appropriates \$2,900,000 from the State Education Fund for FY 2001-02 for the grant program.

School Lunch Program. Requires the General Assembly to make annual appropriations for the required state match for the federal National School Lunch Act and directs the Department to develop procedures to allocate those state moneys among participating school districts. Appropriates \$2,472,644 from the State Public School Fund for this purpose.

Summer School Grants. Creates the Summer School Grant Program to provide \$100 per participating student to school districts for the operation of summer school reading programs for certain students in grades three through five. Appropriates \$945,800 from the State Education Fund for FY 2001-02 for the grant program.

State Data Reporting System. Requires the Department to make the state data reporting system for collecting and reporting performance indicators from each public school capable of performing longitudinal analyses of student assessment results. Appropriates \$388,000 from the State Education Fund and 2.0 FTE for FY 2001-02 for this purpose.

Boards of Cooperative Services (BOCES). Increases from 17 to 22 the maximum number of BOCES that can receive state moneys if approved by the State Board of Education. Appropriates \$50,000 from the State Public School Fund for grants to BOCES.

Contingency Reserve. Specifies that any unexpended moneys remaining in the Contingency Reserve at the end of a fiscal year shall remain in the Contingency Reserve and shall not be transferred to the General Fund or any other fund. Also requires any district's repayment of supplemental assistance made from the Contingency Reserve to be credited to the Contingency Reserve.

Miscellaneous. Modifies provisions concerning existing school improvement plans and independent charter schools. Modifies provisions concerning the amount a school district may retain for services provided to charter schools.

S.B. 01-181: Supplemental appropriation to the Department of Education to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-204: One of three bills adopted that implements a constitutional provision adopted by voters in November 2000 (Section 17 of Article IX of the Colorado Constitution). Requires staff of the Legislative Council to annually provide information concerning: (a) projections of the amount of state moneys required to comply with the funding requirements of the new constitutional provision; (b) projections of the amount of state moneys available from various sources, including the State Education Fund, to comply with constitutional requirements; and (c) the impact of various levels of future appropriations from the General Fund and the State Education Fund on the solvency of the State Education Fund and on the ability of the State to comply with the requirements of the new constitutional provision. Requires the General Assembly to annually certify the amount of moneys in the State Education Fund that should be considered available for appropriation for the following fiscal year by acting on a joint resolution sponsored by the Chair and Vice-Chair of the Joint Budget Committee.

S.B. 01-212: General appropriations act for FY 2001-02. Also contains a supplemental add-on that makes several changes to FY 2000-01 appropriations made to the Department of Education in the FY 2000-01 Long Bill (H.B. 00-1451), as amended by the FY 2000-01 supplemental bill for the Department of Education (S.B. 01-181), as well as making adjustments to the appropriation made in S.B. 00-71 related to the Read-to-Achieve Program. For further information concerning other adjustments made to S.B. 00-71, see the Department of Health Care Policy and Financing section of this report.

H.B. 01-1199: Increases the statewide administrative cap for the provision of Medicaid-reimbursed health services by school districts. Adjusts FY 2001-02 appropriations to the Department of Health Care Policy and Financing and decreases the cash funds exempt transfer to the Department of Education by \$293,237. For more information, see the Department of Health Care Policy and Financing section of this report.

H.B. 01-1262: One of three bills adopted that implements a constitutional provision adopted by voters in November 2000. Creates the State Education Fund in statute and sets forth the procedures that shall be used to calculate and transfer revenues to the Fund.

H.B. 01-1272: Requires school districts to increase the amount budgeted for instructional supplies and materials for FY 2001-02 by \$20 times the district's October 1, 2001 funded pupil count. Similarly, requires school districts to increase the amount budgeted for instructional materials and supplies for FY 2002-03 by \$21 times the district's October 1, 2002 funded pupil count. Provides that each district shall receive additional moneys for each of the next two fiscal years commensurate with the additional amounts it is required to budget, and requires each district to spend such moneys to purchase new textbooks. Appropriates \$14,095,340 from the State Education Fund for FY 2001-02 for districts' textbook purchases.

H.B. 01-1365: Creates the Science and Technology Education Center Grant Program to provide start-up and operating moneys to nonprofit centers that provide science and technology education activities, materials, and educational workshops for public school students and their teachers. Appropriates \$1,400,000 from the State Education Fund to the newly created Science and Technology Education Fund for FY 2001-02, and authorizes the Department to spend a like amount from such fund to implement the grant program.

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING

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 Innovation and Technology.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$7,590,261	\$7,697,820	\$20,006,450	\$20,428,241
Cash Fund	98,068	103,012	194,420	270,820
Cash Funds Exempt	1,206,340	1,267,295	2,114,636	1,740,837
Federal Funds	<u>22,152,866</u>	<u>22,152,322</u>	<u>14,443,555</u>	<u>22,109,529</u>
Total Funds	\$31,047,535	\$31,220,449	\$36,759,061	\$44,549,427
Full Time Equiv. Staff	98.1	102.4	124.4	126.5

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- The direct appropriation of numerous economic development programs that were previously appropriated in the Department of Local Affairs and were transferred to the Governor's Office of Economic Development;
- A reduction of \$500,000 in cash funds exempt spending authority in the Office of Economic Development representing the elimination of spending authority for the Defense Conversion and Retention Council;
- An increase of 0.7 FTE in the Office of Innovation and Technology and 0.7 FTE in the Lieutenant Governor's Office to support the Commission of Indian Affairs; and
- An increase of \$274,000, including \$223,000 General Fund, for personal services increases, based on salary survey and anniversary increases awarded in FY 2000-01. This amount is net of a decrease of \$91,000, including \$73,000 General Fund, for a 1.5 percent personal services reduction.

General Factors Driving the Budget

Funding for this office consists of 45.9 percent General Fund, 0.6 percent cash funds, 3.9 percent cash funds exempt, and 49.6 percent federal funds. One of the most important factors driving the budget is reviewed below.

Federal Funds

Federally-funded programs comprised 50 percent of the Office's budget in FY 2000-01. These programs generally have no state match and funding is provided at the discretion of federal authorities. Historically, federal funding has fluctuated significantly and has included a wide variety of programs, ranging from job training to energy conservation.

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$20,006,450	\$194,420	\$2,114,636	\$14,443,555	\$36,759,061	124.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	3,028,453	90,000	119,754	13,405,037	16,643,244	39.0
Office of the Lieutenant Governor	252,861	0	1,500	0	254,361	4.8
Office of State Planning and Budgeting	0	0	1,230,845	0	1,230,845	19.5
Economic Development Programs	15,485,659	104,420	762,537	1,038,518	17,391,134	46.3
Office of Innovation and Technology	1,239,477	0	0	0	1,239,477	14.8
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	8,025,824	194,420	1,964,490	14,442,820	24,627,554	114.2
HB 00-1215	8,757	0	9,008	735	18,500	0.0
HB 00-1224	6,097,190	0	145,413	0	6,242,603	3.3
HB 00-1458	(12,183)	0	(5,014)	0	(17,197)	0.0
SB 00-219	5,869,379	0	0	0	5,869,379	7.0

	GF	CF	CFE	FF	Total	FTE
SB 01-182	17,483	0	739	0	18,222	(0.1)
FY 2001-02 Total Appropriation:	\$20,428,241	\$270,820	\$1,740,837	\$22,109,529	\$44,549,427	126.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	3,213,860	92,232	222,574	21,024,600	24,553,266	39.0
Office of the Lieutenant Governor	277,588	0	1,500	0	279,088	5.5
Office of State Planning and Budgeting	0	0	1,281,130	0	1,281,130	19.5
Office of Economic Development	15,593,353	178,588	235,633	1,084,929	17,092,503	47.0
Office of Innovation and Technology	1,343,440	0	0	0	1,343,440	15.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	20,428,241	184,420	1,740,837	22,109,529	44,463,027	125.5
HB 01-1097	0	86,400	0	0	86,400	1.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$421,791	\$76,400	(\$373,799)	\$7,665,974	\$7,790,366	2.1
Percentage Change	2.1%	39.3%	-17.7%	53.1%	21.2%	1.7%

Detail of Appropriation by Administrative Section

Office of the Governor

As the chief executive of the State, the Governor is responsible for the overall operation of the executive branch of government. This office provides for coordination, direction, and planning of agency operations; maintains liaison with local governments and the federal government; and exercises the executive powers of the State. The cash funds are from the Mansion Activity Fund. The cash funds exempt funding is primarily from indirect cost recoveries. The federal funds represent grants received, or estimated to be received, by the Governor's Office for the Office of Energy Conservation, the School-to-Career program, the Head start Program, the Workforce Coordinating Council, and other initiatives.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$3,018,989	\$90,000	\$110,746	\$13,404,302	\$16,624,037	39.0
HB 00-1215	8,757	0	9,008	735	18,500	0.0
HB 00-1458	(4,609)	0	0	0	(4,609)	0.0
SB 01-182	<u>5,316</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,316</u>	<u>0.0</u>
TOTAL	\$3,028,453	\$90,000	\$119,754	\$13,405,037	\$16,643,244	39.0
FY 2001-02 Appropriation:						
SB 01-212	\$3,213,860	\$90,000	\$222,574	\$21,024,600	\$24,551,034	39.0
HB 01-1097	<u>0</u>	<u>2,232</u>	<u>0</u>	<u>0</u>	<u>2,232</u>	<u>0.0</u>
TOTAL	\$3,213,860	\$92,232	\$222,574	\$21,024,600	\$24,553,266	39.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$185,407	\$2,232	\$102,820	\$7,619,563	\$7,910,022	0.0
Percentage Change	6.1%	2.5%	85.9%	56.8%	47.5%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Governor	1.0	1.0
Chief of Staff/Deputy Chief of Staff	2.0	2.0
Program Directors	10.0	9.0
Policy/Program Staff	7.5	7.5
Accounting Staff	2.0	2.0
Staff Assistants/Support Staff	14.5	14.5
Domestics	<u>2.0</u>	<u>3.0</u>
	39.0	39.0

General Fund Changes: The General Fund increase is primarily due to salary survey and anniversary increases of \$120,000 awarded in FY 2000-01, increases in payments to risk management, and an increase in rates for capitol complex leased space and legal services. These increases are partially offset by a 1.5 percent reduction to the personal services base and a 0.5 percent reduction in the State's PERA contribution rate.

Cash Funds Changes: The cash funds increase is due to an appropriation for legal services as a result of H.B. 01-1097 (Certified Capital Companies).

Cash Funds Exempt Changes: The cash funds exempt increase is primarily due to increases in personal services expenses funded with departmental indirect cost recoveries.

Federal Funds Changes: The federal funds increase reflects estimated receipts from various federal sources. The increased estimates are intended to better reflect the actual history of federal funds received by the Office.

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 also serves as chairperson on the Colorado Commission of Indian Affairs.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$244,657	\$0	\$1,500	\$0	\$246,157	4.5
HB 00-1458	(476)	0	0	0	(476)	0.0
SB 01-182	<u>8,680</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,680</u>	<u>0.3</u>
TOTAL	\$252,861	\$0	\$1,500	\$0	\$254,361	4.8
FY 2001-02 Appropriation:						
SB 01-212	<u>\$277,588</u>	<u>\$0</u>	<u>\$1,500</u>	<u>\$0</u>	<u>\$279,088</u>	<u>5.5</u>
TOTAL	\$277,588	\$0	\$1,500	\$0	\$279,088	5.5
Change FY 01 - FY 02						
Increase/(Decrease)	\$24,727	\$0	\$0	\$0	\$24,727	0.7
Percentage Change	9.8%	n/a	n/a	n/a	9.7%	14.6%

FTE Detail	FY 2000-01	FY 2001-02
Lieutenant Governor	1.0	1.0
Administration	2.0	2.0
Commission of Indian Affairs	<u>1.8</u>	<u>2.5</u>
	4.8	5.5

FTE Changes: The increase of 0.7 FTE in the Commission of Indian Affairs represents the annualization of a position that was reinstated in FY 2000-01 by S.B. 01-182.

General Fund Changes: The General Fund increase is primarily due to \$19,000 related to the FTE increase, and \$10,000 for salary survey and anniversary increases awarded in FY 2000-01. These amounts are partially offset by a 1.5 percent reduction to the personal services base and a 0.5 percent reduction in the State's PERA contribution rate.

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.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$0	\$1,235,120	\$0	\$1,235,120	19.5
HB 00-1458	0	0	(5,014)	0	(5,014)	0.0
SB 01-182	<u>0</u>	<u>0</u>	<u>739</u>	<u>0</u>	<u>739</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$1,230,845	\$0	\$1,230,845	19.5
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$0</u>	<u>\$1,281,130</u>	<u>\$0</u>	<u>\$1,281,130</u>	<u>19.5</u>
TOTAL	\$0	\$0	\$1,281,130	\$0	\$1,281,130	19.5
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$0	\$50,285	\$0	\$50,285	0.0
Percentage Change	n/a	n/a	4.1%	n/a	4.1%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Director	1.0	1.0
Deputy Director	1.0	1.0
Analysts	12.5	12.5
Economists	2.0	2.0
Financial Manager	1.0	1.0

FTE Detail	FY 2000-01	FY 2001-02
Support Staff	<u>2.0</u>	<u>2.0</u>
	19.5	19.5

Cash Funds Exempt Changes: The cash funds exempt increase is due to salary survey and anniversary increases awarded in FY 2000-01, partially offset by a 1.5 percent reduction to the personal services base and a 0.5 percent reduction in the State's PERA contribution rate.

Economic Development Programs

The Governor's 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, job training/retraining, and Colorado tourism promotion. In the 2000 Session, legislation was enacted to directly appropriate economic development programs to the Governor's Office that were previously appropriated to the Department of Local Affairs and the Department of Higher Education.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$3,522,626	\$104,420	\$617,124	\$1,038,518	\$5,282,688	36.4
HB 00-1224	6,097,190	0	145,413	0	6,242,603	3.3
HB 00-1458	(5,133)	0	0	0	(5,133)	0.0
SB 00-219	5,869,379	0	0	0	5,869,379	7.0
SB 01-182	<u>1,597</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,597</u>	<u>(0.4)</u>
TOTAL	\$15,485,659	\$104,420	\$762,537	\$1,038,518	\$17,391,134	46.3
FY 2001-02 Appropriation:						
SB 01-212	\$15,593,353	\$94,420	\$235,633	\$1,084,929	\$17,008,335	46.0
HB 01-1097	<u>0</u>	<u>84,168</u>	<u>0</u>	<u>0</u>	<u>84,168</u>	<u>1.0</u>
TOTAL	\$15,593,353	\$178,588	\$235,633	\$1,084,929	\$17,092,503	47.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$107,694	\$74,168	(\$526,904)	\$46,411	(\$298,631)	0.7
Percentage Change	0.7%	71.0%	-69.1%	4.5%	-1.7%	1.5%

FTE Detail	FY 2000-01	FY 2001-02
Administration	6.0	6.0
Business Development	10.2	10.2
Grand Junction Satellite Office	1.0	1.0
Minority Business Office	3.0	3.0
Small Business Assistance	5.0	5.0
Small Business Development Centers	3.2	3.0
International Trade Office	8.0	8.0
Motion Picture and Television	4.5	4.5
Colorado Welcome Centers	3.3	3.3
Economic Development Commission	<u>2.1</u>	<u>3.0</u>
	46.3	47.0

FTE Changes: The increase of 0.7 FTE is due to an increase of 1.0 FTE to implement H.B. 01-1097, which calls for the Office of Economic Development to administer the Certified Capital Company program. This is partially offset by a reduction of 0.2 FTE to more accurately reflect federally-funded positions in the Small Business Development Centers and a reduction of 0.1 FTE associated with providing economic analyses to the Economic Development Commission.

General Fund Changes: The General Fund increase includes \$113,000 for salary survey and anniversary increases awarded in FY 2000-01, \$20,000 for leased space, \$30,000 for Minority Business Office operating costs, and increases for telecommunications costs. These amounts are partially offset by a 1.5 percent reduction to the personal services base, a 0.5 percent reduction in the State's PERA contribution rate, and a \$43,000 reduction for the Colorado First Customized Job Training program.

Cash Funds Changes: The cash funds increase is due to an appropriation of \$84,000 for implementation of H.B. 01-1097, which calls for the Office of Economic Development to administer the Certified Capital Company program. This is partially offset by a reduction in cash funds spending authority to reflect \$10,000 of unused spending authority in the Business Development Office.

Cash Funds Exempt Changes: The decrease in cash funds exempt spending authority is primarily due to the discontinuance of funding for the Defense Conversion and Retention Council and reduced spending authority in the Business Development Office that was previously included as a mechanism for the Office to access grants from the Economic Development Commission. Since the Economic Development Commission has been transferred from the Department of Local Affairs to the Governor's Office, this duplicate spending authority is no longer necessary.

Federal Funds Changes: The net increase in federal funds reflects anticipated changes in federal grants.

Office of Innovation and Technology

Established by H.B. 99-1372, this office is responsible for oversight of state communications and information systems policy. The Commission on Information Management (IMC), which reviews departmental requests for information systems purchases, was transferred to this Office from the Department of Personnel, effective July 1, 1999.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,239,552	\$0	\$0	\$0	\$1,239,552	14.8
HB 00-1458	(1,965)	0	0	0	(1,965)	0.0
SB 01-182	<u>1,890</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,890</u>	<u>0.0</u>
TOTAL	\$1,239,477	\$0	\$0	\$0	\$1,239,477	14.8
FY 2001-02 Appropriation:						
SB 01-212	<u>\$1,343,440</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,343,440</u>	<u>15.5</u>
TOTAL	\$1,343,440	\$0	\$0	\$0	\$1,343,440	15.5
Change FY 01 - FY 02						
Increase/(Decrease)	\$103,963	\$0	\$0	\$0	\$103,963	0.7
Percentage Change	8.4%	n/a	n/a	n/a	8.4%	4.7%

FTE Detail	FY 2000-01	FY 2001-02
Deputy Director	1.0	1.0
Chief Information Officer	0.3	1.0
Deputy Chief Information Officer	1.0	1.0
Science & Technology Commission Director	1.0	1.0
Controller	0.5	0.5
Project Policy Coordinator	2.0	2.0
Technology & Business Analyst	3.3	3.3
Research & Special Projects	0.7	0.7

FTE Detail	FY 2000-01	FY 2001-02
Program Assistant	1.0	1.0
Staff Assistant	<u>4.0</u>	<u>4.0</u>
	14.8	15.5

FTE Changes: The increase of 0.7 FTE for the Chief Information Officer position represents the annualization of that position which was funded in FY 2000-01.

General Fund Changes: The General Fund increase is primarily due to a \$64,000 increase for the additional 0.7 FTE, \$58,000 for salary survey and anniversary increases awarded in FY 2000-01, and increases for telecommunications costs. These increases are partially offset by a 1.5 percent reduction to the personal services base and a 0.5 percent reduction in the State's PERA contribution rate.

Recent Legislation

2000 Session Bills

H.B. 00-1215: Increases the state contribution for employees enrolled in group benefit plans.

H.B. 00-1224: Creates the Colorado Tourism Office in the Governor's Office and eliminates the Colorado Tourism Board and the Colorado Travel and Tourism Authority in the Department of Local Affairs. Transfers \$6,097,190 General Fund, \$145,413 cash funds exempt, and 3.3 FTE from the Department of Local Affairs to the Governor's Office for this purpose.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Reduces the State's PERA contribution rate by 0.5 percent.

S.B. 00-219: Transfers several economic development programs from the Department of Local Affairs to the Office of Economic Development in the Governor's Office. Transferred \$5,869,379 General Fund and 7.0 FTE for this purpose.

2001 Session Bills

S.B. 01-182: Supplemental appropriation to the Governor's Office to modify the appropriations included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1097: Provides incentives for insurance companies to invest in capital companies (CAPCOs) that are certified by the Office of Economic Development (OED), and are qualified to offer assistance to business enterprises that create jobs in the state. Authorizes OED to establish procedures for making an application to become a certified capital company. Insurance companies that make an investment of certified capital in a CAPCO receive a tax credit against premium taxes owed. The appropriation for the implementation of this program is \$86,400 cash funds and 1.0 FTE. Of that amount, \$2,232 is allocated to the Office of the Governor for the procurement of 40 hours of legal services and \$84,168 and 1.0 FTE is allocated to the Office of Economic Development. The source of the cash funds is the Division of Insurance Cash Fund in the Department of Regulatory Agencies.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

The Department of Health Care Policy and Financing was created by H.B. 93-1317, which restructured state-administered health care and social services. The Department oversees the State's Medicaid program, the Old Age Pension Health and Medical Fund program, the Indigent Care program and the Disproportionate Share Payments to Hospitals program, the Comprehensive Primary and Preventive Care Grant program, the Home Care Allowance and Adult Foster Care programs, statewide poison control services, the Children's Basic Health Plan, and S.B. 97-101 public school Medicaid-funded health care services, in conjunction with the Department of Education.

The Department is responsible for the development and operation of various publicly financed health care programs for eligible Coloradans. Federal matching funds support the majority of functions and programs. These federal funds are largely Medicaid (Title XIX) funds and, to a lesser extent, federal Title XXI funds which support the Children's Basic Health Plan. The Department is comprised of the following divisions: (1) Executive Director's Office; (2) Medical Programs Administration; (3) Medical Services Premiums; (4) Indigent Care Program; (5) Other Medical Services; and (6) Department of Human Services Medicaid-Funded Programs.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$898,356,484	\$956,734,733	\$1,011,728,217	\$1,092,787,126
General Fund Exempt	1,999,392	1,737,441	0	0
Cash Fund	10,222,336	9,465,785	10,715,709	10,717,259
Cash Funds Exempt	54,457,999	91,823,461	142,934,694	138,516,535
Federal Funds	<u>970,984,189</u>	<u>1,047,585,339</u>	<u>1,127,439,250</u>	<u>1,206,898,272</u>
Total Funds	\$1,936,020,400	\$2,107,346,759	\$2,292,817,870	\$2,448,919,192
Full Time Equiv. Staff	151.0	162.4	167.7	180.1

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- An increase of 8.4 FTE to address staffing shortfalls within the Department and an increase of 4.2 associated with special legislation, including 3.0 FTE appropriated in H.B. 01-1161 (Eligibility) and 1.0 FTE appropriated in S.B. 01-78 (Nursing Facility Quality).

□ An increase of \$130.2 million (\$65.7 million General Fund) for Medicaid Services Premiums (Medicaid). This increase is comprised of a base increase of approximately \$124.6 million (\$62.8 million General Fund), including caseload and utilization changes for the current program, Long Bill initiatives which carry a net impact of \$5.8 million (\$3.0 million General Fund), plus special legislation resulting in a net reduction of \$0.3 million. Some of the initiatives are described below.

- ✓ An increase of \$15.8 million (\$7.9 million General Fund) for base reimbursement increases for various community long-term care providers, including home health, home and community based services, and alternative care facilities. These increases correspond to the recommendations of the "Footnote 50a" Task Force, an effort that resulted from the directives provided for in Footnote 50a in the FY 2000-01 Long Bill.
- ✓ An increase of \$10.4 million (\$5.2 million General Fund) associated with services for clients eligible for Medicaid under the *Tatum* lawsuit settlement.
- ✓ A reduction in Medical Services Premiums of \$4.8 million (\$2.4 million General Fund) for the so-called "Pre-Component 1" Disproportionate Share Payments to Hospitals Program. These funds are transferred out of Medical Services Premiums and into the Indigent Care Program so that the funds can be discretely tracked under the federal cap for this program.
- ✓ An increase of \$0.28 million (\$0.14 million General Fund) associated with H.B. 01-1282 (Dental Hygienists), which reflects the anticipated utilization increase for Medicaid dental clients and an increase of \$0.2 million (\$0.1 million General Fund) associated with S.B. 01-164 (Dental Loans), which also reflects anticipated dental utilization increases.

The Medical Services Premiums (Medicaid) appropriation also contains offsetting reductions comprised of the following:

- ✓ \$7.5 million (\$3.7 million General Fund) associated with the elimination of the outpatient facility fee currently paid to hospitals. This payment is currently already made to physicians in the Medicaid program and is reduced from the outpatient hospital budget.
- ✓ \$4.0 million (\$2.0 million General Fund) associated with adjustments to the pharmaceutical budget.
- ✓ \$2.6 million (\$1.3 million General Fund) associated with corrections to the methodology by which disabled clients are made eligible for Medicaid. This

correction, including reevaluations of current disabled clients, is anticipated to result in a caseload reduction of 261 disabled clients.

- ✓ \$1.9 million (\$0.9 million General Fund) associated with enhancing estate recoveries. The estate recovery program was established by H.B. 912S-1030 and recovers state expenditures from the estates of persons 55 and over who were institutionalized in nursing facilities and whose cost of care was paid by Medicaid.
- ✓ \$0.6 million (\$0.3 million General Fund) associated with changes in managed care enrollment changes, pursuant to H.B. 01-1343 and \$0.2 million (\$0.1 million General Fund) associated with adjustments made in S.B. 01-78. The S.B. 01-78 adjustments correspond to increases associated with the cost of nursing facility quality assurance oversight functions statewide.

Joint Budget Committee common policy for FY 2001-02 resulted in the following changes to the Department's budget:

- ❑ An increase of \$59,065, including \$29,756 General Fund, for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. The total FY 2001-02 appropriation for salary survey and anniversary increases is \$640,373, including \$321,036 General Fund, reflecting a 10.2 percent increase over the FY 2000-01 base.
- ❑ A \$96,979 increase, including \$45,417 General Fund, to annualize anniversary increases awarded in FY 2000-01.
- ❑ A decrease of \$157,444, including \$71,408 General Fund, for a 1.5 percent personal services reduction.

General Factors Driving the Budget

Funding for this department consists of 44.6 percent General Fund, 0.4 percent cash funds, 5.7 percent cash funds exempt, and 49.3 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Medical Services Premiums

Medical Services Premiums is the division reflecting funding health care services for qualifying low-income eligibles. Services include acute care (such as physician and hospital visits) as well as long-term care (such as nursing facility and community long-term care alternatives). Total costs are a function of caseload and the respective cost-per-client. Recent budget increases are primarily in the area of community long-term care, nursing facilities, pharmaceuticals, and HMOs.

	FY 97-98 ^{1/}	FY 98-99	FY 99-00	FY 00-01	FY 01-02
Total Expenditure	\$1,128,636,024	\$1,197,781,592	\$1,324,660,367	\$1,425,006,515	\$1,555,222,982
Annual Change	N/A	6.1%	10.6%	7.6%	9.1%
Caseload	259,776	259,031	273,724	295,345	304,508
Annual Change	N/A	-0.3%	5.7%	7.9%	3.1%
Cost-per-Client	\$4,344.65	\$4,624.09	\$4,839.40	\$4,824.89	\$5,107.33
Annual Change	N/A	6.4%	4.7%	-0.3%	5.9%

^{1/} Includes \$40 million in mental health capitation expenditures. Please note, for FY 1998-99, \$50.4 million of such funding was moved to the Department of Human Services Medicaid-Funded Programs. In addition, in FY 1999-00, net funding of \$13.4 million for anti-psychotics was moved out of this division into the Department of Human Services Medicaid-Funded Programs division.

Disproportionate Share

The State makes payments to Disproportionate Share (DSH) hospitals to help offset the uncompensated cost of providing services to uninsured patients for hospitals serving a disproportionate share of low-income clients. Since FY 1991-92, the State has appropriated over \$1.8 billion to hospital providers and received almost \$1.0 billion in General Fund revenue from intergovernmental transfers associated with such payments from DSH providers. In turn, these providers have received a net benefit of over \$638.5 million through this and other financing mechanisms. In recent years, a new financing methodology referred to as "certification" has been utilized. Under this methodology, state funding for public DSH hospitals is appropriated instead as cash funds exempt (*public funds certified as representing expenditures incurred by hospitals which are eligible for federal funds*), in lieu of General Fund. Certification was used gradually at first, with this program's need for new General Fund absorbed with certified funds. Beginning with the FY 1999-00 appropriation, the State has utilized the certification methodology to the greatest extent deemed possible, resulting in a General Fund appropriation savings of \$45 million under the six percent General Fund spending limit. This funding methodology also commensurately lowered the intergovernmental transfer revenues to the General Fund by approximately \$65 million. The FY 2000-01 and FY 2001-02 appropriations further utilized the certification methodology, based on newfound approval from the federal government, and lowered the General Fund appropriation by an additional \$5.6 million. This action also drove a corresponding General Fund intergovernmental transfer revenue reduction to the State of the same amount.

	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02
Total Expenditure	\$148,448,874	\$189,603,909	\$122,418,353	\$173,491,255	\$146,492,387
General Fund	\$54,077,647	\$54,626,726	\$9,058,321	\$4,664,501	\$3,922,217
Other Funds (CFE/FF)	\$94,371,227	\$134,977,183	\$113,360,032	\$168,826,754	\$142,570,170

	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02
Revenues to the General Fund	\$72,880,717	\$72,880,717	\$7,296,636	\$0	\$0
Net Benefit to State	\$18,544,825	\$18,544,825	(\$1,761,685)	(\$4,664,501)	(\$3,922,217)
Net Benefit to Hospitals	\$55,781,549	\$75,212,113	\$63,090,353	\$91,057,271	\$77,168,410

Children's Basic Health Plan

The Children's Basic Health Plan provides health care insurance to uninsured children from families at or below 185 percent of the federal poverty level (\$32,653 for a family of four). A 65 percent federal match is available up to \$46.9 million per year. Estimates vary on the number of eligible children; however, estimates of approximately 70,000 eligible children are most commonly cited. Participating families between 151 and 185 percent of poverty are assessed an annual premium of \$25 for one child and \$35 for two or more children. Families with incomes under 151 percent of poverty are not assessed the annual premium. No asset test is applied to this population. Administrative costs for the program are limited to no greater than 10 percent.

	FY 97-98	FY 98-99 ^{1/}	FY 99-00	FY 00-01	FY 01-02
Total Expenditure ^{2/}	\$1,489,987	\$16,052,770	\$23,174,266	\$45,526,585	\$47,098,508
General Fund	1,489,987	4,854,222	8,603,720	8,603,720	8,603,720
Annual Base Health Care Cost Per Child ^{3/}	N/A	\$63.54	\$67.86	\$72.26	\$72.26
Number of Children	N/A	16,000	23,015	29,743	40,688

- ^{1/} Of this sum, 12,825 represent Child Health Plan Plus children and the remainder represent Child Health Plan clients. The Child Health Plan was the predecessor to the Child Health Plan Plus; it provided primary care only.
- ^{2/} Does not include the double-count of expenditures from the Children's Basic Health Plan Trust.
- ^{3/} Not including a dental benefit. In FY 2001-02, the total expenditure reflects the addition of \$4.1 million for the provision of a dental benefit beginning in October 2001.

Department of Human Services Medicaid-Funded Programs

Many programs in the Department of Human Services are funded with Medicaid dollars. The General Fund contained in the Medicaid dollars is appropriated in this division, matched with anticipated federal funds, and transferred to the Department of Human Services as Medicaid *cash funds exempt*. Thus, two dollars of Medicaid cash funds exempt shown in another department, such as the Department of Human Services, contains a dollar originally appropriated as General Fund in the Department of Health Care Policy and Financing. In order to reflect the true statewide General Fund impact, the term "net General Fund" is used to describe the Medicaid used in the "receiving"

Departments. The expenditures reflect the General Fund and federal fund amounts transferred to the Department of Human Services on behalf of its Medicaid-funded programs.

	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02
Expenditures	\$300,395,428	\$407,662,741	\$452,507,481	\$481,122,556	\$512,676,393
Percent Increase	N/A	26.3%	9.9%	5.9%	6.2%

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$1,011,728,217	\$10,715,709	\$142,934,694	\$1,127,439,250	\$2,292,817,870	167.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director	2,161,585	93,136	99,242	2,626,556	4,980,519	35.5
Medical Programs Administration	13,182,976	496,867	12,844	24,743,713	38,436,400	129.2
Medical Services Premiums	709,193,479	9,853,133	0	705,959,903	1,425,006,515	0.0
Indigent Care Program	29,030,496	252,832	133,087,019	141,550,193	303,920,540	3.0
Other Medical Services	18,629,976	0	9,735,589	10,985,775	39,351,340	0.0
Department of Human Services Medicaid-Funded Programs	239,529,705	19,741	0	241,573,110	481,122,556	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	994,878,429	11,846,943	102,410,275	1,084,713,766	2,193,849,413	165.7
HB 00-1076	171,000	0	0	0	171,000	0.0
HB 00-1215	12,325	0	0	13,630	25,955	0.0
HB 00-1458	(22,510)	0	0	(25,069)	(47,579)	0.0
HB 00-1475	200,000	0	0	200,000	400,000	0.0
SB 00-20	18,019	0	0	18,020	36,039	0.0
SB 00-71	132,357	0	14,601,962	3,367,418	18,101,737	2.0

	GF	CF	CFE	FF	Total	FTE
SB 00-223	0	0	60,000	0	60,000	0.0
SB 01-183	4,873,966	(1,131,234)	20,451,333	26,638,706	50,832,771	0.0
SB 01-212	11,464,631	0	5,411,124	12,512,779	29,388,534	0.0
FY 2001-02 Total Appropriation:	\$1,092,787,126	\$10,717,259	\$138,516,535	\$1,206,898,272	\$2,448,919,192	180.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director	2,478,801	95,984	34,263	2,996,457	5,605,505	37.1
Medical Programs Administration	15,053,240	521,867	2,141,694	30,158,920	47,875,721	140.0
Medical Services Premiums	774,901,434	9,853,133	0	770,468,415	1,555,222,982	0.0
Indigent Care Program	25,857,334	246,275	126,589,288	135,336,574	288,029,471	3.0
Other Medical Services	19,053,010	0	9,751,290	10,704,820	39,509,120	0.0
Department of Human Services Medicaid-Funded Programs	255,443,307	0	0	257,233,086	512,676,393	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	1,092,971,799	10,692,259	138,497,354	1,206,706,328	2,448,867,740	175.9
SB 01-78	(36,043)	25,000	0	(36,043)	(47,086)	1.0
SB 01-164	96,551	0	(103,107)	277,367	270,811	0.0
HB 01-1161	0	0	48,850	52,498	101,348	3.0
HB 01-1199	0	0	0	0	0	0.2
HB 01-1271	0	0	80,000	129,400	209,400	0.0
HB 01-1282	146,117	0	0	159,808	305,925	0.0
HB 01-1331	0	0	(6,562)	(12,188)	(18,750)	0.0
HB 01-1343	(293,800)	0	0	(281,400)	(575,200)	0.0
HB 01-1357	(97,498)	0	0	(97,498)	(194,996)	0.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$81,058,909	\$1,550	(\$4,418,159)	\$79,459,022	\$156,101,322	12.4
Percentage Change	8.0%	0.0%	-3.1%	7.0%	6.8%	7.4%

Detail of Appropriation by Administrative Section

Executive Director's Office

The appropriation for the Executive Director's Office includes the following four areas: the Executive Director's Office, the Office of Legislative Affairs, the Office of Program Development, and the Budget Office. The Office of Program Development is responsible for program analysis and evaluation, implementation of statutory statewide health care policy initiatives, and the administration of the Children's Basic Health Plan. The Executive Director's Office also contains the appropriation for the Colorado Benefits Management System (CBMS) staff.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,950,921	\$93,136	\$0	\$2,824,031	\$4,868,088	33.5
HB 00-1215	12,325	0	0	13,630	25,955	0.0
HB 00-1458	(6,564)	0	0	(7,518)	(14,082)	0.0
SB 00-71	0	0	99,242	0	99,242	2.0
SB 01-183	<u>204,903</u>	<u>0</u>	<u>0</u>	<u>(203,587)</u>	<u>1,316</u>	<u>0.0</u>
TOTAL	\$2,161,585	\$93,136	\$99,242	\$2,626,556	\$4,980,519	35.5
FY 2001-02 Appropriation:						
SB 01-212	<u>\$2,478,801</u>	<u>\$95,984</u>	<u>\$34,263</u>	<u>\$2,996,457</u>	<u>\$5,605,505</u>	<u>37.1</u>
TOTAL	\$2,478,801	\$95,984	\$34,263	\$2,996,457	\$5,605,505	37.1
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$317,216	\$2,848	(\$64,979)	\$369,901	\$624,986	1.6
Percentage Change	14.7%	3.1%	-65.5%	14.1%	12.5%	4.5%

FTE Detail	FY 2000-01	FY 2001-02
Executive Director/Legislative Services	4.6	4.6
Budget/Forecasting	6.0	7.5
Delivery Systems Development	7.4	7.4
Office of Program Development/Other	11.5	11.6

FTE Detail	FY 2000-01	FY 2001-02
Colorado Benefits Management System	<u>6.0</u>	<u>6.0</u>
	35.5	37.1

FTE Changes: The appropriation funds an increase of 1.6 FTE. This increase is comprised of 0.1 FTE associated with annualization of FY 2000-01 increases for Children's Basic Health Plan FTE and an increase of 1.5 FTE budget analysts (2.0 FTE for nine months) in order to address the increasing complexity and workload associated with the Medicaid budget. The 1.5 FTE will annualize to 2.0 FTE in FY 2002-03.

General Fund Changes: The General Fund increase is primarily attributable to an increase of 3,600 hours of legal services added to change the way civil fraud issues are litigated, using the Department of Law in lieu of a contingency based contract, and to address increasing workload. The increase also reflects funding for the 1.6 FTE noted above.

Cash Funds Changes: The slight increase in the cash funds appropriation is associated with an increase in the cost of legal services hours purchased from the Department of Law. The decrease in the cash funds exempt is associated with the application of a federal match for the 2.0 FTE added in S.B. 00-71 and a commensurate adjustment in the cash funds exempt funding.

Federal Funds Changes: The increase in the federal funds reflected is associated with the increase of 3,600 hours of legal services for the department and with other centralized line items funded in this division.

Medical Programs Administration

Medical Programs Administration is responsible for administering the State's Medicaid program, the Old Age Pension Health and Medical Fund program, Home Care Allowance, and Adult Foster Care.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$12,740,819	\$357,804	\$12,844	\$23,759,257	\$36,870,724	129.2
HB 00-1076	171,000	0	0	0	171,000	0.0
HB 00-1458	(15,946)	0	0	(17,551)	(33,497)	0.0
SB 01-183	334,671	139,063	0	1,049,575	1,523,309	0.0
SB 01-212	<u>(47,568)</u>	<u>0</u>	<u>0</u>	<u>(47,568)</u>	<u>(95,136)</u>	<u>0.0</u>
TOTAL	\$13,182,976	\$496,867	\$12,844	\$24,743,713	\$38,436,400	129.2

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$14,966,754	\$496,867	\$2,012,844	\$29,570,336	\$47,046,801	135.8
SB 01-78	73,004	25,000	0	73,004	171,008	1.0
SB 01-164	436	0	0	1,308	1,744	0.0
HB 01-1161	0	0	48,850	52,498	101,348	3.0
HB 01-1199	0	0	0	293,237	293,237	0.2
HB 01-1271	0	0	80,000	129,400	209,400	0.0
HB 01-1282	6,846	0	0	20,537	27,383	0.0
HB 01-1343	<u>6,200</u>	<u>0</u>	<u>0</u>	<u>18,600</u>	<u>24,800</u>	<u>0.0</u>
TOTAL	\$15,053,240	\$521,867	\$2,141,694	\$30,158,920	\$47,875,721	140.0
Change FY 01 - FY 02						
	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$1,870,264	\$25,000	\$2,128,850	\$5,415,207	\$9,439,321	10.8
Percentage Change	14.2%	5.0%	16574.7%	21.9%	24.6%	8.4%

FTE Detail	FY 2000-01	FY 2001-02
Office of Medical Assistance	5.0	5.0
Health Plan Management	33.7	35.5
Health Plan Operations	41.5	46.5
Managed Care	19.0	21.5
Other (Accounting, Information Technology)	<u>30.0</u>	<u>31.5</u>
	129.2	140.0

FTE Changes: The appropriation provides for a net increase of 10.8 FTE. This increase includes 6.8 FTE to address increasingly complex issues of Medicaid fraud, fiscal integrity, eligibility, information system, acute care reimbursement, to provide for the statewide management of pharmaceuticals, and mental health rates, and 1.0 FTE for realigning nursing facility incentive payments to quality outcomes, pursuant to S.B. 01-78. The increase also reflects an additional 3.0 FTE to perform additional Medicaid and Children's Basic Health Plan (CBHP) eligibility determinations at the CBHP contractor level, pursuant to H.B. 01-1161. Of the FTE increase, 6.8 FTE are pro-rated for nine months and will annualize to 9.0 FTE in FY 2002-03.

General Fund Changes: The General Fund increase is primarily attributable to increases of \$0.9 million for the Medicaid Management Information System associated with the implementation of encounter claims processing for Medicaid through this system and other adjustments per the contract. Other increases include \$0.4 million associated with 7.8 FTE of the FTE noted above; \$0.3 million for a transportation broker, associated with an initiative which moves this function out of county departments of social services; \$0.136 million to perform nursing facility appraisals, a function performed every four years, and \$0.16 million for a feasibility study of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) with respect to Medicaid. Offsetting these increases is the elimination of \$200,000 in funding from the General Fund for dental incentives for clinic start-up. The funding is replaced with cash funds exempt from the Children's Basic Health Plan Trust.

Cash Funds Changes: The increase in the cash funds appropriation reflects the expenditure of \$25,000 in Nursing Home Penalty Cash Funds, pursuant to S.B. 01-78 (Nursing Facility Quality).

Cash Funds Exempt Changes: The increase in the cash funds exempt appropriation is primarily associated with \$2.0 million added from the Children's Basic Health Plan Trust for dental network expansion for clinics serving low-income children. The increase also reflects \$48,850 Children's Basic Health Plan Trust Funds associated with H.B. 01-1161 (Eligibility for Children) and \$80,000 in anticipated donations associated with H.B. 01-1271 (Disabled).

Federal Funds Changes: The increase in federal funds reflected is primarily attributable to increases of \$3.5 million for the Medicaid Management Information System and \$0.5 million for the feasibility study of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) for Medicaid. In addition, \$0.29 million is associated with H.B. 01-1199 (Schools) and matching funds for the various administrative line items are reflected, including \$0.3 million for contractual utilization review, \$0.3 million for the transportation broker contract, \$0.16 million for Department of Public Health and Environment Facility Survey and Certification, and \$0.13 million for nursing facility appraisals. Finally, an increase of \$0.12 million is associated with H.B. 01-1271 (Disabled), \$0.07 million is associated with S.B. 01-78 (Nursing Facility Quality), and \$0.09 million is associated with other special legislation.

Medical Services Premiums

This division contains the funding for premiums paid on behalf of the nine eligibility categories of Medicaid clients and the Old Age Pension Health and Medical Fund clients. These 10 eligibility categories and the accompanying caseloads are listed in the Related Data table at the end of this section. The package of services available to most Medicaid clients includes approximately 30 different service categories (e.g., physician, inpatient hospital, health maintenance organization). For FY 2001-02, 136,334 clients will receive services through five health maintenance organizations (HMOs) and 54,724 clients will receive services through the Primary Care Physician (PCP) program.

This division contains \$9,853,133 in cash funds associated with the Old Age Pension Health and Medical Fund program. The remainder of the division's funding is Medicaid. Generally, Medicaid is funded with 50 percent state funds (General Fund) and 50 percent federal funds.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$696,027,547	\$9,853,133	\$0	\$693,987,455	\$1,399,868,135	0.0
HB 00-1475	200,000	0	0	200,000	400,000	0.0
SB 00-20	18,019	0	0	18,020	36,039	0.0
SB 00-71	132,357	0	0	132,356	264,713	0.0
SB 01-212	<u>12,815,556</u>	<u>0</u>	<u>0</u>	<u>11,622,072</u>	<u>24,437,628</u>	<u>0.0</u>
TOTAL	\$709,193,479	\$9,853,133	\$0	\$705,959,903	\$1,425,006,515	0.0
FY 2001-02 Appropriation:						
SB 01-212	\$775,075,095	\$9,853,133	\$0	\$770,642,077	\$1,555,570,305	0.0
SB 01-78	(109,047)	0	0	(109,047)	(218,094)	0.0
SB 01-164	96,115	0	0	96,114	192,229	0.0
HB 01-1282	139,271	0	0	139,271	278,542	0.0
HB 01-1343	<u>(300,000)</u>	<u>0</u>	<u>0</u>	<u>(300,000)</u>	<u>(600,000)</u>	<u>0.0</u>
TOTAL	\$774,901,434	\$9,853,133	\$0	\$770,468,415	\$1,555,222,982	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$65,707,955	\$0	\$0	\$64,508,512	\$130,216,467	0.0
Percentage Change	9.3%	0.0%	N/A	9.1%	9.1%	N/A

The appropriation funds medical services for an estimated 304,508 clients. This caseload estimate represents an increase of 3.1 percent over the FY 2000-01 supplemental caseload estimate.

The FY 2000-01 supplemental caseload level is estimated for a net increase of 13,915 additional clients in the FY 2000-01 supplemental add-on to the 2001 Long Bill. First, the base caseload estimate is adjusted by a reduction of 4,095 adults and children to better reflect the estimate for Transitional Medicaid program. [Last year, the Department had understood that the caseload for this client group had not been included in their caseload base totals and thus the caseload was "recoded" to include them. As the caseload was in fact included in the base, an adjustment to remove the caseload is necessary at this time. Since this is a coding adjustment, there was and is no

accompanying fiscal impact.] This action adjusts the base FY 2000-01 appropriation to 277,335 clients. To this adjusted "starting" base, a net increase of 18,010 clients was added. The 18,010 is comprised of 11,277 in overall caseload growth (4.1 percent) plus 6,733 associated with the settlement of the *Tatum* lawsuit. The net increase of 11,277 clients includes 2,762 adults, 8,630 children, 3,470 non-citizens and other increases, offset by decreases in the caseload forecast for other client groups (e.g., 2,956 in the category of disabled clients, 431 foster care children, 190 Qualified Medicare Beneficiaries/ Special Low-income Medicare Beneficiaries, 159 Old Age Pension Health and Medical Fund - State Only clients, and 40 Old Age Pension - B clients). The FY 2000-01 appropriation also includes the addition of 6,733 clients, consisting of adults (2,861) and children (3,872) associated with the settlement of the *Tatum* lawsuit, whereby clients had inadvertently been made ineligible for Medicaid due to a computer error. This increase is in addition to the overall caseload increases of 11,277 described above.

The caseload forecast for FY 2001-02 anticipates the following: continued significant growth in the category of non-citizen clients at 22.3 percent, growth of 7.0 percent for qualified Medicare beneficiaries and special low-income Medicare beneficiaries, growth of 6.8 percent for the category of foster care children and growth of approximately 3.2 percent for categorically eligible low-income children and Baby Care program children - the result of continued outreach efforts in the non-Medicaid Children's Basic Health Plan, including the requirement that children applying for the Children's Basic Health Plan first be screened for Medicaid eligibility. Finally, the forecast projects continuing but stable levels of growth for the Old Age Pension - A (OAP-A, eligible clients 65 and older) and Old Age Pension - B (OAP-B, disabled clients between the ages of 60 and 65) populations at 1.5 percent and 3.1 percent, respectively.

The appropriation provides for an increase of \$130.2 million (\$65.7 million General Fund) for Medicaid Services Premiums. This increase is comprised of a base increase of approximately \$124.6 million (\$62.8 million General Fund), including caseload and utilization changes for the current program, Long Bill initiatives which carry a net impact of \$5.8 million (\$3.0 million General Fund), plus special legislation resulting in a net reduction of \$0.3 million. The initiatives are described below.

The increases and transfers to the base noted above are comprised of the following:

- ✓ An increase of \$15.8 million (\$7.9 million General Fund) for base reimbursement increases for various community long-term care providers, including home health, home and community based services, and alternative care facilities. This includes a 1.0 percent increase and \$36,793 for adult day services; \$5 million for a 12.5 percent increase for alternative care facilities; \$8.8 million for an 11.6 percent increase for personal care/homemaker services; \$1.4 million for home health service increases of 1.0 to 3.0 percent in various areas, plus \$0.45 million for the corresponding HMO impact; and, \$0.15 million for private duty nursing increases of 1.0 percent. These increases correspond to the recommendations of the "Footnote 50a" Task Force, an effort that resulted from the directives provided for in Footnote 50a in the FY 2000-01 Long Bill.

- ✓ An increase of \$10.4 million (\$5.2 million General Fund) associated with services for clients eligible for Medicaid under the *Tatum* lawsuit settlement. This funding provides medical services for an estimated 5,237 clients, including 1,309 adults and 3,928 children for FY 2001-02.
- ✓ An increase of \$0.12 million (\$0.06 million General Fund) for air ambulance base reimbursement increases to provide base reimbursement increases to ensure a rate equal to 80 percent of Medicare reimbursement [Medicare reimburses at 53 percent of cost].
- ✓ A reduction in Medical Services Premiums of \$4.8 million (\$2.4 million General Fund) for the so-called "Pre-Component 1" Disproportionate Share Payments to Hospitals Program. These funds are transferred out of this division and into the Indigent Care Program so that the funds can be discretely tracked under the federal cap for this program.
- ✓ An increase of \$0.241 million (\$0.120 million General Fund) associated with the transfer of the Children's Medical Waiver. This program was previously funded in the Department of Human Services, Community Programs for Persons with Developmental Disabilities.
- ✓ An increase of \$0.28 million (\$0.14 million General Fund) associated with H.B. 01-1282 (Dental Hygienists), which reflects the anticipated utilization increase for Medicaid dental clients.
- ✓ An increase of \$0.2 million (\$0.1 million General Fund) associated with S.B. 01-164 (Dental Loans), which also reflects anticipated dental utilization increases.
- ✓ An increase of \$29,786 (\$14,893 General Fund) associated with initiatives to refine the long-term care assessment process (\$22,500) and increases of 15.7 percent for the Prenatal Plus program (\$144,520), offset by net savings realized by eliminating the physician-on-site rule (-\$15,786) which required that physical and occupational therapists provide Medicaid services in the presence of a physician.

Together these adjustments (increases and transfers) total \$22.3 million (\$11.1 million General Fund). Offsetting these adjustments are reductions comprised of the following:

- ✓ \$7.5 million (\$3.7 million General Fund) associated with the elimination of the outpatient facility fee currently paid to hospitals. This payment is currently already made to physicians in the Medicaid program and is reduced from the outpatient hospital budget.
- ✓ \$4.0 million (\$2.0 million General Fund) associated with adjustments to the pharmaceutical budget. These adjustments are comprised of the following: \$2.5 million (\$1.3 million General Fund) associated with lowering the reimbursement to pharmacies from average wholesale price minus 10 percent to average wholesale price minus 11 percent, in order to more closely mirror the rates paid in the private sector; \$1.2 million (\$0.6 million General

Fund) associated with increases in the client co-pay (increase of 25 cents to 75 cents for generic drugs and a \$1.00 increase from \$2.00 to \$3.00 for name brands), and, savings of \$0.3 million (\$0.15 million) associated with lowering the dispensing fee paid to pharmacies from \$4.08 to \$4.00, in line with the average that other states pay.

- ✓ \$2.6 million (\$1.3 million General Fund) associated with corrections to the methodology by which disabled clients are made eligible for Medicaid. This correction, including reevaluations of current disabled clients, is anticipated to result in a caseload reduction of 261 disabled clients.
- ✓ \$1.9 million (\$0.9 million General Fund) associated with enhancing estate recoveries. The estate recovery program was established by H.B. 912S-1030 and recovers state expenditures from the estates of persons 55 and over who were institutionalized in nursing facilities and whose cost of care was paid by Medicaid.
- ✓ \$0.6 million (\$0.3 million General Fund) associated with changes in managed care enrollment changes, pursuant to H.B. 01-1343.
- ✓ \$0.2 million (\$0.1 million General Fund) associated with adjustments made in S.B. 01-78. These adjustments correspond to increases associated with the cost of nursing facility quality assurance oversight functions statewide.

Together these reductions to the base total \$16.8 million (\$8.1 million General Fund).

General Fund and Federal Funds Changes: The overall increase in General Fund and federal funds are attributable to the factors noted above, as appropriate.

Related Data	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02
<u>Recipients</u>				
<i>Elderly:</i>				
Old Age Pension - A	34,083	34,292	34,764	35,286
Old Age Pension - B	5,144	5,368	5,452	5,621
Qualified Medicare Beneficiaries	6,997	7,675	8,127	8,696
Old Age Pension - Health and Medical Fund	3,149	3,144	3,361	3,395
<i>Disabled:</i>				
Non-elderly/SSI Disabled Eligibles	49,990	49,938	49,662	49,797
<i>Adults:</i>				
Categorically Eligible Low Income Adults	25,235	26,164	30,531	29,809

Related Data	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02
Baby Care - Adult	5,631	5,776	5,801	5,876
<i>Children:</i>				
Categorically Eligible Low Income Children	110,431	118,428	130,004	134,222
Foster Care	11,391	12,295	12,936	13,816
<i>Other:</i>				
Non-Citizens	<u>6,980</u>	<u>10,644</u>	<u>14,707</u>	<u>17,990</u>
Total Recipients	259,031	273,724	295,345	304,508
<u>Expenditure by Service Area:</u>				
<i>Acute Care:</i>				
Acute Care Costs	\$675,664,266	\$764,108,306	\$821,205,891	\$888,893,937
Supplemental Medicare Insurance and Health Insurance Buy-in	<u>\$30,388,922</u>	<u>\$32,848,138</u>	<u>\$33,931,528</u>	<u>\$34,604,283</u>
Subtotal Acute Care:	\$706,053,188	\$796,956,444	\$855,137,419	\$923,498,220
<i>Long-term Care (LTC):</i>				
Class I Nursing Facilities	\$338,289,841	\$354,006,133	\$365,909,308	\$379,024,143
Class II Nursing Facilities	\$929,656	\$998,613	\$1,061,026	\$1,114,078
Community Based LTC Program for All-Inclusive Care for the Elderly (PACE)	\$5,948,511	\$7,450,185	\$9,134,264	\$11,199,022
Single Entry Point	<u>\$12,029,150</u>	<u>\$13,419,477</u>	<u>\$14,351,398</u>	<u>\$15,517,652</u>
Subtotal LTC:	\$491,728,406	\$527,703,924	\$569,869,096	\$631,724,762
Total Expenditures	\$1,197,781,594	\$1,324,660,368	\$1,425,006,515	\$1,555,222,982
<u>Average Annual Cost per Recipient:</u>				
Acute Care	\$2,725.75	\$2,911.53	\$2,895.38	\$3,032.76
Long-term Care	<u>\$1,898.34</u>	<u>\$1,927.87</u>	<u>\$1,929.50</u>	<u>\$2,074.58</u>
Total	\$4,624.09	\$4,839.40	\$4,824.89	\$5,107.33

Indigent Care Program

This division contains funding for the Colorado Indigent Care Program, the Disproportionate Share Payments to Hospitals Program, the Comprehensive Primary and Preventive Care Grant Program, pursuant to S.B. 00-71, and the Children's Basic Health Plan.

The Indigent Care Program provides a reimbursement to participating hospitals and clinics that serve uninsured or under-insured people through the Medically Indigent program and the Disproportionate Share program. To be eligible for the Medically Indigent program, individuals must have income or assets equal to or lower than 185 percent of the federal poverty level (\$32,653 for a family of four) and may not qualify for assistance from the Medicaid program.

The Comprehensive Primary and Preventive Care Grant Program provides grants to providers that serve a designated medically underserved area or population, up to 185 percent of poverty. This program is funded with S.B. 00-71 tobacco funds.

The Children's Basic Health Plan provides health care insurance to uninsured children from families at or below 185 percent of the federal poverty level (\$32,653 for a family of four). Beginning in October 2001, a dental benefit will be part of the medical care package available to children enrolled in the program.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$19,776,673	\$0	\$75,486,029	\$91,622,970	\$186,885,672	3.0
SB 00-71	0	0	14,502,720	3,235,062	17,737,782	0.0
SB 00-223	0	0	60,000	0	60,000	0.0
SB 01-183	9,179,090	252,832	37,627,146	44,375,795	91,434,863	0.0
SB 01-212	<u>74,733</u>	<u>0</u>	<u>5,411,124</u>	<u>2,316,366</u>	<u>7,802,223</u>	<u>0.0</u>
TOTAL	\$29,030,496	\$252,832	\$133,087,019	\$141,550,193	\$303,920,540	3.0
FY 2001-02 Appropriation:						
SB 01-212	\$25,857,334	\$246,275	\$126,698,957	\$135,168,817	\$287,971,383	3.0
SB 01-164	0	0	(103,107)	179,945	76,838	0.0
HB 01-1331	<u>0</u>	<u>0</u>	<u>(6,562)</u>	<u>(12,188)</u>	<u>(18,750)</u>	<u>0.0</u>
TOTAL	\$25,857,334	\$246,275	\$126,589,288	\$135,336,574	\$288,029,471	3.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$3,173,162)	(\$6,557)	(\$6,497,731)	(\$6,213,619)	(\$15,891,069)	0.0
Percentage Change	-10.9%	-2.6%	-4.9%	-4.4%	-5.2%	0.0%

General Fund Changes: The decrease in the General Fund appropriation is primarily attributable to the refinancing of General Fund contained in various line items. A net total of \$3.2 million is reduced from this division compared to the FY 2000-01 appropriation. [Please note, the FY 2000-01 appropriation was refinanced in order to free up \$5.6 million General Fund in the supplemental add-on to the 2001 Long Bill. The \$5.6 million was replaced with certified cash funds exempt and used to match federal funds in the program in lieu of a General Fund match. The refinancing of the \$5.6 million General Fund also reduces General Fund revenues by a commensurate amount, compared to FY 2000-01 levels.] The overall division General Fund savings includes net savings of \$1.7 million realized by the appropriation to refinance portions of the out-state Indigent Care Program line item (for hospitals) through the use of certified cash funds in lieu of General Fund. These certified cash funds match additional federal funds and thus provide a greater net benefit to providers. A reimbursement level of 30 percent for these out-state hospital and clinic providers is continued for FY 2001-02 from the FY 2000-01 level. The savings also includes \$0.7 million in savings associated with Disproportionate Share, including \$0.6 million of one-time spending for the Medicaid Disproportionate Share Payments to Hospitals program that is not continued in FY 2001-02. Such funding was associated with a special one-time financing opportunity. Finally, \$0.8 million General Fund is associated with FY 2000-01 one-time Out-state hospital appropriations made on behalf of FY 1998-99 reimbursements; this payment is not continued in FY 2001-02.

Cash Funds Exempt Changes: The net decrease in the cash funds exempt appropriation is primarily attributable to the elimination of \$13.1 million in one-time increases for FY 2000-01 for Medicaid Disproportionate Share Payments to Hospitals (DSH) in order to draw down additional federal funds against the federal "DSH" cap on the program. In addition to this reduction, payments to the Children's Basic Health Plan Trust are reduced by \$2.85 million. Of this amount, \$2.65 million is associated with the discontinuation of FY 2000-01 donations for the Children's Basic Health Plan Trust from Denver Health and University Hospital which are not continued into FY 2001-02. [Of this sum, \$2.0 million was provided from these hospitals annually for three years, with the third payment occurring in FY 2000-01 and \$650,000 is associated with donations from University Hospital that had initially been provided for the Child Health Plan, the precursor to the Children's Basic Health Plan that are discontinued for FY 2001-01]. Also contributing to the \$2.85 million reduction in the Children's Basic Health Plan Trust was S.B. 01-164 which reduced \$0.2 million (tobacco funds). Offsetting the reductions in cash funds exempt are increases associated with the following: \$4.1 million in additional funding from the Children's Basic Health Plan Trust for the Children's Basic Health Plan, including \$1.5 million for the addition of a dental benefit beginning in October, 2001; \$4.3 million associated with certified funds for the Out-state Indigent Care Program to match federal funds for hospitals and ensure a reimbursement of 30 percent; \$0.6 million in certified cash funds to match Major Teaching Hospital Program federal funds, primarily for Denver Health; and an increase of \$0.4 million associated with increases from the Tobacco Settlement Cash Fund for the Comprehensive Primary and Preventive Care Grant Program, pursuant to S.B. 00-71.

Federal Funds Changes: The decrease in federal funds reflected is attributable to the elimination of one-time increases for FY 2000-01 for the Medicaid Disproportionate Share Payments to Hospitals

programs, offset by increases for the Out-state Indigent Care Program and for the Children's Basic Health Plan.

Other Medical Services

This division contains the funding for the following programs: Home Care Allowance, Adult Foster Care Primary Care Physician Reimbursements, H.B. 92-1208 Immunizations, administered by the Department of Public Health and Environment, the Poison Control program, Family Medicine Residency Training, administered by the Commission on Family Medicine at the University of Colorado, and S.B. 97-101 Public School Health Services, administered jointly with the Department of Education. For those programs administered by another department, the funds are reflected in this division to receive the federal Medicaid match and are transferred to the other department as Medicaid cash funds exempt.

The Home Care Allowance and Adult Foster Care programs are state-only programs funded with 95 percent General Fund and 5.0 percent local match. The Poison Control program is funded with 100 percent General Fund. The S.B. 97-101 Public School Health Services program is a Medicaid program funded with certified cash funds which are used to draw down the federal funds match. With these exceptions the remainder of the funding is from Medicaid with a 50 percent General Fund and 50 percent federal funds match.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$28,052,913	\$1,523,129	\$26,911,402	\$34,196,320	\$90,683,764	0.0
SB 01-183	<u>(9,422,937)</u>	<u>(1,523,129)</u>	<u>(17,175,813)</u>	<u>(23,210,545)</u>	<u>(51,332,424)</u>	<u>0.0</u>
TOTAL	\$18,629,976	\$0	\$9,735,589	\$10,985,775	\$39,351,340	0.0
FY 2001-02 Appropriation:						
SB 01-212	\$19,053,010	\$0	\$9,751,290	\$10,998,057	\$39,802,357	0.0
HB 01-1199	<u>0</u>	<u>0</u>	<u>0</u>	<u>(293,237)</u>	<u>(293,237)</u>	<u>0.0</u>
TOTAL	\$19,053,010	\$0	\$9,751,290	\$10,704,820	\$39,509,120	0.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$423,034	\$0	\$15,701	(\$280,955)	\$157,780	0.0
Percentage Change	2.3%	N/A	0.2%	-2.6%	0.4%	N/A

General Fund Changes: The increase in General Fund is primarily attributable to increases of \$279,409 for the Home Care Allowance program. In addition, the appropriation reflects increases

of \$77,526 for Prenatal Plus administration, \$67,045 for an inflationary increase for Poison Control services, \$62,205 associated with the Primary Care Physician Program Market Rate Reimbursement, \$18,948 for the Adult Foster Care program, \$15,647 associated with funding for the University of Colorado Family Medicine Residency Training Programs, and \$8,858 associated with H.B. 92-1208 immunizations, funded in the Department of Public Health and Environment. Offsetting such increases is a reduction of \$106,604 for the High Risk Pregnant Women's Program, transferred to the Department of Human Services Medicaid-Funded Programs division to consolidate it with the rest of such programs that are funded with Medicaid dollars that originate in this department.

Cash Funds Exempt Changes: The increase in cash funds exempt is attributable to the 5.0 percent local match applied for the Home Care Allowance program and the Adult Foster Care program.

Federal Funds Changes: The net decrease in federal funds is attributable to a reduction of \$293,237 associated with adjustments made to the S.B. 97-101 transfer to the Department of Education associated with H.B. 01-1199 and the transfer of \$106,604 in federal funding for the High Risk Pregnant Women's Program, noted above. These decreases are offset somewhat by increases of \$118,886 associated with various line items in this section, including Primary Care Physician Program Market Rate Reimbursement, and for line items that fund programs in the Department of Public Health and Environment and in the Department of Higher Education (University of Colorado Family Medicine Residency Training Programs).

Department of Human Services Medicaid-Funded Programs

This division contains funding for programs in the Department of Human Services that are funded with Medicaid dollars. General Fund is appropriated in this division, matched with anticipated federal funds, and is then transferred to the Department of Human Services as Medicaid cash funds exempt. The High Risk Pregnant Women's Program is transferred from Other Medical Services to this division for FY 2001-02.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$236,329,556	\$19,741	\$0	\$238,323,733	\$474,673,030	0.0
SB 01-183	4,578,239	0	0	4,627,468	9,205,707	0.0
SB 01-212	<u>(1,378,090)</u>	<u>0</u>	<u>0</u>	<u>(1,378,091)</u>	<u>(2,756,181)</u>	<u>0.0</u>
TOTAL	\$239,529,705	\$19,741	\$0	\$241,573,110	\$481,122,556	0.0
FY 2001-02 Appropriation:						
SB 01-212	\$255,540,805	\$0	\$0	\$257,330,584	\$512,871,389	0.0
HB 01-1357	<u>(97,498)</u>	<u>0</u>	<u>0</u>	<u>(97,498)</u>	<u>(194,996)</u>	<u>0.0</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$255,443,307	\$0	\$0	\$257,233,086	\$512,676,393	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$15,913,602	(\$19,741)	\$0	\$15,659,976	\$31,553,837	0.0
Percentage Change	6.6%	-100.0%	N/A	6.5%	6.6%	N/A

Federal Medicaid dollars used by other departments statewide must originate in the Department of Health Care Policy and Financing, the single state agency for Medicaid, where they receive their General Fund match. These dollars are then transferred to the respective departments that utilize Medicaid funding. When these Medicaid funds are transferred, they are reflected in the recipient department as cash funds exempt, transferred Medicaid funds. The Department of Human Services is the largest user of these transferred dollars.

The appropriation reflects the increased funding for Department of Human Services programs funded with Medicaid dollars, including: The Executive Director's Office, the Office of Information Technology Services, the Office of Operations, the Office of Adult Health and Rehabilitation, the Office of Direct Services, County Administration, the Office of Self Sufficiency, the Division of Child Welfare, the Division of Youth Corrections, and the Division of Children's Health and Rehabilitation.

Increases for the Community Mental Health Programs and Community Programs for Persons with Developmental Disabilities together account for 74 percent of the \$31.6 million increase. The increases for these areas are explained below. Additional information on Medicaid increases in these and other Department of Human Services Medicaid appropriations areas may be found in the Department of Human Services appropriation narrative.

Community Mental Health Program

General Fund Changes: The appropriation includes a net increase of \$1.2 million General Fund for the Medicaid Mental Health Capitation line item that reflects the following changes: (1) an increase of \$1.0 million to annualize a 2.0 percent performance incentive award program begun in the last quarter of FY 2000-01; (2) an increase of \$0.5 million for changes in eligibility and case-mix; and (3) an increase of \$0.1 million for anticipated increases in mental health fee-for-service expenditures charged to this line item. These increases are partially offset by: (1) a reduction of \$0.2 million for Tatum lawsuit settlement related expenditures, reflecting lower Tatum expenditures in FY 2001-02 than FY 2000-01; and (2) a decrease of \$0.2 million to reflect anticipated reductions in Medicaid eligibility based on new disability determination procedures.

The appropriation also includes a net increase of \$1.7 million General Fund for Medicaid anti-psychotic pharmaceuticals that reflects an increase of \$1.8 million for anticipated changes in drugs

cost and utilization offset by a reduction of \$0.2 million for a reduction in the reimbursement rates and changes in client co-payments for pharmacies.

Federal Funds Changes: An equivalent net increase in federal funds reflected is attributable to the same factors described above.

Community Services for Persons with Developmental Disabilities

The appropriation includes a net increase of \$8.8 million General Fund, including the following: (1) \$2.6 million General Fund to provide a 2.5 percent community provider rate increase; (2) \$2.6 million to provide a 5.3 percent base rate increase for all components of comprehensive services and the case management component of all other services; (3) \$1.7 million to annualize the costs of services provided in FY 2000-01; (4) \$1.6 million for an additional 98 comprehensive services for persons with developmental disabilities; (5) \$0.2 million for additional children's extensive support services; and (6) the transfer of \$0.1 million to the Department of Health Care Policy and Financing to administer the Children's Medical Waiver.

An equivalent net increase in federal funds reflected is attributable to the same factors described above.

Recent Legislation

2000 Session Bills

H.B. 00-1076: Creates the Prenatal Care for Undocumented Women Pilot Program in the Department of Health Care Policy and Financing. Appropriates \$171,000 General Fund to the Department for associated administrative costs in FY 2000-01.

H.B. 00-1400: Supplemental appropriation to the Department of Health Care Policy and Financing to modify the appropriation included in the FY 1999-00 Long Bill. Also contains supplemental appropriations for FY 1998-99 (Medicaid overexpenditures).

H.B. 00-1451: General appropriations act for FY 2000-01. Also contains a second FY 1999-00 supplemental adjustment to the Department of Health Care Policy and Financing to modify the appropriation included in the FY 1999-00 Long Bill.

H.B. 00-1475: Establishes an exception to the statutorily defined upper and lower limits of the prepaid capitation payment to managed care organizations participating in Medicaid, to pay federally qualified health centers 100 percent of reasonable costs incurred by those centers in providing health care services to Medicaid recipients. Appropriates \$200,000 General Fund to and reflects \$200,000 federal funds in the Department of Health Care Policy and Financing in FY 2000-01.

S.B. 00-20: Includes children under the age of 21 in the definition of "clinic services" provided by school-based clinics under Medicaid and expands the definition of "facilities" to include school-based clinics that are operated by or affiliated with a hospital. Appropriates \$18,019 General Fund to and reflects \$18,020 federal funds in the Department of Health Care Policy and Financing in FY 2000-01.

S.B. 00-71: Adds a number of provisions statewide with respect to the use of Tobacco Litigation Settlement Cash Fund moneys. For a full delineation of the programs created and the funding criteria, please refer to the FY 2000-01 Appropriations Report [and see supplemental appropriation in S B. 01-212 described in the following section].

S.B. 00-128: Changes the rate-setting methodology for Class I and Class V nursing facilities to a mandatory case-mix system and makes other changes. Although the net appropriation for the bill is cost-neutral, it achieves this through the following changes: (1) it adjusts the 2000 Long Bill for the Department of Health Care Policy and Financing by a reduction of \$1,813,610 General Fund and reflects a reduction of \$1,813,611 federal funds; and (2) it appropriates this same amount to the Department for FY 2000-01 for implementation of the bill.

S.B. 00-223: Makes numerous changes to the Children's Basic Health Plan administered by the Department of Health Care Policy and Financing. Appropriates \$60,000 cash fund exempt from donations to the Department of Health Care Policy and Financing in FY 2000-01 for the independent study.

2001 Session Bills

S.B. 01-52: Makes changes to the administrative portion of the Children's Basic Health Plan and codifies the current annual enrollment fee in statute. Sets a 10 percent administrative limit for the program and allows for alternative means of administering the program, if cost effective.

S.B. 01-78: Makes various changes to nursing facility quality assurance provisions. Requires the Department of Public Health and Environment to develop and implement a consumer satisfaction survey and make other changes regarding nursing facility quality assurance. Requires the Department of Health Care Policy to make changes to the incentive program for nursing facilities. Provides that the administrative costs associated with the legislation be paid for out of the Quality of Care Incentive Payment Program prior to payment on programmatic expenses. Appropriates \$73,004 General Fund, \$25,000 Cash Funds, and \$73,004 federal funds, and 1.0 FTE to the Department of Health Care Policy and Financing for FY 2000-01; appropriates \$36,043 and 0.7 FTE to the Department of Public Health and Environment. Makes a commensurate reduction of \$109,047 General Fund and \$109,047 federal funds to the Department of Health Care Policy and Financing, Medical Services Premiums.

S.B. 01-164: Creates a state dental loan repayment program for dentists and dental hygienists who provide a significant level of services to underserved populations. Changes the annual allocation from the Tobacco Litigation Cash Fund to provide for \$200,000 to the Dental Loan Repayment Fund and

lowers the payment to the Children's Basic Health Plan by \$200,000. Appropriates \$200,000 from the Dental Loan Repayment Fund and 0.4 FTE to the Department of Public Health and Environment. Also appropriates \$96,551 General Fund, \$96,893 Cash Funds Exempt, and \$277,367 federal funds to the Department of Health Care Policy and Financing for FY 2001-02.

S.B. 01-183: Supplemental appropriation to the Department of Health Care Policy and Financing to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02. Contains supplemental appropriations for FY 2000-01, FY 1999-00 (Medicaid overexpenditures), and FY 1998-99 (Medicaid overexpenditures). Also contains a supplemental add-on that makes the following changes to the S.B. 00-71 (FY 2000-01) statewide appropriation:

S.B. 00-71 Program (Department Responsible)	Original S.B. 00-71 Appropriation	Updated S.B. 00-71 Appropriation	S.B. 01-212 Supplemental Change
Nurses Home Visitors Program (PHE)	\$2,300,981	\$2,375,633	\$74,652
Primary and Preventive Care Grants (HCPF)	\$4,601,962	\$4,751,266	\$149,304
Children's Basic Health Plan (HCPF)	\$10,000,000	\$10,000,000	\$0
Tobacco-Related Research (HED)	\$6,135,949	\$6,335,022	\$199,073
Tobacco Cessation (PHE)	\$11,504,905	\$11,878,166	\$373,261
Colorado State Veterans Trust Fund (DHS)	\$766,994	\$791,878	\$24,884
Read to Achieve (DOE)	<u>\$15,339,873</u>	<u>\$15,045,677</u>	<u>(\$294,196)</u>
Statewide Total	\$50,650,664	\$51,177,642	\$1,115,370

H.B. 01-1161: Authorizes eligibility determinations for Medicaid to be performed by state FTE located at the private sector contractor that administers the Children's Basic Health Plan. Appropriates \$48,850 Cash Funds Exempt from the Children's Basic Health Plan Trust and reflects \$52,498 federal funds to the Department of Health Care Policy and Financing for FY 2001-02.

H.B. 01-1199: Increases the statewide administrative cap for the provision of Medicaid-reimbursed health services by school districts from 2 percent or \$200,000, whichever is greater, to 10 percent of the program allocation. Makes a commensurate adjustment in the FY 2001-02 appropriation. This appropriation adjustment includes an increase of \$293,237 federal funds and 0.2 FTE in the Medical Programs Administration division and a decrease of \$293,237 federal funds in Other Medical Services. The appropriation also provides for a commensurate decrease of \$293,237 federal funds in the Department of Education for FY 2001-02.

H.B. 01-1271: Directs the Department of Health Care Policy and Financing to submit an amendment to the state medical assistance plan and to request any waivers necessary to expand eligibility under medicaid to implement a medicaid buy-in program for individuals with disabilities who would otherwise be eligible for supplemental security income (SSI) except for their income and for individuals with disabilities whose medical condition improves. Appropriates \$80,000 cash funds

exempt donations and reflects an increase of \$129,400 federal funds to the Department of Health Care Policy and Financing for FY 2001-02.

H.B. 01-1282: Allows dental hygienists to bill directly and be reimbursed by the Department of Health Care Policy and Financing for providing preventive dental hygiene services to children under the Medicaid program. Appropriates \$146,117 General Fund and \$159,808 federal funds to the Department of Health Care Policy and Financing for FY 2001-02.

H.B. 01-1331: Eliminates the Children's Basic Health Plan Policy Board and the advisory board. Transfers the rule-making function handled by the Policy Board to the Medical Services Board and adds two members to the Medical Services Board. Authorizes the department to conduct pilot projects to test different models where appropriate and as approved by the Joint Budget Committee. Directs the department to use performance-based contracting based on quality assurance measures. Contains a FY 2001-02 appropriation to the Department of Health Care Policy and Financing that reduces cash funds exempt by \$6,562 and federal funds by \$12,188.

H.B. 01-1343: Makes changes in the disenrollment and guaranteed enrollment provisions for Medicaid managed care. Contains a FY 2001-02 appropriation to the Department of Health Care Policy and Financing that reduces General Fund by a net \$293,800 and federal funds by a net \$281,400.

H.B. 01-1357: Establishes the Community Accountability Program to replace the regimented juvenile training program (boot camp) for adjudicated male and female juveniles 14 to 17 years old. Contains a FY 2001-02 appropriation to the Department of Health Care Policy and Financing that reduces General Fund by a net \$97,498 and federal funds by a net \$97,498 in the Department of Human Services Medicaid-Funded Programs division. Please see the explanation provided in the Department of Human Services portion of this Appropriations Report for further explanation.

H.B. 01-1401: Changes the Comprehensive Primary and Preventive Care Grant Program definition of "qualified provider" and modifies the definition of "uninsured or medically indigent patient" to include a patient whose yearly family income is below 200 percent of the federal poverty level rather than 185 percent of the federal poverty level.

DEPARTMENT OF HIGHER EDUCATION

This department is responsible for higher education and vocational training programs in the state. The 26 state-run public higher education institutions are organized into six governing boards: the Trustees of the State Colleges of Colorado; the State Board of Agriculture; the Regents of the University of Colorado; the Trustees of the Colorado School of Mines; the Trustees of the University of Northern Colorado; and the State Board for Community Colleges and Occupational Education. Two public local district junior colleges receive a combination of state and local government funding, and are governed by local boards.

The Division of Occupational Education oversees Colorado Vocational Act programs, the Area Vocational Schools, federal Perkins technical training programs, and resources available for the promotion of job development, job training, and job retraining 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. The executive director of CCHE is also the executive director of the Department and appoints the directors of the Colorado Student Loan Program and the Colorado Student Obligation Bond Authority, which are both statutorily authorized state enterprises within the Department.

The Department also includes: the Advisory Commission on Family Medicine, which funds and promotes family medicine residency programs; the Council on the Arts; the State Historical Society; and, the Auraria Higher Education Center, which maintains the single shared campus of the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$676,307,254	\$715,638,339	\$747,562,014	\$764,651,972
Cash Fund	643,563,483	659,419,597	716,225,781	759,985,281
Cash Funds Exempt	45,319,052	49,579,519	53,233,459	84,790,352
Federal Funds	<u>16,594,954</u>	<u>16,494,368</u>	<u>17,236,771</u>	<u>18,300,218</u>
Total Funds	\$1,381,784,743	\$1,441,131,823	\$1,534,258,025	\$1,627,727,823
Full Time Equiv. Staff	17,751.8	17,474.7	18,019.9	18,277.0

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- An increase of \$6.7 million General Fund for financial aid;
- An additional \$28.5 million General Fund for the governing boards and local district junior colleges, including \$2.2 million for enrollment increases, \$25.1 million as a base adjustment awarded according to performance, and \$1.3 million for miscellaneous other priorities;
- Cash funds spending authority for a 4.0 percent increase in resident tuition rates and a 5.0 percent increase in nonresident tuition rates;
- A 4.0 percent inflationary increase for the following occupational education programs: Colorado Vocational Act grants (\$712,000); and Area Vocational Schools (\$435,000); and
- A new format to show Colorado Vocational Act moneys as a cash funds exempt transfer from the Department of Education, rather than a direct General Fund appropriation. This adjustment was made to better account for K-12 programs subject to Amendment 23 maintenance of effort requirements. The change artificially makes the General Fund increase for the Department of Higher Education appear much smaller than it really is by about \$17.8 million.

General Factors Driving the Budget

Funding for this department consists of 47.0 percent General Fund, 46.7 percent cash funds, 5.2 percent cash funds exempt, and 1.1 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Financial Aid

In response to enrollment increases as well as unmet need in higher education, the General Assembly has provided significant increases in financial aid in recent years. The compound annual average rate of growth over the last five years is 8.4 percent.

	General Fund Appropriations for Financial Aid				
	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02
Need-based Aid*	\$30,489,141	\$34,109,277	\$38,423,152	\$42,199,077	\$47,598,002
Merit-based Aid	12,726,591	13,417,490	13,826,078	14,371,810	14,874,498
Work Study	12,707,714	13,702,484	14,248,944	14,811,367	15,359,754

General Fund Appropriations for Financial Aid					
	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02
Other	5,724,709	6,329,826	6,513,899	7,177,010	7,424,066
Total General Fund	\$61,648,155	\$67,559,077	\$73,012,073	\$78,559,264	\$85,256,320
Dollar Increase	N.A.	5,910,922	5,452,996	5,547,191	6,697,056
Percent Increase	N.A.	9.6%	8.1%	7.6%	8.5%

* Including the Governor's Opportunity Scholarship and Grants for Part-time Students

Enrollment

While the growth rate in total resident student full-time equivalents (SFTE) has been relatively modest the last few years, even a small percentage increase can generate a need for significant additional General Fund.

Resident Student Full-time Equivalents (SFTE) in Colorado Public Higher Education Institutions Undergraduate and Graduate					
	FY 96-97	FY 97-98	FY 98-99	FY 99-00	FY 00-01
Resident SFTE	117,890	118,964	120,975	122,707	123,383
SFTE Increase	N.A.	1,074	2,011	1,732	676
Percent Increase	N.A.	0.9%	1.7%	1.4%	0.6%

Performance Funding

In addition to funding for enrollment, campuses are typically provided an increase in base funds to keep up with rising costs, such as faculty salaries. In prior years, the legislature appropriated each governing board an increase in base funds roughly equivalent to the inflation rate as measured by the Denver/Boulder Consumer Price Index (CPI). In FY 2000-01, the legislature began appropriating funds based on the performance of higher education institutions as measured by the quality indicator system developed by CCHE. For FY 2001-02 the total base increase for the governing boards is \$25.1 million, or 4.0 percent, which is equal to the CPI in calendar year 2000, but it is distributed to the governing boards based on performance.

Tuition

The total increase in tuition revenue is a result of increases in enrollment and tuition rates. Pursuant to statute, the governing boards set tuition rates, but the legislature specifies the maximum amount of cash funds the schools can raise, spend or transfer. A footnote in the Long Bill describes the assumptions about tuition rate increases used to calculate the maximum allowable tuition revenue. In some years, the legislature has attempted to "buy down" resident tuition by holding rate increases below the increase in the CPI and substituting General Fund for the difference in tuition revenue to the higher education institutions. For the last several years, the General Assembly has approved

exceptions to the standard tuition percentage increase for specific programs. Primarily these exceptions have allowed greater increases for selected programs in the University of Colorado system

Percentage Increases in Tuition Rates Assumed in the Long Bill					
	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02
Resident Tuition	1.5%	1.3%	2.4%	2.9%	4.0%
Nonresident Tuition	3.5%	3.3%	2.4%	4.0%	5.0%
Consumer Price Index (for comparison)	3.5%	3.3%	2.4%	2.9%	4.0%
General Fund Cost of Resident Tuition "Buy Down"	\$4,973,105	\$5,179,641	N/A	N/A	N/A
Additional Revenue Generated by Exceptions	\$364,354	\$302,645	\$308,534	\$1,438,605	\$2,762,154

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$747,562,014	\$716,225,781	\$53,233,459	\$17,236,771	\$1,534,258,025	18,019.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	821,814	155,145	61,168	32	1,038,159	0.0
Colorado Commission on Higher Education	7,101,828	5,623,269	3,578,063	0	16,303,160	39.3
Colorado Commission on Higher Education Financial Aid	78,559,264	0	0	1,300,000	79,859,264	0.0
Governing Boards and Local District Junior Colleges	626,820,934	708,641,490	9,517,638	0	1,344,980,062	17,632.0
Advisory Commission on Family Medicine	249,950	0	2,086,242	0	2,336,192	1.0
Division of Occupational Education	29,300,622	0	4,258,620	14,794,226	48,353,468	37.5

	GF	CF	CFE	FF	Total	FTE
Auraria Higher Education Center	0	51,450	15,514,447	0	15,565,897	196.0
Council on the Arts	1,886,473	0	110,034	509,400	2,505,907	8.0
State Historical Society	2,821,129	1,754,427	18,107,247	633,113	23,315,916	106.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	746,737,430	716,438,446	47,083,948	17,336,771	1,527,596,595	18,022.4
HB 00-1025	0	(216,000)	(188,000)	(100,000)	(504,000)	(2.5)
HB 00-1215	19,415	3,335	2,194	0	24,944	0.0
HB 00-1458	(18,128)	0	0	0	(18,128)	0.0
SB 00-71	0	0	6,135,950	0	6,135,950	0.0
SB 00-117	57,274	0	0	0	57,274	0.0
SB 00-170	250,000	0	0	0	250,000	0.0
SB 01-184	277,223	0	0	0	277,223	0.0
SB 00-207	238,800	0	0	0	238,800	0.0
SB 01-212	0	0	199,367	0	199,367	0.0
FY 2001-02 Total Appropriation:	\$764,651,972	\$759,985,281	\$84,790,352	\$18,300,218	\$1,627,727,823	18,277.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	909,403	167,748	65,552	301	1,143,004	0.0
Colorado Commission on Higher Education	6,277,034	5,716,746	5,047,174	0	17,040,954	39.3
Colorado Commission on Higher Education Financial Aid	85,256,320	0	130,000	1,300,000	86,686,320	0.0
Governing Boards and Local District Junior Colleges	655,325,282	752,263,867	10,123,064	0	1,417,712,213	17,894.1
Advisory Commission on Family Medicine	252,268	0	2,117,539	0	2,369,807	1.0
Division of Occupational Education	11,964,756	0	22,763,184	15,835,146	50,563,086	34.2
Auraria Higher Education Center	0	50,000	16,135,025	0	16,185,025	196.0

	GF	CF	CFE	FF	Total	FTE
Council on the Arts	1,904,228	0	109,567	502,800	2,516,595	8.0
State Historical Society	2,762,681	1,786,920	28,299,247	661,971	33,510,819	104.4
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	764,651,972	759,985,281	84,660,352	18,300,218	1,627,597,823	18,277.0
HB 01-1293	0	0	130,000	0	130,000	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$17,089,958	\$43,759,500	\$31,556,893	\$1,063,447	\$93,469,798	257.1
Percentage Change	2.3%	6.1%	59.3%	6.2%	6.1%	1.4%

Detail of Appropriation by Administrative Section

Department Administrative Office

The Department Administrative Office section of the Long Bill includes centrally appropriated items, such as salary survey and risk management, for the agencies in the Department that are not part of the governing boards.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$802,399	\$151,810	\$58,974	\$32	\$1,013,215	0.0
HB 00-1215	<u>19,415</u>	<u>3,335</u>	<u>2,194</u>	<u>0</u>	<u>24,944</u>	<u>0.0</u>
TOTAL	\$821,814	\$155,145	\$61,168	\$32	\$1,038,159	0.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$909,403</u>	<u>\$167,748</u>	<u>\$65,552</u>	<u>\$301</u>	<u>\$1,143,004</u>	<u>0.0</u>
TOTAL	\$909,403	\$167,748	\$65,552	\$301	1,143,004	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$87,589	\$12,603	\$4,384	\$269	\$104,845	0.0
Percentage Change	10.7%	8.1%	7.2%	840.6%	10.1%	n/a

The increases in all fund sources are primarily due to higher salary survey and anniversary costs.

Colorado Commission on Higher Education

This section includes funding for the Commission's staff, the Division of Private Occupational Schools, and special purpose initiatives of the Department, such as the programs of excellence or the Rural Education Access Program.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$7,034,662	\$5,839,269	\$3,766,063	\$100,000	\$16,739,994	41.8
HB 00-1025	0	(216,000)	(188,000)	(100,000)	(504,000)	(2.5)
HB 00-1458	(7,834)	0	0	0	(7,834)	0.0
SB 01-184	<u>75,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>75,000</u>	<u>0.0</u>
TOTAL	\$7,101,828	\$5,623,269	\$3,578,063	\$0	\$16,303,160	39.3
FY 2001-02 Appropriation:						
SB 01-212	<u>\$6,277,034</u>	<u>\$5,716,746</u>	<u>\$5,047,174</u>	<u>\$0</u>	<u>\$17,040,954</u>	<u>39.3</u>
TOTAL	\$6,277,034	\$5,716,746	\$5,047,174	\$0	\$17,040,954	39.3
Change FY 01 - FY 02						
Increase/(Decrease)	(\$824,794)	\$93,477	\$1,469,111	\$0	\$737,794	0.0
Percentage Change	-11.6%	1.7%	41.1%	n/a	4.5%	0.0%

General Fund Changes: The net decrease in General Fund includes: (1) a decrease of \$748,000 due to a larger amount of indirect cost recoveries to offset the need for General Fund in the "Programs of Excellence" line item; and (2) a decrease of \$110,000 for the Rural Education Access Program. These decreases are somewhat offset by increases in salary survey and anniversary expenses and higher dues to the Western Interstate Commission for Higher Education (WICHE).

Cash Funds Changes: The increase in cash funds is primarily due to the additional indirect cost recoveries.

Cash Funds Exempt Changes: The increase in cash funds exempt is partially attributable to the additional indirect cost recoveries. Also, the Long Bill now reflects, for informational purposes, \$800,000 that was continuously appropriated by H.B. 00-1430 from the Waste Tire Recycling Development Cash Fund to CCHE for advanced technology grants.

Colorado Commission on Higher Education Financial Aid

This section includes the state funded financial aid programs administered by CCHE.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$78,263,190	\$0	\$0	\$1,300,000	\$79,563,190	0.0
SB 00-117	57,274	0	0	0	57,274	0.0
SB 00-207	<u>238,800</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>238,800</u>	<u>0.0</u>
TOTAL	\$78,559,264	\$0	\$0	\$1,300,000	\$79,859,264	0.0
FY 2001-02 Appropriation						
SB 01-212	\$85,256,320	\$0	\$0	\$1,300,000	\$86,556,320	0.0
HB 01-1293	<u>0</u>	<u>0</u>	<u>130,000</u>	<u>0</u>	<u>130,000</u>	<u>0.0</u>
TOTAL	\$85,256,320	\$0	\$130,000	\$1,300,000	\$86,686,320	0.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$6,697,056	\$0	\$130,000	\$0	\$6,827,056	0.0
Percentage Change	8.5%	n/a	100.0%	0.0%	8.5%	n/a

General Fund Changes: The General Fund increase includes the following: 1) an additional \$3.2 million for General Need Based Grants; 2) \$2.2 million for the third cohort of Governor's Opportunity Scholars (combined with the increase in General Need Based Grants, this provides a total increase in all need based grants of \$5.4 million); 3) \$500,000 for Merit Based Grants; 4) \$550,000 for Work Study; 5) \$150,000 for Native American Students (per statute and U.S. treaty, qualified Native Americans may attend Fort Lewis College free of tuition); and \$97,000 for nursing scholarships.

Cash Funds Exempt Changes: The cash funds exempt increase is due to a new loan repayment program for early childhood professionals authorized in H.B. 01-1293. The source of funds is federal child care development moneys originally appropriated to the Department of Human Services and then transferred to the Department of Higher Education.

Governing Boards and Local District Junior Colleges

This section includes funding for the higher education institutions, which are organized into six governing boards plus the independent local district junior colleges.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$626,623,289	\$708,641,490	\$3,182,321	\$0	\$1,338,447,100	17,632.0
SB 00-71	0	0	6,135,950	0	6,135,950	0.0
SB 01-184	197,645	0	0	0	197,645	0.0
SB 01-212	<u>0</u>	<u>0</u>	<u>199,367</u>	<u>0</u>	<u>199,367</u>	<u>0.0</u>
TOTAL	\$626,820,934	\$708,641,490	\$9,517,638	\$0	\$1,344,980,062	17,632.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$655,325,282</u>	<u>\$752,263,867</u>	<u>\$10,123,064</u>	<u>\$0</u>	<u>\$1,417,712,213</u>	<u>17,894.1</u>
TOTAL	\$655,325,282	\$752,263,867	\$10,123,064	\$0	\$1,417,712,213	17,894.1
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$28,504,348	\$43,622,377	\$605,426	\$0	\$72,732,151	262.1
Percentage Change	4.5%	6.2%	6.4%	0.0%	5.4%	1.5%

FTE Detail	FY 2000-01	FY 2001-02
State Colleges	1,899.3	1,872.7
State Board of Agriculture	4,050.6	4,097.5
Regents of the University of Colorado	5,901.1	5,950.1
Colo. School of Mines	610.5	625.0
University of Northern Colorado	1,026.5	1,045.2
Community Colleges	<u>4,144.0</u>	<u>4,303.6</u>
	17,632.0	17,894.1

FTE Changes: The FTE for the higher education institutions are included for informational purposes. Each governing board retains control over the number of employees hired. All figures are based on estimates by the governing boards of the number of FTE currently employed. The largest increase is for the Community Colleges and is attributable as follows:

Full-time Faculty	29.7
Part-time Faculty	114.3
Administrative FTE	(16.6)
Support FTE	32.2
<u>Total</u>	<u>159.6</u>

General Fund Changes: The General Fund increase can be divided into three components described below:

- Enrollment (\$2,163,560) -- The amount is based on average funding rates per student FTE. It is based on enrollment increases that occurred from FY 1999-00 to FY 2000-01, rather than a projection of enrollment levels for FY 2001-02. Included in the total is \$417,676 for enrollment growth in selected programs at the University of Colorado Health Sciences Center, which is notable because these programs have not been included in the enrollment calculation in prior years.
- Performance and Base Adjustment (\$25,072,836) -- The total amount is equal to a four percent increase on the base appropriation, but it is distributed to the governing boards according to the performance funding allocation formula developed by CCHE. Performance funding takes the place of an inflationary adjustment for the governing boards and local district junior colleges, with the exception of three programs: the University of Colorado Health Sciences Center, Colorado State University's Veterinary Medicine Program, and the land grant agencies of Colorado State University. Due to the unique characteristics of these three programs, they were not included in the performance funding distribution, and instead received a four percent, or \$4.4 million, inflationary increase. This amount is included in the \$25.1 million total above.
- Decision Items (\$1,267,952) -- This includes \$700,000 for the fourth year of a five-year plan to convert the bachelors pharmacy degree program at the University of Colorado Health Sciences Center to a Doctor of Pharmacy, or Pharm D, program. It also includes \$565,000 for the following enhancements at the land grant agencies of Colorado State University: (1) an assessment of forest health conditions and fire risks; (2) research and outreach related to invasive plant species; and (3) 7.0 FTE new cooperative extension agents.

The following table details the allocation of General Fund increases by governing board:

General Fund Increases by Governing Board				
Governing Board	Enrollment	Performance	Decision Items	Total GF Increase
State Colleges	\$447,832	\$2,878,696		\$3,326,528
State Board of Agriculture	(975,296)	5,885,764	565,000	5,475,468
Regents of the University of Colorado	2,081,505	8,318,621	702,952	11,103,078
Colo. School of Mines	(242,612)	792,104		549,492

General Fund Increases by Governing Board				
Governing Board	Enrollment	Performance	Decision Items	Total GF Increase
University of Northern Colorado	340,163	1,668,694		2,008,857
Community Colleges	347,595	4,991,036		5,338,631
Local District Junior Colleges	164,373	537,921		702,294
TOTAL	\$2,163,560	\$25,072,836	\$1,267,952	\$28,504,348

Cash Funds Changes: The increase in cash funds reflects the anticipated additional revenue with a four percent increase in resident tuition rates, and a five percent increase in nonresident tuition rates, plus revenue from sources other than tuition, which include items such as student fees, investment gains and losses, and non-enterprise rental revenues. Also, the increase reflects anticipated revenues from auxiliary business ventures by the schools that are not exempt from Section 20 of Article X of the State Constitution (TABOR), typically because the program receives too large of a General Fund subsidy to qualify as an enterprise.

Cash Funds Exempt Changes: The increase in cash funds exempt includes an increase of \$587,000 for tobacco and substance abuse related research at the University of Colorado Health Sciences center, based on anticipated revenues to the Tobacco Litigation Settlement Cash Fund, and the distribution formula for these moneys established in S.B. 00-71. Also, it includes an anticipated increase in grants from the Water Research Fund for the State Board of Agriculture.

Summary by Governing Board: The table below summarizes the appropriations by governing board.

FY 2001-02 Appropriation by Governing Board					
Governing Board	General Fund	Tuition	Other than Tuition	Auxiliary	Total
State Colleges	\$77,266,967	\$55,197,061	\$2,276,000	\$6,955,864	\$141,695,892
State Board of Agriculture	151,830,392	128,815,389	28,816,662	26,541,358	336,003,801
Regents of the University of Colorado	217,767,222	278,043,427	48,260,231	30,273,435	574,344,315
Colo. School of Mines	20,045,150	25,948,638	863,279	601,017	47,458,084
University of Northern Colorado	43,968,595	32,373,781	4,147,240	1,232,963	81,722,579
Community Colleges	129,803,119	80,169,401	10,349,077	1,522,108	221,843,705
Local District Junior Colleges	14,643,837	N.A.	N.A.	N.A.	14,643,837
TOTAL	\$655,325,282	\$600,547,697	\$94,712,489	\$67,126,745	\$1,417,712,213

Advisory Commission on Family Medicine

The Commission distributes funds for the support of family medicine residency programs at hospitals throughout the State and assists in the recruitment of family medicine residents. In FY 2001-02, the Commission is anticipated to support 200 residents, and to graduate 69 students in its 11 residencies statewide. The state support per resident is estimated at \$11,372 for FY 2001-02, representing approximately 5.1 percent of the total program cost. All but one of the family medicine residencies

receives Medicaid funding to support the program. Federal Medicaid dollars used by other departments statewide originate in the Department of Health Care Policy and Financing, the single state agency for Medicaid, where they receive their General Fund match. These dollars are then transferred to the respective departments that utilize Medicaid funding. When these Medicaid funds are transferred, they are reflected in the recipient department as cash funds exempt.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$249,950	\$0	\$2,086,242	\$0	\$2,336,192	1.0
TOTAL	\$249,950	\$0	\$2,086,242	\$0	\$2,336,192	1.0
FY 2001-02 Appropriation:						
SB 01-212	\$252,268	\$0	\$2,117,539	\$0	\$2,369,807	1.0
TOTAL	\$252,268	\$0	\$2,117,539	\$0	\$2,369,807	1.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$2,318	\$0	\$31,297	\$0	\$33,615	0.0
Percentage Change	0.9%	n/a	1.5%	n/a	1.4%	0.0%

General Fund Changes: The General Fund increase is attributable to the application of a 1.5 percent increase applied to the portion of the Residency Training Program base of \$154,541 that is funded with General Fund.

Cash Funds Exempt Changes: The cash funds exempt increase reflects the addition of a 1.5 percent inflationary increase for the bulk of the residency programs, funded from Medicaid dollars from the Department of Health Care Policy and Financing.

Division of Occupational Education

The Division of Occupational Education 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 all resources available for the promotion of job development, job training, and job retraining in the state.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$29,300,622	\$0	\$4,258,620	\$14,794,226	\$48,353,468	37.5
TOTAL	\$29,300,622	\$0	\$4,258,620	\$14,794,226	\$48,353,468	37.5
FY 2001-02 Appropriation:						
SB 01-212	\$11,964,756	\$0	\$22,763,184	\$15,835,146	\$50,563,086	34.2
TOTAL	\$11,964,756	\$0	\$22,763,184	\$15,835,146	\$50,563,086	34.2
Change FY 01 - FY 02						
Increase/(Decrease)	(\$17,335,866)	\$0	\$18,504,564	\$1,040,920	\$2,209,618	(3.3)
Percentage Change	-59.2%	0.0%	434.5%	7.0%	4.6%	-8.8%

FTE Detail	FY 2000-01	FY 2001-02
Division Administration	9.0	9.0
Sponsored Programs	<u>28.5</u>	<u>25.2</u>
	37.5	34.2

FTE Changes: The decrease in FTE reflects an anticipated reduction in the number of federally funded FTE administering the Perkins occupational education programs.

General Fund Changes: The General Fund reduction and corresponding increase in cash funds exempt is primarily attributable to a formatting change to show the General Fund for the Colorado Vocational Act (which is subject to Amendment 23 maintenance of effort requirements) in the Department of Education, and then show a cash funds exempt transfer to the Department of Higher Education. Otherwise, the appropriation is based on a four percent, or \$712,000, increase for the Colorado Vocational Act, and a four percent, or \$435,000, increase for the Area Vocational Schools.

Federal Funds Changes: The increase in federal funds reflects anticipated additional Perkins moneys.

Auraria Higher Education Center

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

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$51,450	\$15,514,447	\$0	\$15,565,897	196.0
TOTAL	\$0	\$51,450	\$15,514,447	\$0	\$15,565,897	196.0
FY 2001-02 Appropriation:						
SB 01-212	0	50,000	16,135,025	0	16,185,025	196.0
TOTAL	\$0	\$50,000	\$16,135,025	\$0	\$16,185,025	196.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$0	(\$1,450)	\$620,578	\$0	\$619,128	0.0
Percentage Change	0.0%	-2.8%	4.0%	0.0%	4.0%	0.0%

Cash Funds Changes: The cash funds appropriation reflects an estimate of revenues from auxiliary business ventures that are subject to TABOR.

Cash Funds Exempt Changes: The cash funds exempt appropriation reflects support funds from the three colleges using this center and a 4.0 percent inflationary increase in operating expenses.

Council on the Arts

The Council on the Arts: provides grants to support and encourage development of the arts; offers technical assistance to artists and arts organizations; and, administers the Art in Public Places Program, which uses a percentage of state capital construction dollars to beautify state buildings and grounds.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,886,452	\$0	\$110,034	\$509,400	\$2,505,886	8.0
HB 00-1458	(1,819)	0	0	0	(1,819)	0.0
SB 01-184	1,840	0	0	0	1,840	0.0
TOTAL	\$1,886,473	\$0	\$110,034	\$509,400	\$2,505,907	8.0

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,904,228	\$0	\$109,567	\$502,800	\$2,516,595	8.0
TOTAL	\$1,904,228	\$0	\$109,567	\$502,800	\$2,516,595	8.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$17,755	\$0	(\$467)	(\$6,600)	\$10,688	0.0
Percentage Change	0.9%	n/a	-0.4%	-1.3%	0.4%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Council Staff	6.0	6.0
Art in Public Places	<u>2.0</u>	<u>2.0</u>
	8.0	8.0

General Fund Changes: The General Fund increase reflects a \$5,000 reduction in out-of-state travel, offset by the cost to annualize prior year salary survey and anniversary increases.

Federal Funds Changes: The decrease in federal funds is based on anticipated grants from the National Endowment for Arts.

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.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$2,576,866	\$1,754,427	\$18,107,247	\$633,113	\$23,071,653	106.1
HB 00-1458	(8,475)	0	0	0	(8,475)	0.0
SB 00-170	250,000	0	0	0	250,000	0.0
SB 01-184	<u>2,738</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,738</u>	<u>0.0</u>
TOTAL	\$2,821,129	\$1,754,427	\$18,107,247	\$633,113	\$23,315,916	106.1

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$2,762,681	\$1,786,920	\$28,299,247	\$661,971	\$33,510,819	104.4
TOTAL	\$2,762,681	\$1,786,920	\$28,299,247	\$661,971	\$33,510,819	104.4
Change FY 01 - FY 02						
Increase/(Decrease)	(\$58,448)	\$32,493	\$10,192,000	\$28,858	\$10,194,903	(1.7)
Percentage Change	-2.1%	1.9%	56.3%	4.6%	43.7%	-1.6%

FTE Detail	FY 2000-01	FY 2001-02
Administration	78.1	76.4
Sponsored and Auxiliary	15.0	15.0
Historic Preservation Grant Program	<u>13.0</u>	<u>13.0</u>
	106.1	104.4

FTE Changes: The decrease in FTE is attributable as follows: 1) an increase of 1.0 FTE to perform maintenance work at the Fort Garland and Pike's Stockade historical sites; and 2) a decrease of 2.7 FTE based on how a new definition of FTE implemented in the head notes of the FY 2000-01 Long Bill applies to seasonal employees.

General Fund Changes: The decrease in General Fund is primarily due to the elimination of one-time expenses for preservation of historic Dearfield (authorized in S.B. 00-170), partially offset by higher personal services from salary survey and anniversary amounts awarded in FY 2000-01.

Cash Funds Changes: The increase in cash funds is based on anticipated auxiliary revenues.

Cash Funds Exempt Changes: The increase in cash funds exempt reflects an increase in gambling revenues, which are used for historical preservation.

Federal Funds Changes: The increase in federal funds reflects anticipated revenues.

Recent Legislation

2000 Session Bills

H.B. 00-1025: Transfers the Colorado Children's Trust Fund ("fund") program from the Department of Higher Education to the Department of Public Health and Environment, including transferring the appropriation of \$216,000 cash funds from the fund, \$188,000 cash funds exempt from reserves in the fund, \$100,000 federal funds and 2.5 FTE. Changes the source of revenue to the fund from a marriage license fee to a divorce filing fee. Appropriates \$50,000 cash funds exempt from the fund to the Department of Public Health and Environment for a study of the fund.

H.B. 00-1122: Creates the Colorado School of Mines Fund ("fund") to be administered by the Board of Trustees of the Colorado School of Mines ("board"). Permits the board to determine the amount of moneys that are not needed for immediate use and that may be invested by the treasurer. Clarifies that the proceeds from the sale or lease of lands belonging to the Colorado School of Mines and the interest thereon are to be deposited in the fund.

H.B. 00-1127: Prohibits collection of a separate student fee or charge for an organization engaged in political activity or issue advocacy unless the student or parent affirmatively authorizes the payment of the fee.

H.B. 00-1190: Increases, from \$900 million to \$1.3 billion, the aggregate principal amount of outstanding bonds that may be issued by the Colorado Student Obligation Bond Authority for the purpose of purchasing or making student obligations or making authority loans.

H.B. 00-1215: Makes changes concerning state employees health, life, and dental benefits.

H.B. 00-1276: Repeals and reenacts, with amendments, the confidentiality provisions specifically related to the Colorado Student Obligation Bond Authority to state that all data, information, and records relating to the prepaid expense trust fund, the prepaid expense program, and the college savings program are public records; except that confidentiality extends to specified data, information, and records.

H.B. 00-1355: Creates the Colorado High Technology Scholarship Fund ("fund"). Establishes a process for awarding grants from the fund to students seeking high technology certificates or degrees, which requires that primary consideration in awarding the grants should be financial need. Provides a tax credit for contributions to the fund as a method of refunding excess TABOR revenue. Continuously appropriates any money collected in the fund to the Department of Higher Education.

H.B. 00-1361: Provides two new methods for refunding excess state revenues under TABOR during years in which the surplus exceeds \$190 million and appropriates \$69,300 General Fund to the Department of Revenue for FY 2000-01. Reduces the FY 2000-01 appropriation to the Department

of Transportation for capital construction projects by \$69,300 in order to access General Fund moneys "set-aside" for new legislation for FY 2000-01.

The first refund mechanism provides a tax credit for contributions to individual development accounts. The program allows persons earning 200 percent of the federal poverty level or less to save money for post-secondary education, or, for persons earning 80 percent or less of the area median income, to save for the purchase of a home. Moneys deposited in an IDA may be matched with philanthropic donations.

The second refund mechanism provides a tax credit for contributions to educational assistance organizations. The credit would be available beginning with income tax years commencing on or after January 1, 2000. The maximum amount of the credit would equal 25 percent of the contribution, but the credit allowed to each taxpayer would be prorated to ensure that the total amount of credits does not exceed \$5 million annually.

H.B. 00-1430: Reduces the waste tire recycling development fee from \$1.00 to \$0.75, effective July 1, 2000. Allows up to two-thirds of the revenue to be appropriated to the Department of Local Affairs for waste tire clean-up projects and stipulates that the remainder be appropriated to CCHE to finance research, development and technology transfer with regard to waste diversion and recycling strategies. Creates the Advanced Technology Fund to be administered by CCHE. Moneys in the fund are continuously appropriated to the Colorado Commission on Higher Education.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Makes changes concerning the Public Employees Retirement Association.

H.B. 00-1464: Prohibits higher education institutions other than the community colleges, Adams State College and Mesa State College from receiving General Fund support for basic skills courses. These schools may offer basic skills courses on a cash funded basis, or through a contract with a community college, Adams State College or Mesa State College. Requires schools eligible to offer General Fund supported basic skill courses, and schools offering basic skill courses on a cash funded basis, to track student performance and costs, and report this information along with data on the originating K-12 school districts of the students to CCHE. In turn, CCHE is required to report this data to the legislature, the Department of Education and to local public high schools and school districts.

S.B. 00-61: Authorizes CCHE to incorporate nonprofit corporations for the purpose of developing discoveries and technology from science and technology research. Permits CCHE to transfer to such nonprofit corporations all rights to discoveries resulting from such research. Requires CCHE to enter into an agreement with such corporations regarding the terms for remuneration. Holds CCHE harmless for any liability incurred by such nonprofit corporation. Generally applies the provisions of state law regarding open meetings and open records to these new nonprofit corporations. Creates

a new justification for going into executive session to discuss certain privileged or confidential information with respect to such a nonprofit corporation.

S.B. 00-71: Adds a number of provisions with respect to the use of Tobacco Litigation Settlement Cash Fund moneys. Creates the Tobacco-and Substance-Abuse-Related Research Grant Program at the University of Colorado and appropriates \$6,135,950 to the Department of Higher Education, Regents of the University of Colorado, Office of the President, from the Tobacco Litigation Settlement Cash Fund for this purpose in FY 2000-01.

S.B. 00-117: Repeals the requirement that CCHE purchase advance payment contracts for dependents under the age of 16 of disabled National Guardsmen, law enforcement officers, and firefighter, allowing CCHE to wait to provide financial aid until the dependents attend a higher education institution. Appropriates \$57,274 General Fund to expand the financial aid available to dependents to include room and board as well as tuition. Reduces the FY 2000-01 appropriation to the Department of Transportation for capital construction projects by \$57,274 in order to access General Fund moneys "set-aside" for new legislation for FY 2000-01.

S.B. 00-164: Transfers the Colorado Student Obligation Bond Authority (CSOBA) and all related property and funds to the Department of Higher Education, as a division thereof. Identifies CSOBA as an enterprise for the purposes of Section 20 of Article X of the Colorado Constitution. Makes changes to the prepaid postsecondary education expense program.

S.B. 00-170: Appropriates \$250,000 to the State Historical Society for the preservation of historic Dearfield, the first African American homesteading settlement in Colorado. Reduces the FY 2000-01 appropriation to the Department of Transportation for capital construction projects by \$250,000 in order to access General Fund moneys "set-aside" for new legislation for FY 2000-01.

S.B. 00-183: Repeals and reenacts in a new location, with amendments, the statutory authority for the Colorado Institute of Technology. Authorizes certain institutions and systems of higher education to incorporate the institute as a nonprofit corporation. Specifies that the institute is not a governmental entity and is not subject to laws applicable only to governmental agencies, but is subject to the Colorado open records and open meetings laws.

S.B. 00-186: Requires CCHE to annually administer a standardized, college-level assessment to second-year students at state-supported institutions of higher education. Specifies that for the spring semesters of 2000 and 2001, such an assessment be conducted at one or more institutions with funds obtained from gifts, grants, and donations. Requires the Commission to report to the Education Committees and to the Governor by December 2000 concerning the assessment. Specifies that beginning in the spring semester of 2002 and each year thereafter, contingent upon the General Assembly annually providing funding for such purpose, such an assessment be administered to second-year students at each state-supported institution of higher education.

S.B. 00-207: Removes the July 1, 2000 repeal date for the Colorado Nursing Scholarship Program. Appropriates \$238,800 General Fund so that the Colorado Nursing Scholarship Program can operate in FY 2000-01. Reduces the FY 2000-01 appropriation to the Department of Transportation for capital construction projects by \$238,800 in order to access General Fund moneys "set-aside" for new legislation for FY 2000-01.

2001 Session Bills

S.B. 01-169: Allows the State Board of Community Colleges and Occupational Education to transfer up to fifty percent of moneys appropriated for the Colorado Customized Job Training program to the Colorado Existing Industry Training program created by Section 23-60-307, C.R.S., for the purpose of providing funding to meet any existing demand for training and education programs within existing industries. Establishes reporting requirements for employment- and training-related performance measures for the programs.

S.B. 01-185: Supplemental appropriation to the Department of Higher Education to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02. Also contains a supplemental add-on that makes changes to the amount of tobacco settlement cash funds appropriated to the University of Colorado in FY 2000-01.

S.B. 01-229: Authorizes the Colorado School of Mines to operate under a performance contract negotiated with CCHE and approved by the General Assembly in lieu of compliance with the requirements of the "Higher Education Quality Assurance Act". Specifies the minimum requirements of the performance contract. Provides that while operating under the performance contract the Colorado School of Mines: (1) may create, modify or eliminate academic and vocational programs that fit within the school's statutory role and mission without consulting CCHE; (2) has authority to set resident and nonresident tuition rates, except that the annual resident tuition rate increase may not exceed two times the Denver/Boulder CPI, and the maximum revenue generated by the institution is still subject to caps established by the General Assembly; (3) shall remain eligible for state capital construction and controlled maintenance funding; and (4) shall continue to accept all qualified applicants from Colorado. Requires a report to the Education Committees of the General Assembly on the performance contract every three years.

H.B. 01-1263: Requires CCHE to establish a 120-credit hour standard for baccalaureate degrees. Charges CCHE with developing a general education core of courses, consisting of 30-40 credit hours. States that higher education institutions will conform their core course requirements with those developed by CCHE, and identify which classes meet the core course requirements. Instructs CCHE to ensure that core course credits transfer in the most effective way between institutions. Although there is no appropriation for FY 2001-02, a future appropriations clause indicates that the bill is expected to cost \$60,000 General Fund in FY 2002-03.

H.B. 01-1293: Allows qualified early childhood professionals to receive up to \$3,000 from a school loan repayment program to be administered by CCHE. Sets up a process for annual reporting by CCHE. Appropriates \$130,000 from federal child care development funds to the Department of Human Services, and then appropriates this \$130,000 from the Department of Human Services to the Department of Higher Education, to implement the act. Stipulates that the act is repealed if the state fails to receive federal child care development funds or the federal government imposes state participation requirements.

H.B. 01-1298: Empowers a council convened by CCHE to recommend a statewide articulation matrix system of common course numbering to which the general education courses for each higher education institution may be mapped, and to annually recommend to CCHE the general education courses that should be included in the matrix. Beginning in the Fall of 2003, each higher education institution is responsible for publishing a list of courses that correspond to the general education courses contained in the matrix. Requires CCHE to develop a database with information on the matrix. Authorizes CCHE to collect gifts grants and donations to offset future implementation costs.

H.B. 01-1406: Requires the State Board of Agriculture to work with the University of Southern Colorado to prepare a report by December 15, 2001 that assesses the value to the region surrounding the University of changing its name and making modifications to the role and mission of the University, and the implications to its autonomy as a regional institution. Identifies the minimum subject areas that must be addressed in the report, which include, among others, long-term general operating budget needs, facility requirements and financial aid resources.

DEPARTMENT OF HUMAN SERVICES

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, veterans programs, alcohol and drug treatment programs, and programs for the aging. The Department is also responsible for inspecting and licensing child care facilities. In addition, the Department is responsible for the care and treatment of the state's dependent citizens who are mentally ill, developmentally disabled, or who are 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 nonprofit Community Mental Health Centers and Community Centered Boards for the Developmentally Disabled, supervises managed care contracts for Medicaid mental health services, and contracts for the supervision and treatment of delinquent juveniles.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$423,803,714	\$447,507,173	\$496,505,881	\$519,085,419
Cash Fund	63,113,152	64,006,342	84,310,752	66,463,230
Cash Funds Exempt	579,645,412	629,060,451	666,434,348	729,604,778
Federal Funds	<u>337,061,398</u>	<u>357,215,312</u>	<u>524,284,782</u>	<u>500,004,836</u>
Total Funds	\$1,403,623,676	\$1,497,789,278	\$1,771,535,763	\$1,815,158,263
Full Time Equiv. Staff	4,474.6	4,498.9	4,682.8	4,750.6

FY 2001-02 Budget Changes

In the year 2000, the Department of Human Services was reorganized to better link systems with common customers and services. The goals of the reorganization were to increase integration and coordination and to address issues that affect service delivery in multiple service divisions. In light of the reorganization, the FY 2001-02 Long Bill was restructured to mirror the new structure of the department. For this appropriations report, FY 2000-01 appropriations are presented according to the department's new organizational structure to show comparable figures for both years.

Note: The Department of Human Services administers a number of programs that receive funding from Medicaid dollars. For most programs, the state must contribute a designated amount of General Fund (a "match") in order to receive Medicaid dollars. The Department of Health Care Policy and Financing (HCPF) is the single state agency to receive Medicaid from the federal government.

Therefore, the General Assembly appropriates the necessary amount of General Fund to HCPF for DHS Medicaid-funded programs, HCPF uses that General Fund to collect Medicaid federal funds, and then transfers the combined General Fund and corresponding federal funds to DHS to pay for its programs. Funds appropriated in one department and transferred to another are shown in the receiving department as cash funds exempt. Periodically, throughout the human services section of this report the term "net General Fund" is used to convey the total amount of General Fund change to a specific area. "Net General Fund" is the sum of the General Fund appropriated directly to the Department of Human Services and the General Fund that has been appropriated to HCPF to fund DHS Medicaid-funded programs.

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

Executive Director's Office

- The transfer of \$1.3 million and 20.4 quality assurance FTE to the Executive Director's Office (EDO) from other areas pursuant to the reorganization of the Department;
- An increase of \$299,000 to enhance child welfare-related training provided for county staff, direct service providers, guardians ad litem, court appointed special advocates, and court personnel;

Office of Information Technology Services

- An increase of \$6.1 million and a decrease of 4.7 FTE for the continued development of the Colorado Benefits Management System (CBMS);
- A reduction of \$946,000 for the Colorado Trails system to reflect the elimination of one-time FY 2000-01 expenditures;
- A decrease of \$736,000 in the amount provided for start-up and ongoing information technology costs associated with the creation of the City and County of Broomfield;

Office of Operations

- The transfer of \$712,000 and 11.3 FTE to the Executive Director's Office as part of the departmental reorganization;
- A reduction of \$359,000 for utility inflation provided in FY 2000-01;

Office of Adult Health and Rehabilitation

- An increase of \$6.1 million, including \$5.3 million net General Fund, to provide a 2.5 community provider rate increase for developmental disabilities (DD) programs;

- ❑ An increase of \$5.5 million, including \$5.1 million net General Fund, to provide a 5.3 percent base rate increase for all components of comprehensive DD services and the case management component of all other services;
- ❑ An increase of \$4.0 million to annualize the costs of DD services approved in FY 2000-01;
- ❑ An increase of \$3.7 million, including \$3.3 million net General Fund, for 98 comprehensive services for persons with developmental disabilities;
- ❑ An increase of \$3.4 million for Medicaid anti-psychotic pharmaceuticals, including an increase of nearly \$3.7 million for anticipated changes in drug costs and utilization which is partially offset by a reduction of \$0.3 million for a reduction in the reimbursement rate for pharmacies;
- ❑ An increase of \$2.4 million for the Medicaid mental health capitation line item including the following changes: (1) an increase of \$2.0 million to annualize a 2.0 percent performance incentive award program begun in the last quarter of FY 2000-01; (2) an increase of \$0.9 million for changes in eligibility and case-mix; and (3) an increase of \$0.1 million for anticipated increases in mental health fee-for-service expenditures charged to this line item. These increases are partially offset by: (1) a reduction of \$0.3 million for Tatum lawsuit settlement related expenditures, reflecting lower Tatum expenditures in FY 2001-02 than FY 2000-01; and (2) a decrease of \$0.3 million to reflect anticipated reductions in Medicaid eligibility based on new disability determination procedures;
- ❑ An increase of \$1.6 million General Fund for services associated with the Goebel lawsuit settlement. This amount is classified as exempt from the six percent limit on increases in General Fund appropriations because it results from a final court order;
- ❑ An increase of \$1.7 million, including \$895,000 General Fund, for a 2.5 percent community provider cost of living adjustment for community mental health, alcohol and drug abuse, and vocational rehabilitation programs;
- ❑ An increase of \$1.1 million in cash exempt spending authority and federal funds for vocational rehabilitation programs for which cash exempt sources provide the required 21.3 percent match for federal funds. This includes an anticipated expansion of the School to Work Alliance Program, which provides vocational rehabilitation services for school-age youth with disabilities;
- ❑ An increase of \$400,000 General Fund for residential substance abuse treatment for women with dependent children;
- ❑ An additional \$312,600 General Fund for development of a new information system for the Alcohol and Drug Abuse Division to partially replace current systems;

Office of Direct Services

- ❑ An increase of \$2.8 million General Fund and 56.2 FTE (to be annualized to 68.4 FTE in FY 02-03) to ensure appropriate staffing levels and adequate quality of care at the state mental health institutes. Of this amount, \$1.5 million is associated with complying with new federal regulations on the use of seclusion and restraint and is therefore classified as exempt from the six percent limitation on increases in General Fund appropriations pursuant to Section 24-75-201.1 (1)(a)(III)(A), C.R.S.;

County Administration

- ❑ An additional \$1.1 million, including \$433,000 net General Fund, for a 2.5 percent community provider rate increase;
- ❑ An increase of \$175,000 for S.B. 97-06 to implement a merit system by the counties;
- ❑ A reduction of \$850,000 Medicaid cash funds to administer contract non-emergency medical transportation services;

Office of Self Sufficiency

- ❑ The elimination of \$10.0 million in one-time cash funds provided by H.B. 01-1107 for energy assistance cash grants in FY 2000-01;
- ❑ A reduction of \$9.2 million in federal Temporary Assistance for Needy Families (TANF) funds for the Works Program based on the amount that will be available to Colorado for FY 2001-02;
- ❑ A reduction of \$875,000 in anticipated cash fund exempt donations for energy assistance for FY 2001-02;

Office of Adult and Veterans Services

- ❑ An increase of \$468,000 cash funds for the Old Age Pension program;
- ❑ An additional \$264,000 cash funds exempt for the Aid to the Needy Disabled State-only program for caseload and cost of living increases;
- ❑ An increase of \$118,000 in cash and federal funds to operate the Western Slope Military Veterans Cemetery;

Division of Child Welfare

- ❑ An increase of \$15.1 million, including \$8.2 million net General Fund, for child welfare services for anticipated caseload and inflationary increases;
- ❑ A net increase of \$8.5 million cash funds exempt spending from Family Issues Cash Fund reserves for Family and Children's child welfare services, offset by a reduction of \$8.5 million General Fund for such programs, pursuant to adjustments made in S.B. 01-129;
- ❑ An increase of \$270,000 and 4.0 FTE to improve the Division of Child Care's ability to inspect and monitor child placement agencies and 24-hour child care facilities;

Division of Child Care

- ❑ An increase of \$1.6 million federal funds to provide for a 2.5 percent inflationary increase for the child care assistance program;

Division of Youth Corrections

- ❑ An increase of \$5.5 million for projected growth in the number of detained, committed and paroled juveniles in the care of the Department;
- ❑ Initiation of the \$2.1 million Community Accountability Program authorized in H.B. 01-1357 and corresponding discontinuation of the \$1.9 million regimented juvenile training program;

Division of Children's Health and Rehabilitation

- ❑ The transfer of \$1.4 million, including \$1.3 million General Fund, from the former Health and Rehabilitation Services and Children, Youth, and Families sections to the new Children's Mental Health Services section, pursuant to the reorganization of the Department;
- ❑ The transfer of \$290,000, including \$89,000 General Fund, from the former Health and Rehabilitation Services and Direct Services sections to the new Division of Children's Health and Rehabilitation pursuant to the reorganization of the Department;
- ❑ The transfer of \$17.0 million, including \$12.7 million in General Fund, for services for children with developmental disabilities from the former Health and Rehabilitation Services division, including \$410,000 for additional family support services, \$390,000 for additional children's extensive support services for children with developmental disabilities, and \$256,000 for additional early intervention services for children with developmental disabilities.

- ❑ An increase of \$21.6 million, including \$9.5 million net General Fund, to provide a 2.5 percent cost of living adjustment for community providers of human services;
- ❑ An increase of \$3.0 million, including \$1.9 million net General Fund, for the annualization of anniversary increases provided in FY 2000-01;
- ❑ An increase of \$1.3 million, including \$1.1 million General Fund, for medical cost inflation;
- ❑ An increase of \$110,000 for food cost inflation;
- ❑ A decrease of \$3.1 million, including \$1.8 million net General Fund, resulting from a 1.5 percent personal services base reduction.

General Factors Driving the Budget

Funding for this department consists of 29 percent General Fund, 3 percent cash funds, 40 percent cash funds exempt, and 28 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Major Information System Projects

For the past several years, the General Assembly has provided significant funding to the Department of Human Services for four major information system projects. The Department has received funding to develop and implement three major information systems which will be used by staff at the Department and at county departments of social services to administer various social service programs:

- County Financial Management System (CFMS) - As of July 1, 1999, replaced existing systems used to track county expenditures for various social service programs.
- Children, Youth and Families Automation Project ("Colorado Trails") - During FY 2000-01, replaced systems used by state and county child welfare staff. Will replace systems currently used by the Division of Youth Corrections.
- Colorado Benefits Management System (CBMS) - Will replace multiple systems used by county staff to determine eligibility for financial, medical, and food stamp benefits.

The General Assembly has appropriated a total of \$168.6 million for these three projects to date (including \$51.4 million General Fund and capital construction funds exempt). Cumulative appropriations are reflected in the table below. These include both funds used for system development and funds used for ongoing operations and system maintenance.

Information System Project	Cumulative Appropriations to Date			
	General Fund	Cap. Constr. Funds Exempt	Other Funds	Total Funds
County Financial Management System (since FY 97-98)	\$1,920,925	\$0	\$8,191,326	\$10,112,251
Colorado Trails (since FY 95-96)	18,501,973	0	47,656,107	66,158,080
Colorado Benefits Management System ¹ (since FY 95-96)	<u>11,349,151</u>	<u>19,602,724</u>	<u>61,328,595</u>	<u>92,280,470</u>
Total Appropriations Through FY 2001-02	\$31,772,049	\$19,602,724	\$117,176,028	\$168,550,801

For FY 2001-02, the appropriation for the County Financial Management System (ongoing operations and maintenance phase) was \$1.3 million, the appropriation for the Colorado Trails program (ongoing operations and maintenance phase, but some development still in progress) was \$11.3 million, and the appropriation for the Colorado Benefits Management System (development phase, including independent validation and verification efforts) was \$20.1 million.

Medicaid Mental Health Services

Medicaid mental health services throughout Colorado are delivered through a managed care, “capitated” program. The program began in FY 1995-96 and was extended to the entire State by the end of FY 1997-98. Under the capitation program, the State pays a regional entity—a Mental Health Assessment and Service Agency (MHASA)—a contracted amount for each Medicaid eligible person in the entity’s geographic area; the MHASA is then required to provide appropriate mental health services to all Medicaid-eligible persons needing such services. There are eight MHASAs, each with responsibility for a different geographic region of the State. The rate paid to each MHASA for each class of Medicaid eligible person (e.g., foster care, elderly, disabled) in each geographic region is established through a competitive bid process. All MHASA contracts were rebid during FY 2000-01, with implementation effective April 1, 2001 for most areas. For both FY 2000-01 and FY 2001-02, the rebid resulted in an estimated reduction of \$3.7 million from the amounts that would have been anticipated under the previous rate structure. The General Assembly partially offset these reductions by the addition of a performance incentive award program for Medicaid mental health contractors. A total of \$2.6 million was added for the performance incentive award program for FY 2001-02.

The Medicaid mental health budget has also been driven in recent years by rapid increases in the cost and utilization of Medicaid anti-psychotic pharmaceuticals. This portion of the Medicaid pharmaceutical budget was transferred to the Department of Human Services budget in FY 1999-00.

¹ General Fund appropriations to date *include* amounts directly appropriated to the Department of Health Care Policy and Financing (DHCPF). Total appropriations to date *include* appropriations in the capital construction section of the Long Bill, and *exclude* cash funds exempt transfers from the DHCPF to the Department of Human Services.

	FY 96-97 Estimate	FY 97-98 Estimate	FY 98-99 Estimate	FY 99-00 Actual	FY 00-01 Approp.	FY 01-02 Approp.
Medicaid Mental Health Services*	\$112,131,278	\$121,257,877	\$121,236,414	\$131,428,234	\$133,106,910	\$135,509,506
Medicaid Anti-psychotic pharmaceuticals	\$5,958,316	\$8,607,330	\$10,834,115	\$13,390,061	\$16,373,444	\$19,731,967

*Costs through FY 1998-99 include estimates of mental health fee-for-service expenditures budgeted in the Department of Health Care Policy and Financing. Costs for FY 2000-01 and FY 2001-02 subject to adjustment based on actual numbers of Medicaid eligibles and fee-for-service amounts charged to this budget.

Demand for Services and Staffing at the Mental Health Institutes

As MHASAs have taken control of Medicaid funding under Medicaid capitation, there has been a decline in demand for bed space at the State's two mental health institutes. The impact has been greatest on child and adolescent beds, since most of these are funded by Medicaid. Between FY 1994-95 and FY 1998-99, 126 child and adolescent beds were eliminated due to insufficient demand. Although most adult beds are excluded under Medicaid and are therefore directly supported by General Fund, changes in services patterns and decline in demand also led to elimination of 40 adult beds in FY 1995-96. The institutes have sought to replace some of the closed acute treatment units with alternative residential services for adolescents: 60 residential treatment beds were added between FY 96-97 and FY 97-98, but 40 of these were closed in FY 99-00. While the overall number of beds at the institutes have shrunk, there has been an associated increase in patient severity and staffing needs. Staffing was increased by 58.2 FTE in FY 2001-02, and further requests for increases are anticipated, despite stagnant or declining numbers of patient-days. The institutes had a total of 734 beds as of June 30, 2001.

	FY 96-97	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02
Institute Budget	\$70,788,336	\$71,260,948	\$73,597,120	\$75,525,316	\$75,630,107	\$80,704,168
FTE	1,301.9	1,333.6	1,320.0	1,273.5	1,268.0	1,321.3
Avg. Daily Census*	736	748	722	703	699	n/a

*Based on data through May 31, 2001

Waiting Lists for Adult and Children's Developmental Disability Services

Community Centered Boards (CCBs) administer community services for persons with developmental disabilities. Each CCB maintains a waiting list when the number of persons or families requesting services exceeds the resources available, and the Department tracks the total number of persons on

waiting lists. There are waiting lists for adult services, early intervention services, and family support services (among others).

Type of developmental disability service	Waiting List as of March 2001*	Average annual cost per person for FY 2001-02 new services
Comprehensive Services	1,039	\$73,395
Supportive Living Services	1,009	\$14,497
Children's Extensive Support	52	\$19,496
Early Intervention	256	\$5,628
Family Support Services	2,045	\$5,345

*Needed within two years or less.

In each of the last several years, the General Assembly has appropriated additional resources to reduce the number of persons and families on waiting lists.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Approp.	FY 01-02 Approp.
Adult and Children's Developmental Disability Community Programs	\$173,949,876	\$182,011,465	\$199,177,841	\$239,283,415	\$259,812,642
<i>Percent Change</i>	<i>n/a</i>	<i>4.6%</i>	<i>9.4%</i>	<i>20.1%</i>	<i>8.6%</i>

Child Welfare Services

In response to a 1992 lawsuit, the Governor and the Department of Human Services signed the Child Welfare Settlement Agreement, which has resulted in significant increases in funding and staff for child welfare programs since FY 1993-94. Historically, about one quarter of child welfare funding has been provided for county staff and administrative costs, and about half has been provided for the costs of caring for children who have been removed from their homes. Out-of-home care costs increased more than three-fold over the five year period FY 1991-92 through FY 1996-97, rising from \$41.9 million to \$126.9 million. These cost increases were driven by growth in both the average number of children receiving care and the average monthly payment for such care.

In 1997 the General Assembly adopted S.B. 97-218, which capped the state's reimbursements to counties for the cost of providing child welfare services. This bill also authorized counties to use capped allocation moneys without category restriction and to negotiate rates, services, and outcomes with providers. Counties now receive a single allocation of funds to cover the costs of out-of-home care, subsidized adoptions, and related administration. Funding increases have been provided since FY 1997-98 based on increases in the overall number of child welfare cases (not just cases involving

children removed from their home) and annual inflationary increases. From FY 1997-98 to FY 2001-02, appropriations for child welfare have increased an average of 5.8 percent per year.

	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02
Appropriations for Child Welfare Services	\$217,160,433	\$232,750,327	\$241,218,855	\$263,056,077	\$278,179,829
<i>Percent Change</i>		7.2%	3.6%	9.1%	5.7%

Increasing Youth Corrections Populations

The Division of Youth Corrections provides for the housing, treatment and education of juveniles who are detained while awaiting adjudication (similar to adult jail), or committed for a period of time as a result of a criminal conviction (similar to adult prison). Also, the Division supervises juveniles during a mandatory parole following all commitment sentences. Increases in the number of detained, committed and paroled juveniles significantly impact funding requirements. Measurements in the table below are based on the average daily population (ADP).

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Est.	FY 01-02 Projection
Detention ADP	515.2	550.4	571.1	589.1	615.5
<i>Percent Change</i>		6.8%	3.8%	3.2%	4.5%
Commitment ADP	1,050.1	1,165.3	1,216.7	1,285.9	1,395.1
<i>Percent Change</i>		11.0%	4.4%	5.7%	8.5%
Parole ADP	255.0	366.1	601.4	750.0	824.9
<i>Percent Change</i>		43.6%	64.3%	24.7%	10.0%

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation :	\$496,505,881	\$84,310,752	\$666,434,348	\$524,284,782	\$1,771,535,763	4,682.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	25,454,581	370,347	10,393,532	7,086,500	43,304,960	155.9

	GF	CF	CFE	FF	Total	FTE
Office of Information Technology Services	19,044,527	838,459	3,896,844	15,618,077	39,397,907	179.2
Office of Operations	19,329,916	3,573,013	8,901,983	3,316,117	35,121,029	526.0
Office of Adult Health and Rehabilitation	54,219,587	4,231,908	368,391,189	61,580,194	488,422,878	339.3
Office of Direct Services	59,205,062	9,857,824	45,427,631	0	114,490,517	2,185.0
County Administration	32,387,389	0	27,462,108	12,297,931	72,147,428	0.0
Office of Self Sufficiency	6,735,747	10,337,147	32,364,312	296,941,659	346,378,865	265.9
Office of Adult and Veterans Services	14,079,993	54,495,279	27,350,096	9,980,128	105,905,496	36.9
Division of Child Welfare	137,228,459	251,005	117,450,170	62,921,948	317,851,582	41.0
Division of Child Care	17,574,684	350,442	8,042,488	54,168,174	80,135,788	56.5
Division of Youth Corrections	98,264,379	0	13,148,129	313,311	111,725,819	892.6
Division of Children's Health and Rehabilitation	12,981,557	5,328	3,605,866	60,743	16,653,494	4.5
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	493,483,771	64,577,100	669,915,648	480,626,388	1,708,602,907	4,671.7
HB 00-1020	2,640	0	0	0	2,640	0.0
HB 00-1034	160,000	0	0	0	160,000	0.0
HB 00-1072	0	3,000,000	0	0	3,000,000	0.0
HB 00-1215	531,426	4,532	217,189	80,458	833,605	0.0
HB 00-1458	(558,198)	(13,184)	(286,489)	(151,742)	(1,009,613)	0.0
SB 00-22	0	0	0	955,314	955,314	0.0
SB 00-71	0	0	766,994	0	766,994	0.0
SB 00-194	0	0	115,527	0	115,527	1.0
HB 01-1107	0	10,000,000	0	0	10,000,000	0.0
SB 01-129	5,853,255	0	(5,853,255)	0	0	0.0
SB 01-185	(3,262,991)	6,742,304	4,299,662	42,774,364	50,553,339	10.1
SB 01-212	295,978	0	(2,740,928)	0	(2,444,950)	0.0

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$519,085,419	\$66,463,230	\$729,604,778	\$500,004,836	\$1,815,158,263	4,750.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	28,428,395	433,324	11,245,146	8,217,725	48,324,590	172.3
Office of Information Technology Services	19,845,102	1,278,154	6,347,079	17,328,390	44,798,725	177.5
Office of Operations	19,377,453	680,049	12,201,937	3,137,114	35,396,553	515.2
Office of Adult Health and Rehabilitation	58,267,047	2,910,797	402,010,930	60,498,130	523,686,904	337.5
Office of Direct Services	64,315,000	5,154,581	50,329,924	0	119,799,505	2,227.1
County Administration	32,840,992	0	28,423,908	12,679,368	73,944,268	0.0
Office of Self Sufficiency	6,798,677	342,540	32,899,360	269,320,766	309,361,343	275.4
Office of Adult and Veterans Services	13,952,636	54,985,487	27,995,367	10,302,966	107,236,456	40.4
Division of Child Welfare	135,481,764	267,395	131,438,636	67,150,235	334,338,030	42.0
Division of Child Care	17,941,285	349,880	8,042,488	51,034,902	77,368,555	63.0
Division of Youth Corrections	107,562,250	55,046	14,065,793	267,098	121,950,187	895.7
Division of Children's Health and Rehabilitation	14,274,818	5,977	4,604,210	68,142	18,953,147	4.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	525,059,369	63,446,840	723,875,626	499,641,443	1,812,023,278	4,749.5
SB 01-32	19,132	0	0	76,526	95,658	2.5
SB 01-77	(328,693)	0	0	0	(328,693)	(1.7)
SB 01-129	(5,853,255)	0	5,853,255	0	0	0.0
HB 01-1079	0	3,000,000	0	0	3,000,000	0.0
HB 01-1102	7,879	0	0	0	7,879	0.0
HB 01-1184	26,776	0	0	122,788	149,564	1.0
HB 01-1193	81,713	0	0	9,079	90,792	0.0
HB 01-1227	0	16,390	0	0	16,390	0.0
HB 01-1264	0	0	46,893	0	46,893	0.0

	GF	CF	CFE	FF	Total	FTE
HB 01-1271	0	0	24,000	0	24,000	0.0
HB 01-1289	0	0	0	25,000	25,000	0.0
HB 01-1293	0	0	0	130,000	130,000	0.0
HB 01-1357	72,498	0	(194,996)	0	(122,498)	(0.7)
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$22,579,538	(\$17,847,522)	\$63,170,430	(\$24,279,946)	\$43,622,500	67.8
Percentage Change	4.5%	-21.2%	9.5%	-4.6%	2.5%	1.4%

Detail of Appropriation by Administrative Section

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 program supervision, coordination, and evaluation. This section also 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 administration of the Juvenile Parole Board; 2) the Developmental Disabilities Council; 3) child welfare-related training; and 4) monitoring child welfare programs statewide and providing technical assistance to county departments of social services and 24-hour child care facilities.

Cash fund sources are primarily patient payments collected by the Mental Health Institutes in addition to other various sources. Cash funds exempt sources include Medicaid cash funds transferred from the Department of Health Care Policy and Financing, patient payments collected by the Mental Health Institutes and other various sources. Federal fund sources include indirect cost recoveries, the Temporary Assistance to Needy Families Block Grant, Section 110 vocational rehabilitation funds, the Substance Abuse Prevention and Treatment Block Grant and other various sources.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$25,666,687	\$370,591	\$10,432,054	\$7,166,179	\$43,635,511	155.9
HB 00-1215	531,426	4,532	217,189	80,458	833,605	0.0
HB 00-1458	(22,011)	(90)	(10,343)	(12,452)	(44,896)	0.0
SB 01-185	(721,521)	(4,686)	(245,368)	(147,685)	(1,119,260)	0.0

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$25,454,581	\$370,347	\$10,393,532	\$7,086,500	\$43,304,960	155.9
FY 2001-02 Appropriation:						
SB 01-212	\$28,338,803	\$433,324	\$11,245,146	\$8,208,646	\$48,225,919	172.3
HB 01-1102	7,879	0	0	0	7,879	0.0
HB 01-1193	<u>81,713</u>	<u>0</u>	<u>0</u>	<u>9,079</u>	<u>90,792</u>	<u>0.0</u>
TOTAL	\$28,428,395	433,324	11,245,146	8,217,725	48,324,590	172.3
Change FY 01 - FY 02						
Increase/(Decrease)	\$2,973,814	\$62,977	\$851,614	\$1,131,225	\$5,019,630	16.4
Percentage Change	11.7%	17.0%	8.2%	16.0%	11.6%	10.5%

FTE Detail	FY 2000-01	FY 2001-02
Executive Director's Office	6.5	6.5
Human Resources	62.6	58.6
Budget	11.0	11.0
External Affairs	36.0	36.0
Office of Performance Improvement	0.0	20.4
Child Welfare Administrative Review Unit	31.0	31.0
Developmental Disability Council	6.0	6.0
Juvenile Parole Board	<u>2.8</u>	<u>2.8</u>
	155.9	172.3

FTE Changes: The net increase of 16.4 FTE in the Executive Director's Office reflects the transfer of 20.4 quality assurance FTE from other areas as part of a reorganization of the Department. The transfers to the Executive Director's Office are offset by the reduction of 4.0 FTE per S.B. 97-006 which abolished the merit system for county employees. As part of the reorganization, 31.0 child welfare quality assurance FTE were transferred to the EDO; however, this portion of the transfer is reflected in both fiscal years to show comparable figures.

General Fund Changes: The General Fund appropriation includes increases of: 1) \$2.8 million for salary survey and anniversary increases awarded in FY 2000-01; 2) \$590,000 for salaries for FTE transferred from other areas of the Department; 3) \$196,000 for increased payments to risk

management and property funds, and 4) \$146,000 to modify and enhance child welfare-related training provided for county staff, direct service providers, guardians ad litem, court appointed special advocates, and court personnel. These increases are partially offset by a reduction of \$725,000 in worker's compensation.

Cash Fund Changes: The net increase the cash funds appropriation reflects an increase of \$67,000 associated with the transfer of FTE from other areas of the Department and an increase of \$24,000 in the cash fund share of costs associated with personnel, including salary survey and shift differential. These increases are partially offset by decreases of \$29,000 in the cash fund share of costs associated with health, life and dental, short-term disability, and anniversary.

Cash Funds Exempt Changes: The cash funds exempt increase includes increases of: 1) \$1.3 million associated with salary costs including salary survey, anniversary, shift and short term disability; 2) \$200,000 in funding transferred from other areas of the Department; and 3) \$71,000 associated with increased payments to risk management and property funds. These increases are offset by decreases of \$605,000 in worker's compensation costs and \$145,000 in the cash fund exempt share of costs associated with health, life dental.

Federal Funds Changes: The net \$1.1 million increase in federal funds reflected is primarily due to: 1) \$657,000 in increases associated with the federal funds share of costs for salary survey and anniversary increases and health, life, and dental, and short term disability; 2) the transfer of \$448,500 in program funding to the Executive Director's Office; and 3) \$71,000 federal funds to modify and enhance child welfare-related training. These increases are partially offset by decreases of \$48,000 in the reflected federal funds share of worker's compensation costs.

Office of Information Technology Services

This section includes funding for expenses associated with departmental information systems, including the following: costs associated with personnel who support information systems throughout the Department; purchase of services from the general government computer center; system maintenance costs; and operating costs of certain computer systems that support multiple program areas, including the Colorado Benefits Management System, the Colorado Financial Management System, and the Colorado Trails information system. Because this section includes information systems that support multiple program areas, there are multiple sources of cash, cash exempt, and federal funds. The most important source of cash exempt funds is Medicaid transferred from the Department of Health Care Policy and Financing. Other important sources of federal funds include Title IV-E of the Social Security Act and Temporary Assistance for Needy Families.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$18,635,300	\$840,568	\$3,894,088	\$15,245,277	\$38,615,233	179.2
HB 00-1458	(27,687)	(600)	(2,326)	(14,665)	(45,278)	0.0

	GF	CF	CFE	FF	Total	FTE
SB 01-185	<u>436,914</u>	<u>(1,509)</u>	<u>5,082</u>	<u>387,465</u>	<u>827,952</u>	<u>0.0</u>
TOTAL	\$19,044,527	\$838,459	\$3,896,844	\$15,618,077	\$39,397,907	179.2
FY 2001-02 Appropriation:						
SB 01-212	\$19,845,102	\$1,278,154	\$6,323,079	\$17,328,390	\$44,774,725	177.5
HB 01-1271	<u>0</u>	<u>0</u>	<u>24,000</u>	<u>0</u>	<u>24,000</u>	<u>0.0</u>
TOTAL	\$19,845,102	\$1,278,154	\$6,347,079	\$17,328,390	\$44,798,725	177.5
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$800,575	\$439,695	\$2,450,235	\$1,710,313	\$5,400,818	(1.7)
Percentage Change	4.2%	52.4%	62.9%	11.0%	13.7%	-0.9%

FTE Detail	FY 2000-01	FY 2001-02
Management/General Support	87.2	90.2
Colorado Benefits Management System	30.0	25.3
Colorado Trails	23.0	23.0
Client-Oriented Information System	24.0	24.0
Food Stamp Information System	<u>15.0</u>	<u>15.0</u>
	179.2	177.5

FTE Changes: The appropriation reflects a net decrease of 1.7 FTE. This reflects a net decrease of 4.7 FTE for development of the Colorado Benefits Management System (CBMS), based on the elimination of the FY 2000-01 appropriation of 30.0 FTE and provision of 25.3 FTE for FY 2001-02. The decrease for this system is partially offset by an increase of 3.0 FTE associated with the Departmental reorganization, including 1.0 FTE each transferred from the Office of Operations, the Division of Youth Corrections, and the Office of Direct Services.

General Fund Changes: The appropriation reflects a net increase of \$801,000 General Fund that includes the following: (1) a net increase of \$0.9 million for the development of the Colorado Benefits Management System, based on the provision of \$2.4 million for FY 2001-02 offset by the elimination of the FY 2000-01 appropriation of \$1.5 million; (2) an increase of \$313,000 for rate adjustments for services purchased from the state computer center; (3) a net increase of \$198,000 for the Colorado Financial Management system, reflecting an increase of \$202,000 for changes in the allocation of costs between General Fund and federal funds and an increase of \$33,900 for an

initiative to increase system disk drive capacity, offset by a decrease of \$38,000 to annualize one-time funding provided in FY 2000-01; (4) an increase of \$196,000 for personal services increases awarded in FY 2000-01; (5) an increase of \$107,000 associated with the transfer of 3.0 FTE from other divisions; and (6) an increase of \$50,000 to restore a one-time FY 2000-01 reduction for the Food Stamp Information System. These increases are partially offset by the following decreases: (1) a decrease of \$581,000 for the Colorado Trails System, including annualization that eliminates \$511,000 of one-time FY 2000-01 funding for the system, a reduction of \$50,000 to reflect an adjustment in fund splits for the system, and a reduction of \$20,000 to reflect the transfer of some leased space funding for the system to the Office of Operations, Leased Space line item; and (2) a net decrease of \$380,000 for information technology costs associated with the creation of the City and County of Broomfield, based on the elimination of the FY 2000-01 appropriation of \$543,000 partially offset by the provision of \$163,000 for FY 2001-02

Cash Funds Changes: The net increase of \$440,000 cash funds is primarily the result of: (1) a net increase of \$460,000 to fund the development of the Colorado Benefits Management System, reflecting the provision of \$1.2 million for system development in FY 2001-02 offset by the elimination of \$768,000 in FY 2000-01 system funding; and (2) an increase of \$10,000 for rate adjustments for services purchased from the state computer center. These increases are partially offset by annualization that eliminates \$34,000 in FY 2000-01 funding for City and County of Broomfield start-up costs.

Cash Funds Exempt Changes: The net increase of \$2.5 million cash funds exempt includes the following increases: (1) a net increase of \$2.4 million to fund the development of the Colorado Benefits Management System, reflecting the provision of \$5.3 million for FY 2001-02 offset by the elimination of \$2.9 million in FY 2000-01 funding; (2) a net increase of \$56,000 to fund information technology costs associated with the creation of the City and County of Broomfield, reflecting the provision of \$214,000 for FY 2001-02 offset by the elimination of \$158,000 in FY 2000-01 funding; and (3) an increase of \$24,000 associated with changes to the Client Oriented Information System (COIN) authorized by H.B. 01-1271.

Federal Funds Changes: The net increase of \$1.7 million federal funds includes: (1) a net increase of \$2.4 million to fund further development of the Colorado Benefits Management System, reflecting the provision of \$6.3 million for FY 2001-02 offset by the elimination of \$3.9 million in FY 2000-01 funding; (2) an increase of \$321,000 for rate adjustments for services purchased from the state computer center; and (3) an increase of \$27,000 for annualization of personal services increases awarded in FY 2000-01. These increases are partially offset by: (1) a net decrease of \$424,000 for City and County of Broomfield start-up costs, reflecting the elimination of \$561,000 in FY 2000-01 funding offset by the provision of \$137,000 for FY 2001-02; (2) a net decrease of \$376,000 for the Colorado Trails system, reflecting annualization that eliminates \$426,000 of FY 2000-01 funding for the system partially offset by an increase of \$50,000 for adjustments to the funding splits for the system; and (3) a net decrease of \$237,000 for the Colorado Financial Management System, reflecting a reduction of \$202,000 for adjustments to the financing for the system, a reduction of

\$58,000 to annualize one-time FY 2000-01 costs, and an increase of \$22,700 to provide a system disk drive capacity upgrade.

Office of Operations

This section contains appropriations for central departmental functions such as accounting, auditing, contracting, purchasing, vehicle leases, and facility management.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$18,932,069	\$659,362	\$11,797,690	\$3,318,085	\$34,707,206	526.0
HB 00-1458	(56,980)	(1,968)	(37,636)	(1,968)	(98,552)	0.0
SB 01-185	<u>454,827</u>	<u>2,915,619</u>	<u>(2,858,071)</u>	<u>0</u>	<u>512,375</u>	0.0
TOTAL	\$19,329,916	\$3,573,013	\$8,901,983	\$3,316,117	\$35,121,029	526.0
FY 2001-02 Appropriation:						
SB 01-212	\$19,384,993	\$680,049	\$12,201,937	\$3,137,114	\$35,404,093	515.2
HB 01-1357	<u>(7,540)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,540)</u>	<u>0.0</u>
TOTAL	\$19,377,453	\$680,049	\$12,201,937	\$3,137,114	\$35,396,553	515.2
Change FY 01 - FY 02						
Increase/(Decrease)	\$47,537	(\$2,892,964)	\$3,299,954	(\$179,003)	\$275,524	(10.8)
Percentage Change	0.2%	-81.0%	37.1%	-5.4%	0.8%	-2.1%

FTE Detail	FY 2000-01	FY 2001-02
SES/Management Group Profile/Controller	3.0	3.0
Building Professionals	9.0	9.0
Accounting/Auditing	124.5	124.5
Production/Telecommunications/Electronics Specialist	7.6	7.6
Electrician	10.0	10.0
Program Assistant	7.0	7.0
Pipefitter/Mechanical Trades/Sheet-metal	32.0	32.0
Grounds keeper	13.0	13.0
Storekeeper/Supplies/Materials Handler	19.0	19.0

FTE Detail	FY 2000-01	FY 2001-02
Structural Trades	53.0	53.0
Administrative Assistant/Data	24.0	24.0
Equipment Operator	8.3	8.3
Custodian	138.0	138.5
Utility Worker	26.0	26.0
General Professional	32.0	32.0
LTC Operations	11.0	11.0
State Garage	2.1	2.1
Buildings and Grounds	6.5	6.5
Transferred to other areas of the Department	<u>0.0</u>	<u>(11.3)</u>
	526.0	515.2

FTE Changes: The overall appropriation includes the transfer of 10.3 to Executive Director's Office and 1.0 to the Office of Information Technology Services. These FTE transfers are offset by the increase of 0.5 FTE for new Division of Youth Corrections facilities maintenance.

General Fund Changes: The General Fund appropriation is the result of increases of \$663,000 in salary survey and anniversary increases awarded in FY 2000-01, \$103,000 for leased space costs related to new funding for initiatives in other areas of the Department, \$69,000 associated with additional FTE, and \$25,000 for annualization costs of new vehicles approved in FY 2000-01. These increases are partially offset by the transfer of \$474,000 associated with FTE transferred to other areas of the department and reduction of \$340,000 in utility inflation provided for FY 2000-01 only.

Cash Funds Changes: The decrease in cash funds results from the reclassification of revenue from community mental health capitated programs from cash funds to cash funds exempt, based on administrative changes that will enable these funds to be transferred to the mental health institutes from the Department of Health Care Policy and Financing on behalf of mental health capitation contractors. Previously, these funds were received directly from the capitation contractors and this resulted in a double-count of this revenue under the provisions of Article X, Section 20 of the State Constitution.

Cash Funds Exempt Changes: The net increase in cash funds exempt results from the reclassification of \$2.9 million cash funds as described above and \$354,000 for salary survey and anniversary increases.

Federal Funds Changes: The net decrease in federal funds reflected results from the transfer of \$251,000 to other areas of the Department pursuant to the reorganization and an increase of \$58,000 for leased space inflation and initiatives in other areas.

Office of Adult Health and Rehabilitation

This section contains appropriations for five subsections: Administration of Mental Health and Developmental Disability Services, Mental Health Community Programs, Community Services for Persons with Developmental Disabilities, the Division of Vocational Rehabilitation, and the Alcohol and Drug Abuse Division. Detailed information on each of these areas is covered in the tables and narrative for each subsection.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation: *						
HB 00-1451	\$52,935,211	\$4,131,981	\$371,242,850	\$61,621,151	\$489,931,193	338.3
HB 00-1458	(19,094)	(328)	(11,343)	(56,782)	(87,547)	0.0
SB 00-194	0	0	115,527	0	115,527	1.0
SB 01-185	1,007,492	100,255	(385,730)	15,825	737,842	0.0
SB 01-212	<u>295,978</u>	<u>0</u>	<u>(2,570,115)</u>	<u>0</u>	<u>(2,274,137)</u>	<u>0.0</u>
TOTAL	\$54,219,587	\$4,231,908	\$368,391,189	\$61,580,194	\$488,422,878	339.3
FY 2001-02 Appropriation:						
SB 01-212	<u>\$58,267,047</u>	<u>\$2,910,797</u>	<u>\$402,010,930</u>	<u>\$60,498,130</u>	<u>\$523,686,904</u>	<u>337.5</u>
TOTAL	\$58,267,047	\$2,910,797	\$402,010,930	\$60,498,130	\$523,686,904	337.5
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$4,047,460	(\$1,321,111)	\$33,619,741	(\$1,082,064)	\$35,264,026	(1.8)
Percentage Change	7.5%	-31.2%	9.1%	-1.8%	7.2%	-0.5%

FTE Detail	FY 2000-01	FY 2001-02
Administration of Mental Health and Developmental Disability Services	63.1	64.1
Mental Health Community Programs	2.0	2.0
Division of Vocational Rehabilitation	245.7	244.9

FTE Detail	FY 2000-01	FY 2001-02
Alcohol and Drug Abuse Division	<u>28.5</u>	<u>26.5</u>
	339.3	337.5

*Note. Fiscal year 2000-01 appropriations have been adjusted to reflect the Department's reorganization. As a result, FY 2000-01 appropriations originally made to the Office of Health and Rehabilitation have been divided between the new Office of Adult Health and Rehabilitation and the new Division of Children's Health and Rehabilitation to provide comparable figures to FY 2001-02 appropriations.

Administration of Mental Health and Developmental Disability Services

This section contains appropriations for the administration of adult mental health and developmental disability services. Funding for administration of children's mental health and developmental disabilities programs is now in the Division of Children's Health and Rehabilitation, a new division created through the reorganization of the department.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$832,481	\$0	\$2,742,055	\$5,247,778	\$8,822,314	63.1
FY 2001-02 Appropriation:						
TOTAL	\$981,716	\$0	\$2,679,811	\$5,291,743	\$8,953,270	64.1
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$149,235	\$0	(\$62,244)	\$43,965	\$130,956	1.0
Percentage Change	17.9%	n/a	-2.3%	0.8%	1.5%	1.6%

FTE Changes: The addition of 2.0 FTE was provided to increase the capacity of developmental disabilities programs to monitor and assess the quality of services in the Community Centered Board system. This increase is offset by the transfer of 1.0 FTE to the Executive Director's Office.

General Fund Changes: The increase in General Fund is the result of \$149,000 in personal services and operating increases, for existing staff as well as the additional 2.0 FTE provided for increased quality assurance activities.

Cash Funds Exempt Changes: The net decrease in cash funds exempt is the result of the transfer of \$85,000 associated with FTE transferred to the Executive Director's Office and the reduction of

\$36,000 for mental health data analysis contracts pursuant to a footnote indicating the General Assembly's intent for this appropriation. These decreases are offset by an increase of \$61,000 for the cash funds exempt share of salary survey and anniversary increases awarded in FY 2000-01.

Federal Funds Changes: The net increase in federal funds reflected results primarily from \$54,000 for salary survey and anniversary increases awarded in FY 2000-01 and \$6,200 for increased telecommunications costs. These increases are offset by a reduction of \$16,000 associated with the 1.5 percent personal services base reduction.

Mental Health Community Programs

This section provides mental health services through the purchase of services from three specialty clinics, 17 private non-profit community mental health centers, and 8 mental health assessment and service agencies (MHASAs), which coordinate mental health services for Medicaid recipients. Most public funding for community-based mental health services for children and adults is included in this section of the budget, although funding for some pilot programs for children has been moved to the Division of Children's Health and Rehabilitation. In FY 2001-02, this section is expected to fund mental health services for 36,787 Medicaid-eligible children and adults and for 38,629 children and adults who are not Medicaid eligible. Most of the cash funds exempt amounts reflected in this section of the budget are Medicaid funds transferred from the Department of Health Care Policy and Financing. The federal funds are primarily from the Mental Health Services Block Grant.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$27,022,592	\$0	\$152,366,731	\$4,781,557	\$184,170,880	2.0
FY 2001-02 Appropriation:						
TOTAL	\$29,299,131	\$0	\$166,437,641	\$4,901,096	\$200,637,868	2.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$2,276,539	\$0	\$14,070,910	\$119,539	\$16,466,988	0.0
Percentage Change	8.4%	n/a	9.2%	2.5%	8.9%	0.0%

The appropriation for FY 2001-02 reflects the transfer of \$935,000 of children's related special programs to the new Division of Children's Health and Rehabilitation. The FY 2000-01 amounts shown above do not include these children's programs to facilitate the comparison between the two years.

General Fund Changes: The General Fund appropriation includes an increase of \$1.6 million for services to the Goebel Lawsuit Settlement plaintiff class. This amount has been classified as exempt from the six percent limit on increases in General Fund expenditures. The General Fund increase also includes \$664,000 associated with a 2.5 percent community provider cost of living adjustment for all mental health community programs and an increase of \$7,000 for salary survey and anniversary increases awarded in FY 2000-01.

Cash Funds Exempt Changes: The cash funds exempt increase includes \$8.2 million to reflect, for informational purposes, the estimated portion of the Medicaid mental health budget that is spent to serve members of the Goebel lawsuit settlement plaintiff class. Reflecting this amount in the budget has a net zero impact on actual expenditures made.

The cash exempt increase also includes anticipated net Medicaid increases. These Medicaid increases include:

- ▶ A net increase of \$3.4 million for Medicaid anti-psychotic pharmaceuticals that reflects an increase of nearly \$3.7 million for anticipated changes in drugs cost and utilization offset by a reduction of \$0.3 million for a reduction in the reimbursement rates and changes in client co-payments for pharmacies.
- ▶ A net increase of \$2.4 million for the Medicaid mental health capitation line item that reflects the following changes: (1) an increase of \$2.0 million to annualize a 2.0 percent performance incentive award program begun in the last quarter of FY 2000-01; (2) an increase of \$0.9 million for changes in eligibility and case-mix; and (3) an increase of \$0.1 million for anticipated increases in mental health fee-for-service expenditures charged to the capitation line item. These increases are partially offset by: (1) a reduction of \$0.3 million for Tatum lawsuit settlement related expenditures, reflecting lower Tatum expenditures in FY 2001-02 than FY 2000-01; and (2) a decrease of \$0.3 million to reflect anticipated reductions in Medicaid eligibility based on new disability determination procedures.

The table below reflects the key components of the Medicaid mental health appropriations for FY 2000-01 and FY 2001-02, including adjustments to the FY 2000-01 appropriation that were included as supplemental "add ons" to the FY 2001-02 Long Bill. "Mental health capitation" refers to the state policy of paying Medicaid mental health contractors a fixed amount per month for each person in their catchment areas who is eligible for Medicaid, without regard to the specific mental health services each individual uses. The mental health capitation appropriations for FY 2000-01 and FY 2000-02 reflect the impact of changes in capitation rates that resulted from a rebid of the Medicaid mental health capitation contracts. The rebid is estimated to have resulted in total capitation appropriations for FY 2000-01 and FY 2000-02 that were \$3.7 million less in each year than they would have been had the mental health capitation contracts not been rebid.

Medicaid Mental Health Program		
Human Services cash funds exempt appropriations originating as 50 percent General Fund and 50 percent federal funds in the Department of Health Care Policy and Financing		
	FY 2000-01	FY 2001-02
Mental Health Capitation	\$129,355,727	\$130,254,922
Mental Health Capitation Performance Incentive Awards	642,205	2,605,098
Fee for Service Payments	2,030,380	2,107,128
Capitation and fee-for-service adjustments associated with the Tatum Lawsuit Settlement	1,078,598	808,846
Capitation adjustments associated with changes to disability determination procedures	n/a	(266,488)
Medicaid Anti-psychotic Pharmaceuticals	<u>16,373,444</u>	<u>19,731,967</u>
Total	149,480,354	155,241,473

The cash funds exempt increase also includes an increase of \$53,000 in non-Medicaid funds for a 2.5 percent community provider cost of living adjustment for community mental health programs.

Federal Funds Changes: The federal funds increase is due to anticipated increases in federal receipts to allow for a 2.5 percent community provider rate increase.

Community Services for Persons with Developmental Disabilities

This section contains appropriations for community-based developmental disability programs that are administered by 20 non-profit organizations called Community Centered Boards (CCBs). As part of the department's reorganization, funding for developmental disabilities services has been split into: (1) programs for adults with developmental disabilities (contained in this section); and (2) programs for children with developmental disabilities (contained in the new Division of Children's Health and Rehabilitation).

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$12,702,805	\$0	\$211,605,635	\$0	\$224,308,440	0.0
FY 2001-02 Appropriation:						
TOTAL	\$13,262,581	\$0	\$229,660,685	\$0	\$242,923,266	0.0

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$559,776	\$0	\$18,055,050	\$0	\$18,614,826	0.0
Percentage Change	4.4%	n/a	8.5%	n/a	8.3%	n/a

Of the total FY 2001-02 appropriation of \$260.0 million for adult *and* children's developmental disability programs shown in the table below, \$242.9 million is appropriated to the Office of Adult Health and Rehabilitation and \$17.0 million has been transferred to the new Division of Children's Health and Rehabilitation. The table below shows funding levels **prior** to the reorganization or total funding for adult and family and children's developmental disability programs. This table is shown for informational purposes and is **not** included in the summary table for the entire department. The changes to all developmental disability programs are described immediately following the informational table since some of the increases affect sections in both the Office of Adult Health and Rehabilitation and the new Division of Children's Health and Rehabilitation.

Total funding for all programs related to developmental disabilities					
Fund Source		FY 2000-01	FY 2001-02	Difference	Percent Increase
General Fund	\$	24,352,770	25,979,800	1,627,030	6.7
Cash Funds Exempt		<u>215,060,054</u>	<u>233,996,873</u>	<u>18,936,819</u>	8.8
Total	\$	239,412,824	259,976,673	20,563,849	8.6

The net increase of \$20.6 million includes the following: (1) \$6.1 million, including \$5.3 million net General Fund, to provide a 2.5 percent community provider rate increase; (2) \$5.5 million, including \$5.1 million net General Fund, to provide a 5.3 percent base rate increase for all components of comprehensive services and the case management component of all other services; (3) \$4.0 million to annualize the costs of services approved in FY 2000-01; (4) \$3.7 million, including \$3.3 million net General Fund, for 98 comprehensive services for persons with developmental disabilities; (5) \$410,000 for additional family support services; (6) \$390,000 for additional children's extensive support services; and (7) \$303,000 that was reinstated to serve individuals moving out of institutional care; and (8) \$256,000 for additional early intervention services for children with developmental disabilities. These increases are offset by the reduction of \$254,000 associated with the transfer of the Children's Medical Waiver program to the Department of Health Care Policy and Financing.

The majority of the funding increase is from Medicaid cash funds exempt transferred from the Department of Health Care Policy and Financing. Of this amount, about half is derived from a General Fund appropriation made to that department.

Division of Vocational Rehabilitation

This section contains appropriations to assist persons with physical and/or mental disabilities in overcoming barriers to employment. Vocational counseling services are provided statewide through 29 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 achieving independent living and integrating successfully in 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. Matching non-federal funds are provided through General Fund appropriations and cash and cash exempt funds received from a wide variety of sources including school districts and other local entities. In FY 2001-02, 2,541 clients are anticipated to be rehabilitated as a result of Division programs.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$5,321,629	\$2,337,193	\$903,766	\$27,039,353	\$35,601,941	245.7
FY 2001-02 Appropriation:						
TOTAL	\$5,433,111	\$1,038,316	\$2,470,223	\$28,286,155	\$37,227,805	244.9
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$111,482	(\$1,298,877)	\$1,566,457	\$1,246,802	\$1,625,864	(0.8)
Percentage Change	2.1%	-55.6%	173.3%	4.6%	4.6%	-0.3%

FTE Changes: The appropriation reflects a decrease of 0.8 FTE, which includes the elimination of a 0.5 FTE position that was federally-funded and the transfer of 0.3 FTE to the Executive Director's Office as part of the departmental reorganization.

General Fund Changes: The General Fund increase of \$111,000 includes \$73,000 for personal services increases awarded in FY 2000-01, \$24,000 for a 2.5 percent community provider rate increase, and \$18,000 for medical inflationary increases. These increases are partially offset by a reduction of \$3,000 for FTE transferred to other sections of the department.

Cash Funds Changes: The cash funds decrease of \$1.3 million reflects the reclassification of \$1.3 million from the School to Work Alliance Program from cash to cash exempt, based on anticipated legislative changes that will enable these funds to be transferred to the Division of Vocational Rehabilitation from the Department of Education. Previously, these funds were received from school districts and this resulted in a double-count of this revenue under the provisions of Article X, Section 20 of the State Constitution. This decrease is partially offset by an anticipated increase of \$25,000 in cash revenue for the Business Enterprise Program.

Cash Funds Exempt Changes: The cash funds exempt increase of \$1.6 million includes: (1) the reclassification of \$1.3 million in revenue from the School to Work Alliance Program from cash funds to cash funds exempt; and (2) a net increase of \$284,000 in overall revenues anticipated to be received from cash exempt sources to provide a match for federal vocational rehabilitation funds. This includes an increase of \$470,000 for the School to Work Alliance Program, offset by anticipated decreases from various other cash funds exempt sources of rehabilitation funds including inter-departmental transfers and private donations. These overall increases are partially offset by an anticipated decrease of \$25,000 in cash exempt spending from reserves for the Business Enterprise Program and an anticipated decrease of \$20,000 to reflect the elimination of one-time FY 2000-01 funding associated with federal Older Blind Grants.

Federal Funds Changes: The federal funds reflected increase of \$1.2 million includes: (1) \$873,000 to reflect the federal match associated with anticipated increases in cash exempt funds that provide the non-federal match for federal vocational rehabilitation programs; (2) \$237,000 for personal services increases awarded in FY 2001-02; (3) \$156,000 for 2.5 percent community provider cost of living adjustments; and (4) \$150,000 for medical inflationary adjustments. These increases are partially offset by the elimination of \$161,000 of one-time FY 2000-01 funding associated with federal Older Blind Grants.

Alcohol and Drug Abuse Division

This section 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 provision of services to residents of a specified geographic area of the state. The division also funds and oversees involuntary commitments into detoxification facilities and substance abuse treatment programs. Sixty-five percent of total division funding is federal funds, with the substance abuse prevention and treatment block grant being the primary source. Cash funds sources include the Drug Offender Surcharge Fund, the Law Enforcement Assistance Fund, and the Persistent Drunk Driver Cash Fund, among others. Cash funds exempt sources include the Judicial Department's Alcohol and Drug Driving Safety program and the Department of Public Safety. In FY 2001-02, the Alcohol and Drug Abuse Division is expected to provide funding for 26,858 shelter/detoxification admissions and 17,278 substance abuse treatment admissions.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$8,340,080	\$1,894,715	\$773,002	\$24,511,506	\$35,519,303	28.5
FY 2001-02 Appropriation:						
TOTAL	\$9,290,508	\$1,872,481	\$762,570	\$22,019,136	\$33,944,695	26.5

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$950,428	(\$22,234)	(\$10,432)	(\$2,492,370)	(\$1,574,608)	(2.0)
Percentage Change	11.4%	-1.2%	-1.4%	-10.2%	-4.4%	-7.0%

Note that the FY 2000-01 appropriation shown above has been adjusted to facilitate comparison between the FY 2000-01 and FY 2001-02 appropriations. Amounts shown for both FY 2000-01 and FY 2001-02 have been reduced by 2.0 FTE and \$106,565 to reflect the transfer of 2.0 FTE and associated funds to the new Division of Children's Health and Rehabilitation.

FTE Changes: The reduction of 2.0 FTE reflects the transfer of 1.0 FTE to the Executive Director's Office and the transfer of 1.0 FTE to the Office of Information Technology Services.

General Fund Changes: The General Fund increase includes: (1) \$400,000 for residential treatment for women with dependent children; (2) \$312,600 for development of a new information technology system that will replace a portion of the Department's current 22 year old system; (3) \$207,000 for 2.5 percent community provider cost of living adjustments; and (4) \$67,000 for personal services increases awarded in FY 2000-01. These amounts are partially offset by the transfer of \$50,000 General Fund associated with 2.0 FTE transferred to the Executive Director's Office and the Office of Information Technology Services.

Cash Funds Changes: The cash funds decrease includes: (1) the elimination of \$115,000 in cash funds spending authority expenditures from the Persistent Drunk Driver Cash Fund to reflect the elimination of one-time spending authority provided for FY 2000-01; and (2) a reduction of \$8,000 associated with the transfer of positions to other sections of the Department. This decrease is partially offset by the following increases: (1) \$40,000 for a 3.0 percent rate increase for programs funded through the Drug Offender Surcharge Fund; (2) \$30,000 to fund a gender-specific adaptation for the strategies for self-improvement change curriculum using Drug Offender Surcharge Fund moneys; and (3) \$30,000 for a 2.5 percent community provider rate increase for cash-funded treatment programs.

Cash Funds Exempt Changes: The cash funds exempt decrease includes a reduction of \$24,000 associated with the transfer of positions to other sections of the department that is partially offset by an increase of \$14,000 to provide for 2.5 percent community provider cost of living adjustments for some cash and cash exempt funded programs.

Federal Funds Changes: The decrease in reflected federal funds includes: (1) a net reduction of \$2.7 million in anticipated federal receipts for special grant programs; (2) a reduction of \$150,000 to reflect anticipated federal receipts for program administration, including special grants; and (3) a reduction of \$89,000 associated with the transfer of positions to other sections of the Department. These decreases are partially offset by anticipated increases of \$450,000 to allow for the provision

of 2.5 percent community provider rate adjustments for community alcohol and drug abuse prevention and treatment programs.

Office of Direct Services

This section contains appropriations for four subsections: Administration, Mental Health Institutes, Institutional Programs for Persons with Developmental Disabilities, and the Work Therapy Program. Detailed information on each of the subsections is included in the tables and narrative that follow.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$59,278,028	\$6,077,550	\$49,124,966	\$0	\$114,480,544	2,174.9
HB 00-1458	(210,863)	(8,611)	(219,860)	0	(439,334)	0.0
SB 01-185	<u>137,897</u>	<u>3,788,885</u>	<u>(3,477,475)</u>	<u>0</u>	<u>449,307</u>	<u>10.1</u>
TOTAL	\$59,205,062	\$9,857,824	\$45,427,631	\$0	\$114,490,517	2,185.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$64,315,000</u>	<u>\$5,154,581</u>	<u>\$50,329,924</u>	<u>\$0</u>	<u>\$119,799,505</u>	<u>2,227.1</u>
TOTAL	\$64,315,000	\$5,154,581	\$50,329,924	\$0	\$119,799,505	2,227.1
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$5,109,938	(\$4,703,243)	\$4,902,293	\$0	\$5,308,988	42.1
Percentage Change	8.6%	-47.7%	10.8%	n/a	4.6%	1.9%

FTE Detail	FY 2000-01	FY 2001-02
Administration	2.0	2.0
Mental Health Institutes	1,267.8	1,321.3
Institutional Programs for Persons with Developmental Disabilities	913.7	902.3
Work Therapy Program	<u>1.5</u>	<u>1.5</u>
	2,185.0	2,227.1

Administration

This section contains appropriations for two administrative positions responsible for oversight of the Direct Services section. Additional administrative positions are assigned to specific institutions

within the Direct Services section. The cash funds exempt source is Medicaid funds transferred from the Department of Health Care Policy and Financing.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$0	\$0	\$140,339	\$0	\$140,339	2.0
FY 2001-02 Appropriation:						
TOTAL	\$0	\$0	\$145,521	\$0	\$145,521	2.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$0	\$5,182	\$0	\$5,182	0.0
Percentage Change	n/a	n/a	3.7%	n/a	3.7%	0.0%

Cash Funds Exempt Changes: The increase in cash funds exempt is based on personal services increases awarded in FY 2000-01.

Mental Health Institutes

This section contains appropriations for inpatient mental health services provided at the state mental health institute in Pueblo and the state mental health institute at Fort Logan in Denver. The mental health institute at Pueblo is expected to have an average daily census of 503 in FY 2001-02 and the Fort Logan institute is expected to have an average daily census of 196 in FY 2001-02. Cash funds revenue sources include patient fees and payments from school districts for residential treatment center services for adolescents. Cash funds exempt amounts consist primarily of exempt patient revenues and other payments received from other state agencies including the Department of Health Care Policy and Financing for Medicaid-eligible patients and payments from the Department of Corrections.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$59,205,062	\$6,762,575	\$9,510,123	\$0	\$75,477,760	1,267.8
FY 2001-02 Appropriation:						
TOTAL	\$64,315,000	\$2,236,818	\$14,152,350	\$0	\$80,704,168	1,321.3

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$5,109,938	(\$4,525,757)	\$4,642,227	\$0	\$5,226,408	53.5
Percentage Change	8.6%	-66.9%	48.8%	n/a	6.9%	4.2%

Note that the FY 2000-01 appropriation shown above has been adjusted to facilitate comparison between the FY 2000-01 and FY 2001-02 appropriations. Amounts shown for both FY 2000-01 and FY 2001-02 have been reduced by 0.2 FTE and \$11,334 to reflect the transfer of these FTE and associated funds to the new Division of Children's Health and Rehabilitation.

FTE Changes: The appropriation reflects an increase of 53.5 FTE. This includes an increase of 56.2 FTE to ensure appropriate levels of staffing and care at the mental health institutes, including compliance with new federal regulations on seclusion and restraint. This increase is partially offset by the transfer of 2.4 FTE to the Executive Director's Office and 0.3 FTE to the new Office of Adult and Veterans Services.

Overall Funding Changes: The overall funding increase of \$5.2 million includes: (1) \$2.8 million to ensure appropriate levels of staffing and care at the mental health institutes, including complying with new federal regulations on seclusion and restraint; (2) \$2.5 million for personal services increases awarded in FY 2000-01, as well as increases for physicians employed on a contractual basis; (3) \$356,000 for inflationary increases for food and medical operating expenses; and (4) an increase of \$126,000 spending authority for food purchases by the Department of Corrections to reflect additional occupancy in the Youth Offender Services facility. These increases are partially offset by decreases including: (1) \$273,000 associated with the closure of the Division of Youth Correction's boot camp on the Pueblo campus; (2) \$114,000 for FTE transferred to the Executive Director's Office and the Office of Adult and Veterans Services; (3) \$100,000 for the annualization of one-time FY 2000-01 funding for a study on the future of the institutes; and (4) \$75,000 for the elimination of leased equipment that will be replaced by equipment purchased using capital construction funds.

General Fund Changes: The General Fund increase is based primarily on the \$2.8 million to increase mental health institute staffing levels and the \$2.9 million in personal services and inflationary adjustments outlined above, partially offset by the reductions that are also outlined above. Cash and cash exempt revenues at the mental health institutes offset General Fund that would otherwise be required. Because the net combined revenue from cash and cash exempt sources is anticipated to be relatively stable, increases in overall costs are largely borne by the General Fund. Of the General Fund increase, \$1.5 million is classified as exempt from the six percent limit on increases in General Fund appropriations because these amounts are for costs associated with complying with new federal regulations limiting the use of seclusion and restraint and are therefore exempt pursuant to the provisions of Section 24-75-201.1 (1)(a)(III)(A), C.R.S.

Cash and Cash Exempt Funds Changes: The \$4.5 million decrease in cash funds and \$4.6 million increase in cash funds exempt is driven by various changes in projected revenue sources. This includes the reclassification of revenue from community mental health capitation from cash funds to cash funds exempt, based on administrative changes that will enable these funds to be transferred to the institutes from the Department of Health Care Policy and Financing on behalf of mental health capitation contractors. Previously, these funds were received directly from the capitation contractors and this resulted in a double-count of this revenue under the provisions of Article X, Section 20 of the State Constitution.

Institutional Programs for Persons with Developmental Disabilities

This section contains appropriations for three regional centers operated by the department for persons with developmental disabilities. Persons served by regional centers 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 work closely with the Office of Adult Health and Rehabilitation, which supervises community placements for persons with developmental disabilities. Traditionally, the regional centers have served persons with developmental disabilities where appropriate community programs are not available. The regional centers provide residential services, medical care, and active treatment programs based on individual assessments and habilitation plans.

Cash fund sources are exclusively client cash revenue. Cash fund exempt sources are exclusively Medicaid funds transferred from the Department of Health Care Policy and Financing.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$0	\$2,313,882	\$35,636,965	\$0	\$37,950,847	913.7
FY 2001-02 Appropriation:						
TOTAL	\$0	\$2,295,211	\$35,891,849	\$0	\$38,187,060	902.3
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	(\$18,671)	\$254,884	\$0	\$236,213	(11.4)
Percentage Change	n/a	-0.8%	0.7%	n/a	0.6%	-1.2%

FTE Changes: The decrease of 11.4 FTE is associated with the elimination of 10.1 FTE that were approved in a supplemental appropriation for FY 2000-01 and the transfer of 1.3 FTE to other areas of the Department pursuant to the reorganization.

Cash Funds Changes: The net decrease in cash funds is the result of the transfer of \$64,000 in personal services and operating expenses to other areas of the Department and a reduction of \$20,000 to eliminate funding retained during supplementals to serve people in regional centers. These decreases are partially offset by an increase cash funds of \$65,000 related to an increase in the room and board rate for people in institutions.

Cash Funds Exempt Changes: The increase in cash funds exempt is the result of an additional \$269,000 in salary survey and anniversary increases awarded in FY 2000-01 and the transfer of \$14,000 to other areas of the Department.

Work Therapy Program

This section contains appropriations for the Work Therapy Enterprise Funds for the Colorado Mental Health Institute at Fort Logan and the Regional Centers for persons with Developmental Disabilities at 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 custodial services, printing, packaging, mailing, and other types of manual processing that can be performed by program clients. Enrolled clients are paid from funds received in proportion to the work performed.

Approximately 261 persons with developmental disabilities from the three regional centers were expected to participate in FY 2000-01, along with 220 from the Fort Logan Mental Health Institute.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$0	\$781,367	\$140,204	\$0	\$921,571	1.5
FY 2001-02 Appropriation:						
TOTAL	\$0	\$622,552	\$140,204	\$0	\$762,756	1.5
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	(\$158,815)	\$0	\$0	(\$158,815)	0.0
Percentage Change	n/a	-20.3%	n/a	n/a	-17.2%	n/a

Cash Funds Changes: The decrease in cash funds results from an expected reduction in the collections from employment contracts.

County Administration

This section contains appropriations for county departments of social services to administer several programs. However, the structure of the Long Bill has changed significantly in the last few years. In the FY 1998-99 Long Bill, this section included administrative funding related to the following programs: Food Stamps, Adult Cash Assistance Programs (except Old Age Pension), Adult Protection, Medicaid eligibility determination, Child Care Services, and Child Welfare Services. Administrative funding related to the Works Program is now appropriated in the Self-Sufficiency section. Pursuant to S.B. 97-120, counties now have the authority to use Works Program block grant funds for either administrative or program purposes. In FY 1999-00, administrative funding related to child welfare programs was transferred to the Children Youth and Families section of the Department. In FY 2000-01, administrative funding associated with Child Care was transferred to the Child Care section of Children, Youth and Families division.

Cash fund exempt sources include retained child support collections, fraud refunds, and state revenue intercepts. Federal fund sources include the Title XX Social Services Block Grant and other various sources.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	<u>\$32,387,389</u>	<u>\$0</u>	<u>\$27,462,108</u>	<u>\$12,297,931</u>	<u>\$72,147,428</u>	<u>0.0</u>
TOTAL	\$32,387,389	\$0	\$27,462,108	\$12,297,931	\$72,147,428	0.0
FY 2001-02 Appropriation:						
SB 01-212	\$32,840,992	\$0	\$28,377,015	\$12,679,368	\$73,897,375	0.0
HB 01-1264	<u>0</u>	<u>0</u>	<u>46,893</u>	<u>0</u>	<u>46,893</u>	<u>0.0</u>
TOTAL	\$32,840,992	\$0	\$28,423,908	\$12,679,368	\$73,944,268	0.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$453,603	\$0	\$961,800	\$381,437	\$1,796,840	0.0
Percentage Change	1.4%	n/a	3.5%	3.1%	2.5%	n/a

General Fund Changes: The \$453,000 increase in General Fund is the result of an additional \$351,000 to provide a 2.5 percent community provider rate increase and \$101,000 in funding related to S.B. 97-06 which abolished the merit system for county employees.

Cash Funds Exempt Changes: The appropriation includes an increase in cash funds exempt of \$1.2 million based on estimated increases in the county share of offsetting revenues, \$428,000 to provide

a 2.5 percent community provider rate increase, \$107,000 to provide funds for county staff to assist Disability Determination Services with eligibility determination activities, and \$47,000 provided by H.B. 01-1264. These increases are offset by the reduction of \$850,000 to hire a contractor to arrange non-emergency medical transportation.

Federal Funds Changes: The increase in federal results from an additional \$307,000 to provide a 2.5 percent community provider rate increase and \$74,000 in funding related to S.B. 97-06 which abolished the merit system for county employees.

Office of Self Sufficiency

This section contains appropriations for the Colorado Works Program as well as various other cash assistance programs for specific populations. This office also administers child support and disability determination programs.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$12,445,150	\$337,756	\$31,050,012	\$261,136,195	\$304,969,113	265.9
HB 00- 1458	(11,032)	(609)	(700)	(55,799)	(68,140)	0.0
HB 01-1107	0	10,000,000	0	0	10,000,000	0.0
SB 01-185	<u>(5,698,371)</u>	<u>0</u>	<u>1,315,000</u>	<u>35,861,263</u>	<u>31,477,892</u>	<u>0.0</u>
TOTAL	\$6,735,747	\$10,337,147	\$32,364,312	\$296,941,659	\$346,378,865	265.9
FY 2001-02 Appropriation:						
SB 01-212	\$6,798,677	\$342,540	\$32,899,360	\$269,197,978	\$309,238,555	274.4
HB 01-1184	0	0	0	122,788	122,788	1.0
HB 01-1264	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$6,798,677	\$342,540	\$32,899,360	\$269,320,766	\$309,361,343	275.4
Change FY 01 - FY 02						
Increase/(Decrease)	\$62,930	(\$9,994,607)	\$535,048	(\$27,620,893)	(\$37,017,522)	9.5
Percentage Change	0.9%	-96.7%	1.7%	-9.3%	-10.7%	3.6%

FTE Detail	FY 2000-01	FY 2001-02
Administration	32.8	31.8
Colorado Works Program	0.0	1.0

FTE Detail	FY 2000-01	FY 2001-02
Special Purpose	36.2	36.2
Child Support Enforcement	62.4	62.4
Disability Determination	134.5	144.0
	265.9	275.4

Administration

This section includes the state's share of administrative funding for self sufficiency programs. Cash fund exempt funding is from various sources and the federal fund source is exclusively Temporary Assistance to Needy Families.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$781,911	\$0	\$115,185	\$1,469,563	\$2,366,659	32.8
FY 2001-02 Appropriation:						
TOTAL	\$690,041	\$0	\$184,736	\$1,406,755	\$2,281,532	31.8
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$91,870)	\$0	\$69,551	(\$62,808)	(\$85,127)	(1.0)
Percentage Change	-11.7%	n/a	60.4%	-4.3%	-3.6%	-3.0%

FTE Changes: The net reduction of 1.0 FTE results from the transfer of 2.0 FTE to other areas of the Department pursuant to the reorganization and the addition of 1.0 FTE to this section that was previously authorized through a footnote.

General Fund Changes: The net reduction in General Fund is primarily the result of the transfer of \$89,000 in funding to other areas of the Department pursuant to the reorganization.

Cash Funds Exempt Changes: The increase in cash funds exempt results from the increase of \$74,000 in personal services and operating funding associated with the addition of 1.0 FTE to this section that was previously authorized through a footnote. This increase is offset by the transfer of \$4,500 in funding to other areas of the Department.

Federal Funds Changes: The decrease in federal funds results from the transfer of \$56,000 to other areas of the Department pursuant to the reorganization and \$6,800 associated with the 1.5 percent personal services reduction.

Colorado Works Program

This section 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. The primary source of funding for the Works Program is federal Temporary Assistance for Needy Families (TANF) funds. Cash funds exempt sources include county tax revenues as well as the state and county shares of retained child support collections, refunds, etc.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$148,151	\$0	\$28,658,180	\$229,696,639	\$258,502,970	0.0
FY 2001-02 Appropriation:						
TOTAL	\$148,151	\$0	\$28,275,651	\$220,522,298	\$248,946,100	1.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$0	(\$382,529)	(\$9,174,341)	(\$9,556,870)	1.0
Percentage Change	n/a	n/a	-1.3%	-4.0%	-3.7%	100.0%

FTE Changes: The appropriation reflects an increase of 1.0 FTE (pursuant to H.B. 01-1184) to provide domestic violence training to county staff and to assist counties in providing services to victims of domestic violence. All other Department staff responsible for the administration of the Works Program are appropriated in the Administration subsection of this section.

Cash Funds Exempt Changes: The appropriation reflects a reduction in the level of local spending on the Colorado Works Program that is estimated to be necessary for the State to meet the minimum federal TANF maintenance of effort (MOE). Total appropriations of state and local funds for the Works Program and other related programs are estimated to exceed the minimum federal TANF MOE by \$1.5 million.

Federal Funds Changes: The appropriation of federal TANF funds primarily reflects a decrease in the amount of federal TANF funds that will be available to Colorado in state FY 2001-02. Colorado and several other states that have experienced significant population increases have been receiving supplemental block grant funds since FY 1997-98. However, the federal government only authorized such supplemental funds through federal FY 2000-01.

Special Purpose Welfare Programs

This section contains appropriations for specific cash assistance programs such as energy assistance, food stamp job search, food distribution, telephone assistance emergency assistance for legal immigrants, income tax offset, and refugee assistance. This section also contains funding for the Denver Indian Center and the electronic benefits transfer service.

Cash fund sources are from counties and revenue from agencies participating in the food distribution program. Cash fund exempt sources include: the Colorado Energy Assistance Foundation; county matching and other local funds; in-kind donations; and other departments. Federal fund sources include: the Office of Energy Assistance; the U.S. Department of Agriculture; Temporary Assistance to Needy Families; and various sources.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$1,638,434	\$10,252,147	\$3,425,947	\$42,823,795	\$58,140,323	36.2
FY 2001-02 Appropriation:						
TOTAL	\$1,723,605	\$257,540	\$2,824,602	\$24,107,920	\$28,913,667	36.2
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$85,171	(\$9,994,607)	(\$601,345)	(\$18,715,875)	(\$29,226,656)	0.0
Percentage Change	5.2%	-97.5%	-17.6%	-43.7%	-50.3%	n/a

General Fund Changes: The increase in General Fund includes \$48,000 to develop a request for proposals to identify potential vendors for the electronic benefits transfer system (EBTS) and \$36,000 in salary survey and anniversary increases awarded in FY 2000-01.

Cash Funds Changes: The decrease in cash funds results from the elimination of one-time funding for H.B. 01-1107 that provided \$10.0 million for cash assistance for high energy costs.

Cash Funds Exempt Changes: The decrease in cash funds exempt results from the expected reduction of \$875,000 in additional donations to provide energy assistance. This decrease is offset by an increase of \$273,000 to develop a request for proposals to identify potential vendors for EBTS.

Federal Funds Changes: The \$18.7 million decrease in federal funds is due to an expected reduction in federal funds for energy assistance for FY 2001-02.

Child Support Enforcement

This section contains appropriations for the computer system used by county staff to establish paternity, locate absent parents, manage child support enforcement caseloads and track collection efforts and several administrative line items that were consolidated, including: Interstate Processing, Child Support Enforcement - S.B. 94-141, Child Support Enforcement Commission, the Paternity Establishment Program, and the Evaluation Unit. This consolidated line item provides funds for staff and operating expenses associated with the following: Performance evaluation program; provision of technical assistance to county departments of social services; operation of the "In-Hospital Paternity Establishment Program"; efforts for those cases in which either the child or the absent parent lives outside of Colorado; operating and travel expenses associated with the Child Support Enforcement Commission.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$4,167,251	\$85,000	\$165,000	\$8,088,932	\$12,506,183	62.4
FY 2001-02 Appropriation:						
TOTAL	\$4,236,880	\$85,000	\$165,000	\$8,223,811	\$12,710,691	62.4
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$69,629	\$0	\$0	\$134,879	\$204,508	0.0
Percentage Change	1.7%	n/a	n/a	1.7%	1.6%	n/a

General Fund and Federal Fund Changes: The increases in General Fund and federal funds result from increases for salary survey and anniversary increases awarded in FY 2000-01.

Disability Determination Services

Disability Determination Services provides the federal Social Security Administration with medical disability decisions for Colorado residents applying for Social Security Disability Insurance and Supplemental Security Income Programs. Disability Determination Services also makes medical disability determinations for the Colorado Medicaid program. Cash funds exempt funding consists of Medicaid moneys from the Department of Health Care Policy and Financing. Federal funding for this program is from the Social Security Administration.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$0	\$0	\$0	\$14,862,730	\$14,862,730	134.5
FY 2001-02 Appropriation:						
TOTAL	\$0	\$0	\$1,449,371	\$15,059,982	\$16,509,353	144.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$0	\$1,449,371	\$197,252	\$1,646,623	9.5
Percentage Change	n/a	n/a	n/a	1.3%	11.1%	7.1%

FTE Changes: The appropriation reflects a net increase of 9.5 FTE. This includes an increase of 10.5 FTE funded by Medicaid cash funds transferred from the Department of Health Care Policy and Financing to fund disability determinations for persons applying for Medicaid eligibility based on disability, as well as redeterminations of some current clients. This is partially offset by a decrease of 1.0 federally-funded FTE based on the transfer of this position to the Executive Director's Office.

Cash Funds Exempt Changes: The increase in cash funds exempt is based on Medicaid funds transferred from the Department of Health Care Policy and Financing, including: (1) the provision of \$1.3 million spending authority to enable the division to conduct disability determinations for persons applying for Medicaid based on disability; and (2) the provision of \$56,000 spending authority to reevaluate certain children for Medicaid eligibility. These changes will bring the state into compliance with federal law.

Federal Funds Changes: The increase in federal funds includes \$242,000 for personal services increases awarded in FY 2000-01 and \$41,000 for medical inflationary operating expenses, offset by a decrease of \$85,268 for 1.0 FTE transferred to the Executive Director's Office.

Office of Adult and Veterans Services

This office was created last year as part of the Department's reorganization. The office contains appropriations for the administration of services and funding for the Tobacco Litigation Settlement Agreement, adult assistance programs, aging services programs and Homelake Domiciliary.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$13,957,177	\$51,554,133	\$27,265,086	\$9,973,692	\$102,750,088	36.9
HB 00-1072	0	3,000,000	0	0	3,000,000	0.0

	GF	CF	CFE	FF	Total	FTE
HB 00-1458	(4,710)	0	(3,048)	(497)	(8,255)	0.0
SB 00-71	0	0	766,994	0	766,994	0.0
SB 01-185	127,526	(58,854)	(703,857)	6,933	(628,252)	0.0
SB 01-212	<u>0</u>	<u>0</u>	<u>24,921</u>	<u>0</u>	<u>24,921</u>	<u>0.0</u>
TOTAL	\$14,079,993	\$54,495,279	\$27,350,096	\$9,980,128	\$105,905,496	36.9
FY 2001-02 Appropriation:						
SB 01-212	\$13,952,636	\$51,985,487	\$27,995,367	\$10,302,966	\$104,236,456	40.4
HB 01-1079	<u>0</u>	<u>3,000,000</u>	<u>0</u>	<u>0</u>	<u>3,000,000</u>	<u>0.0</u>
TOTAL	\$13,952,636	\$54,985,487	\$27,995,367	\$10,302,966	\$107,236,456	40.4
Change FY 01 - FY 02						
Increase/(Decrease)	(\$127,357)	\$490,208	\$645,271	\$322,838	\$1,330,960	3.5
Percentage Change	-0.9%	0.9%	2.4%	3.2%	1.3%	9.5%

FTE Detail	FY 2000-01	FY 2001-02
Administration	12.5	16.0
Adult Assistance Programs	0.0	0.0
Aging Services Programs	8.0	8.0
Homelake Domiciliary	<u>16.4</u>	<u>16.4</u>
	36.9	40.4

Administration

This section includes funding for the administration of adult and veterans programs.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$562,476	\$0	\$1,027,510	\$109,494	\$1,699,480	12.5

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$435,113	\$21,600	\$1,029,870	\$416,404	\$1,902,987	16.0
Change FY 01 - FY 02						
Increase/(Decrease)	(\$127,363)	\$21,600	\$2,360	\$306,910	\$203,507	3.5
Percentage Change	-22.6%	n/a	0.2%	280.3%	12.0%	28.0%

FTE Changes: The increase of 3.5 FTE results from the transfer of 1.6 FTE from other areas of the Department and the addition of 1.9 FTE to operate the Western Slope Military Veterans Cemetery. Funding and FTE associated with the Western Slope Military Veterans Cemetery were transferred to the Office of Adult and Veterans Services from the Executive Director's Office.

General Fund Changes: The net decrease in General Fund results from a reduction of \$214,000 in the General Fund share of salary survey and anniversary increases awarded in FY 2000-01. This is partially offset by the transfer of \$87,000 to this section from other areas of the Department.

Cash Funds Changes: The net increase in cash funds is the cash fund share of providing operating staff to the Western Slope Military Veterans Cemetery. This revenue is generated through fees for interment.

Cash Funds Exempt Changes: The net increase in cash funds exempt results from an estimated \$73,000 increase in receipts from the Tobacco Litigation Settlement Trust Fund and a \$44,000 increase in the cash fund exempt share of salary survey and anniversary increases awarded in FY 2000-01. These increases are partially offset by a reduction of \$115,000 cash fund exempt appropriation for the Western Slope Military Veterans Cemetery per H.B. 97-1320.

Federal Funds Changes: The increase in federal funds results from \$210,000 for salary survey and anniversary increases awarded in FY 2000-01 and the provision of \$97,000 for operation of the Western Slope Military Veterans Cemetery.

Adult Assistance Programs

This section contains appropriations for programs providing cash assistance to elderly and disabled individuals. The single cash fund source is the Old Age Pension program. Cash fund exempt sources include county matching funds and interim assistance reimbursements from the federal government for individuals who become eligible for Supplemental Security Income (SSI).

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$11,711,312	\$51,495,279	\$22,640,817	\$0	\$85,847,408	0.0
FY 2001-02 Appropriation:						
TOTAL	\$11,716,198	\$51,963,887	\$23,267,867	\$0	\$86,947,952	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$4,886	\$468,608	\$627,050	\$0	\$1,100,544	0.0
Percentage Change	n/a	0.9%	2.8%	n/a	1.3%	n/a

The following chart summarizes the significant funding changes for adult assistance programs:

Funding Changes for Major Adult Cash Assistance Programs					
Program	Estimated FY 01-02 Caseload	Percent Change	Estimated FY 01-02 Average Payment	Percent Change	Funding Change
Old Age Pension Program (\$567/mo.* for low income persons age 60 and over)	24,512	-2.1%	\$161.31	2.0%	\$468,606
Aid to the Needy Disabled State Supplemental Grant Program (\$530/mo.* for persons under age 60 receiving federal Supplemental Security Income benefits)	4,425	1.2%	\$66.86	0.2%	\$53,635
Aid to the Needy Disabled State-only Grant Program (\$259/mo.* for low income disabled persons under age 60 that are <u>not</u> receiving federal Supplemental Security Income benefits)	4,484	0.0%	\$251.77	2.0%	\$264,243

* Maximum monthly payment amounts as of January 2001.

General Fund Changes: The net General Fund increase includes a \$38,000 decrease for the Aid to the Needy Disabled *State-only* Grant Program, and a \$43,000 increase for the Aid to the Needy Disabled *State Supplemental* Grant Program.

Cash Funds Changes: The increase in cash funds reflects anticipated increases in the costs of the Old Age Pension Program.

Cash Funds Exempt Changes: The increase in cash funds exempt includes \$314,000 for Home Care Allowance and Adult Foster Care payments. These two programs are administered by the

Department of Health Care Policy and Financing; funds are advanced to county social services departments through the Department of Human Services. Additional increases include \$302,000 for the Aid to the Needy Disabled *State-only* Grant Program and \$11,000 for the Aid to the Needy Disabled *State Supplemental* Grant Program.

Aging Services Programs

This section includes appropriations for programs associated with the Older Americans Act. Responsibilities include developing a state plan on aging, overseeing federal grants and providing assistance to area agencies on aging and other local service providers. 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.

The cash fund source is the Older Coloradans Fund created by H.B. 00-1072. The cash fund exempt source is local funds and the federal fund sources is the Older Americans Act.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$1,602,318	\$3,000,000	\$3,252,772	\$9,657,286	\$17,512,376	8.0
FY 2001-02 Appropriation:						
TOTAL	\$1,620,911	\$3,000,000	\$3,252,772	\$9,658,837	\$17,532,520	8.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$18,593	\$0	\$0	\$1,551	\$20,144	0.0
Percentage Change	1.2%	0.0%	0.0%	0.0%	0.1%	0.0%

General Fund and Federal Fund Changes: The increase in General Fund and federal funds are due to salary survey and anniversary increases awarded in FY 2000-01.

Homelake Domiciliary

The Homelake Domiciliary is a 46-bed group living system which serves residents who do not require continuous nursing or medical care, but may need assistance with meals, housekeeping, personal care, laundry, and access to a physician. Residents pay rental fees which provide the source of cash funds exempt to the program. The U.S. Veteran's Administration accounts for the source of federal funds. Most residents are veterans or their relations.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$203,887	\$0	\$428,997	\$213,348	\$846,232	16.4
FY 2001-02 Appropriation:						
TOTAL	\$180,414	\$0	\$444,858	\$227,725	\$852,997	16.4
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$23,473)	\$0	\$15,861	\$14,377	\$6,765	0.0
Percentage Change	-11.5%	n/a	3.7%	6.7%	0.8%	0.0%

Funding Changes: The increase includes \$11,000 for personal services increases awarded in FY 2000-01 and \$4,000 for medical inflationary adjustments, offset by a decrease of \$9,000 to utilities budgets. Increases in anticipated patient fees and federal revenues reduce the need for General Fund support.

Division of Child Welfare

This section provides funding and state staff associated with the state supervision and county administration of programs which protect children from harm and assist families in caring for and protecting their children. This section also provides funding for domestic abuse programs. Cash funds sources reflect fees paid by individuals and agencies requesting information from the Child Abuse Registry. Cash funds exempt sources include Medicaid funds transferred from the Department of Health Care Policy and Financing, county tax revenues, reserves from the Family Issues Cash Fund, reserves in the Child Abuse Registry Cash Fund, and grants and donations. Federal fund sources include Titles IV-B, IV-E, and XX of the Social Security Act, and the National Center for Child Abuse.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$129,398,982	\$248,912	\$112,524,327	\$61,197,271	\$303,369,492	41.0
HB 00-1458	(7,296)	(501)	(626)	(2,945)	(11,368)	0.0
SB 01-129	5,853,255	0	(5,853,255)	0	0	0.0
SB 01-185	<u>1,983,518</u>	<u>2,594</u>	<u>10,779,724</u>	<u>1,727,622</u>	<u>14,493,458</u>	<u>0.0</u>
TOTAL	\$137,228,459	\$251,005	\$117,450,170	\$62,921,948	\$317,851,582	41.0

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$141,308,243	\$251,005	\$125,585,381	\$67,150,235	\$334,294,864	42.0
SB 01-129	(5,853,255)	0	5,853,255	0	0	0.0
HB 01-1184	26,776	0	0	0	26,776	0.0
HB 01-1227	<u>0</u>	<u>16,390</u>	<u>0</u>	<u>0</u>	<u>16,390</u>	<u>0.0</u>
TOTAL	\$135,481,764	\$267,395	\$131,438,636	\$67,150,235	\$334,338,030	42.0
Change FY 01 - FY 02						
Increase/(Decrease)	(\$1,746,695)	\$16,390	\$13,988,466	\$4,228,287	\$16,486,448	1.0
Percentage Change	-1.3%	6.5%	11.9%	6.7%	5.2%	2.4%

FTE Detail	FY 2000-01	FY 2001-02
State Administration	28.0	29.0
Family and Children's Programs	3.0	3.0
Family Preservation/ Family Support Program	2.0	2.0
Child Abuse Registry	3.0	3.0
Child Abuse Grants	3.0	3.0
Domestic Abuse Program	<u>2.0</u>	<u>2.0</u>
	41.0	42.0

The Division of Child Welfare is a newly created division consisting of several line items that were transferred from the former Children, Youth, and Families section of the Long Bill. For purposes of providing comparable figures, the above tables reflect the FY 2000-01 appropriations for the line items transferred to this section.

FTE Changes: The overall appropriation reflects an increase of 1.0 FTE to assist counties in the recruitment and retention of foster and adoptive parents.

General Fund Changes: The net reduction in General Fund reflects a decrease of \$8,527,000 in the amount appropriated for Family and Children's programs, primarily a result of the adjustments made in S.B. 01-129. The decrease also reflects a reduction of \$805,000 in the appropriation of General Fund for child welfare services to offset anticipated increases in federal Title IV-E reimbursements. These decreases are partially offset by the following increases: (1) \$7,118,000 to provide for child welfare caseload and cost-of-living increases; (2) \$177,000 for domestic abuse programs; (3)

\$66,000 for four half-time contract positions to work with county and court staff to improve the State's rate of reimbursement under the federal Title IV-E program; (4) \$66,000 for salary survey and anniversary increases awarded in FY 2000-01; (5) \$60,000 to partially replace funding from the Family Issues Cash Fund for Family Preservation/ Family Support programs; (6) the restoration of a \$51,000 base reduction that was taken in FY 2000-01 to reflect anticipated savings associated with the statewide implementation of the Colorado Trails system; and (7) \$50,000 associated with the additional 1.0 FTE.

Of the total amount appropriated from the General Fund for FY 2001-02, \$49,129 is identified as exempt from the six percent limitation on General Fund appropriations pursuant to 24-75-201.1(1)(a)(III)(A), C.R.S., as it is a requirement of federal law and is made for an increase in the level of service for an existing program.

Cash Funds Changes: The increase in cash funds reflects the appropriation included in H.B. 01-1227.

Cash Funds Exempt Changes: The increase in cash funds exempt includes the following increases: (1) \$7,764,000 appropriated from Family Issues Cash Fund reserves for various child welfare programs, primarily as a result of the adjustments made in S.B. 01-129; (2) \$5,718,000 to provide for child welfare caseload and cost-of-living increases; (3) \$291,000 local funds to offset reductions in spending from Family Issues Cash Fund reserves for Family Preservation/Family Support programs; (4) \$156,000 additional spending authority from the Domestic Abuse Program Fund; (5) \$50,000 from Central Registry Fund reserves to allow the Department to respond to appeals filed by individuals whose names will be placed on the Central Registry of Child Protection; and (6) \$13,000 for salary survey and anniversary increases awarded in FY 2000-01.

Federal Funds Changes: The increase in federal funds includes the following: (1) \$2,288,000 to provide for child welfare caseload and cost-of-living increases; (2) \$1,019,000 to reflect an anticipated increase in federal funds available for the provision of services for youth (ages 16 and over) who are currently or have previously been in out-of-home placement care; (3) \$805,000 to reflect anticipated increases in federal Title IV-E reimbursements; (4) \$66,000 for four half-time contract positions to work with county and court staff to improve the State's rate of reimbursement under the federal Title IV-E program; (5) \$26,000 for salary survey and anniversary increases awarded in FY 2000-01; (6) \$12,000 associated with the additional 1.0 FTE; and (7) the restoration of a \$12,000 base reduction that was taken in FY 2000-01 to reflect anticipated savings associated with the statewide implementation of the Colorado Trails system.

Division of Child Care

This section provides funding and state staff associated with: (1) the state supervision and the county administration of the Colorado Child Care Assistance Program, through which counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program; (2) the administration of various child care grant programs; and (3) licensing and monitoring child

care facilities. Cash funds sources reflect fees and fines paid by child care facilities. Cash funds exempt sources reflect county tax revenues. Federal fund sources include Child Care Development Funds, and Title IV-E and Title XX of the Social Security Act.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$17,566,703	\$350,919	\$8,042,488	\$48,296,553	\$74,256,663	56.5
HB 00-1020	2,640	0	0	0	2,640	0.0
HB 00-1458	(6,708)	(477)	0	(6,634)	(13,819)	0.0
SB 00-19	0	0	0	0	0	0.0
SB 00-22	0	0	0	955,314	955,314	0.0
SB 01-185	<u>12,049</u>	<u>0</u>	<u>0</u>	<u>4,922,941</u>	<u>4,934,990</u>	<u>0.0</u>
TOTAL	\$17,574,684	\$350,442	\$8,042,488	\$54,168,174	\$80,135,788	56.5
FY 2001-02 Appropriation:						
SB 01-212	\$17,922,153	\$349,880	\$8,042,488	\$50,803,376	\$77,117,897	60.5
SB 01-32	19,132	0	0	76,526	95,658	2.5
HB 01-1289	0	0	0	25,000	25,000	0.0
HB 01-1293	<u>0</u>	<u>0</u>	<u>0</u>	<u>130,000</u>	<u>130,000</u>	<u>0.0</u>
TOTAL	\$17,941,285	\$349,880	\$8,042,488	\$51,034,902	\$77,368,555	63.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$366,601	(\$562)	\$0	(\$3,133,272)	(\$2,767,233)	6.5
Percentage Change	2.1%	-0.2%	0.0%	-5.8%	-3.5%	11.5%

FTE Detail	FY 2000-01	FY 2001-02
Licensing Professionals	48.5	55.0
Administrative Support	<u>8.0</u>	<u>8.0</u>
	56.5	63.0

The Division of Child Care is a newly created division consisting of several line items that were transferred from the former Children, Youth, and Families section of the Long Bill. For purposes

of providing comparable figures, the above tables reflect the FY 2000-01 appropriations for the line items transferred to this section.

FTE Changes: The overall appropriation reflects an increase of 6.5 FTE, including 4.0 FTE licensing specialists to increase the number of staff responsible for inspecting and monitoring child placement agencies (CPAs) and 24-hour child care facilities. The additional staff will conduct more thorough and more frequent evaluations of all facilities, and will conduct on-site visits of foster homes that are certified by CPAs. The remaining 2.5 FTE were added to perform background checks required pursuant to S.B. 01-32.

General Fund Changes: The increase in General Fund includes \$243,000 associated with the additional 4.0 FTE licensing staff, \$104,000 for salary survey and anniversary increases awarded in FY 2000-01, and \$19,000 pursuant to S.B. 01-32.

Federal Funds Changes: The overall decrease in federal funds primarily reflects a decrease of \$4,921,000 federal Temporary Assistance for Needy Families (TANF) funds which were provided on a one-time basis to counties in FY 2000-01 for the Child Care Assistance Program. This one-time funding was provided through a supplemental adjustment in order to ensure that the State maximized its annual transfer of federal TANF funds as authorized under federal law. The appropriation also reflects a decrease of \$57,000 for the pilot program for community consolidated child care services to eliminate a one-time appropriation provided through S.B. 00-19. These decreases are partially offset by an increase of \$1,586,000 to provide for a 2.5 percent inflationary increase for the Child Care Assistance Program, \$130,000 pursuant to H.B. 01-1293, \$76,000 pursuant to S.B. 01-32, \$25,000 pursuant to H.B. 01-1289, and an increase of \$27,000 for salary survey and anniversary increases awarded in FY 2000-01.

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.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$99,459,518	\$0	\$13,278,379	\$313,311	\$113,051,208	892.6
HB 00-1458	(191,817)	0	(607)	0	(192,424)	0.0

	GF	CF	CFE	FF	Total	FTE
SB 01-185	(1,003,322)	0	(129,643)	0	(1,132,965)	0.0
TOTAL	\$98,264,379	\$0	\$13,148,129	\$313,311	\$111,725,819	892.6
FY 2001-02 Appropriation:						
SB 01-212	\$107,810,905	\$55,046	\$14,260,789	\$267,098	\$122,393,838	898.1
SB 01-77	(328,693)	0	0	0	(328,693)	(1.7)
HB 01-1357	80,038	0	(194,996)	0	(114,958)	(0.7)
TOTAL	\$107,562,250	\$55,046	\$14,065,793	\$267,098	\$121,950,187	895.7
Change FY 01 - FY 02						
Increase/(Decrease)	\$9,297,871	\$55,046	\$917,664	(\$46,213)	\$10,224,368	3.1
Percentage Change	9.5%	n/a	7.0%	-14.8%	9.2%	0.3%

FTE Detail	FY 2000-01	FY 2001-02
Administration	17.5	16.5
Institutional Programs	759.9	753.8
Community Programs	115.2	125.4
	892.6	895.7

FTE Changes: The change in FTE is as follows: (1) an increase of 9.2 FTE case managers and support staff to maintain a 1:25 case manager to youth staffing ratio with a growing population; (2) an increase of 1.0 FTE to monitor the Ridge View facility, paid for by the contract provider pursuant to Section 19-2-411.5 (2)(e), C.R.S.; (3) a decrease of 3.7 FTE from the "Medical Services" line item, based on the Division's historical use of state employees versus contract services to provide medical care; and (4) a decrease of 3.4 FTE transferred from DYC to other divisions in the Department as part of a reorganization.

General Fund Changes: The FY 2001-02 General Fund total includes the following increase for projected population increases (after taking into account reductions in the population projections due to H.B. 01-1357 and S.B. 01-77): (1) \$4.6 million for contract beds to serve an additional 86.9 average daily population of committed and detained youth; (2) \$198,000 for medical services; (3) \$437,000 for parole program services for an additional 88.1 average daily population on parole; and (4) \$340,000 for case managers and support staff described above.

For continuing services to the existing population the General Fund appropriation includes the following increases: (1) \$2.2 million for salaries, based on application of the common policies for

salary survey and anniversary expenditures, retirement/vacancy savings, and PERA reductions; (2) \$1.3 million to provide an inflationary increase in community provider reimbursement rates; (3) \$222,000 for food and medical inflation; and a reduction of \$129,000 from the impact of annualizing funding decisions regarding education services made last year in FY 2000-01 and a department reorganization for FY 2001-02.

Finally, the total General Fund appropriation includes an increase of \$2.1 million to create the Community Accountability Program, which is largely offset by a reduction of \$1.9 million due to the end of the statutory authorization for the regimented juvenile training program (juvenile boot camp).

Cash Funds Changes: The increase in cash funds is for the additional 1.0 FTE to monitor the Ridge View facility.

Cash Funds Exempt Changes: The cash funds exempt increase primarily reflects additional Medicaid funds transferred from the Department of Health Care Policy and Financing to provide mental health services for Medicaid-eligible youth in residential treatment centers.

Federal Funds Changes: The net decrease in federal funds reflects the end of a grant for an intensive aftercare program, which is partially offset by an anticipated increase in federal school breakfast/lunch moneys.

Division of Children's Health and Rehabilitation

This section contains appropriations for three subsections: Administration, Services for Children with Developmental Disabilities, and Children's Mental Health Services. Detailed information on each of these subsections is included in the tables and narrative below.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$12,821,557	\$5,328	\$3,801,600	\$60,743	\$16,689,228	4.5
HB 00-1034	160,000	0	0	0	160,000	0.0
SB 01-212	<u>0</u>	<u>0</u>	<u>(195,734)</u>	<u>0</u>	<u>(195,734)</u>	<u>0.0</u>
TOTAL	\$12,981,557	\$5,328	\$3,605,866	\$60,743	\$16,653,494	4.5
FY 2001-02 Appropriation:						
SB 01-212	<u>\$14,274,818</u>	<u>\$5,977</u>	<u>\$4,604,210</u>	<u>\$68,142</u>	<u>\$18,953,147</u>	<u>4.5</u>
TOTAL	\$14,274,818	\$5,977	\$4,604,210	\$68,142	\$18,953,147	4.5

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$1,293,261	\$649	\$998,344	\$7,399	\$2,299,653	0.0
Percentage Change	10.0%	12.2%	27.7%	12.2%	13.8%	0.0%

Administration

Funding for this section of Children's Health and Rehabilitation was transferred in FY 2001-02 from other areas of the department including Administration for Mental Health and Developmental Disabilities Programs, Alcohol and Drug Abuse Division, and the Office of Direct Services. The FY 2000-01 appropriation has been adjusted to reflect these transfers to provide comparable figures for both years.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$77,855	\$5,328	\$112,426	\$60,743	\$256,352	4.5
FY 2001-02 Appropriation:						
TOTAL	\$88,763	\$5,977	\$127,336	\$68,142	\$290,218	4.5
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$10,908	\$649	\$14,910	\$7,399	\$33,866	0.0
Percentage Change	14.0%	12.2%	13.3%	12.2%	13.2%	0.0%

Fund Changes: Funding changes are associated with salary survey and anniversary increases. This section receives cash funds from various sources. Cash fund exempt sources include Medicaid funds transferred from the Department of Health Care Policy and Financing and local sources.

Services for Children with Developmental Disabilities

This section contains appropriations for the Early Intervention, Family Support Services and Children's Extensive Support programs for children with developmental disabilities. Cash fund exempt sources include Medicaid funds transferred from the Department of Health Care Policy and Financing and local sources.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$11,649,965	\$0	\$3,454,419	\$0	\$15,104,384	0.0

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
TOTAL	\$12,717,219	\$0	\$4,336,188	\$0	\$17,053,407	0.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$1,067,254	\$0	\$881,769	\$0	\$1,949,023	0.0
Percentage Change	9.2%	n/a	25.5%	n/a	12.9%	n/a

General Fund Changes: The change in the appropriation is due to an increase of \$389,000 to provide an additional 115 family support services resources and \$243,000 to provide additional early intervention services. The other portion of the General Fund increase is due to a 2.5 percent community provider increase, a 5.3 percent base rate increase for the case management component of these programs and the annualization of services provided in FY 2000-01. These increases are described in full in the Office of Adult Health and Rehabilitation, Community Services for Persons with Developmental Disabilities section.

Cash Fund Exempt Changes: The increase in the appropriation results from \$390,000 in Medicaid and local funds provided for additional Children's Extensive Support Services. The other portion of the cash funds exempt increase is due to the same rate increase and annualization factors listed above.

Children's Mental Health Services

This new section contains appropriations for community-based mental health services for children, including several specialized pilot programs. Appropriations reflected below include only a portion of funding for children's mental health services: most core funding for children's mental health services is included in the appropriation for community mental health services in the Office of Adult Health and Rehabilitation Services.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
TOTAL	\$1,253,737	\$0	\$39,021	\$0	\$1,292,758	0.0
FY 2001-02 Appropriation:						
TOTAL	\$1,468,836	\$0	\$140,686	\$0	\$1,609,522	0.0

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$215,099	\$0	\$101,665	\$0	\$316,764	0.0
Percentage Change	17.2%	n/a	260.5%	n/a	24.5%	n/a

The appropriation reflects the transfer of several line items from other sections of the Long Bill, including the former Children, Youth, and Families section and the former Health and Rehabilitation Services section. For purposes of providing comparable figures, the above table reflects the FY 2000-01 appropriations for the line items transferred to this section.

General Fund Changes: The appropriation includes an increase of \$182,000 for mental health services associated with the Columbine school shootings. Increases also include \$20,000 General Fund for a pilot program for youth at risk of involvement in the criminal justice system (annualization of funding included in H.B. 00-1034) and \$12,900 General Fund for a cost of living adjustment for a pilot program that provides community mental health services for youth identified as needing services based on evaluations in detention facilities

Cash Funds Exempt Changes: The appropriation includes an increase of \$102,000 Medicaid cash funds exempt to reflect anticipated expenditures associated with residential treatment for youth who are not categorically eligible for Medicaid but who become so based on their placement in a residential treatment facility.

Recent Legislation

2000 Session Bills

H.B. 00-1020: Creates a Child Care Commission to provide legislative oversight, continued study, and further development of recommendations for improvements in the delivery of child care.

H.B. 00-1034: Creates two community-based intensive treatment management pilot programs for mentally ill juveniles who are involved in the criminal justice system.

H.B. 00-1072: Creates the Older Coloradans Program in the Department of Human Services (DHS) to provide moneys to the Area Agencies on Aging to provide grants for community-based services to persons 60 and older. Specifies that the appropriation shall only be used for one-time purposes and shall not be used in a manner that would create a need for on-going state funding in FY 2001-02 and subsequent fiscal years. Requires each area agency on aging to include, in their area plan, an explanation regarding how the moneys will be used and an itemization of how many more persons received each service because of these moneys. Appropriates \$3,000,000 cash funds to the Department of Human Services for FY 2000-01.

H.B. 00-1215: Increases the amount of state contributions for employees in group benefit plans in selected areas.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Reduces the State's contribution to the Public Employees' Retirement Association (PERA) by 0.5 percent as well as other changes.

S.B. 00-19: Makes modifications to the pilot program for community consolidated child care services. Requires the Department to develop and evaluate models of outcome-based licensing and monitoring of child care facilities, and requires the Department to develop a child care voluntary credentialing system.

S.B. 00-22: Requires the Department to respond to and conduct an on-site investigation within 48 hours when it receives a serious complaint about a licensed child care facility alleging the immediate risk of health or safety of children cared for in such facility.

S.B. 00-71: Adds a number of provisions with respect to the use of Tobacco Litigation Settlement Cash Fund moneys. Creates the Colorado State Veterans Trust Fund in the Department of Human Services. For a more detailed summary of S.B. 00-71, please see the bill summary provided in the Department of Health Care Policy and Financing section of this report.

S.B. 00-194: Creates a Colorado Commission for the Deaf and Hard of Hearing to serve as an informational resource to the state and the deaf and hard of hearing community, to assess certain needs of this community, and to recommend legislation that facilitates the provision of general governmental services to the deaf and hard of hearing community.

2001 Session Bills

S.B. 01-12: Makes several modifications to the child welfare services provisions of the Human Services Code and the Child Care Licensing Act. Creates the Family Stabilization Services Fund, consisting of \$75 of every docketing fee paid for a dissolution of marriage action, beginning July 1, 2001. Moneys in the fund are to be allocated to counties to provide short-term, voluntary services to help stabilize families that are at risk of having their children placed in out-of-home placement. Specifies minimum standards for the training of foster parents. Authorizes the Department to permit any county to review its child welfare caseload and seek, prior to June 30, 2002, retroactive reimbursement for claims pursuant to federal law.

S.B. 01-14: Makes several modifications to the Child Care Licensing Act. Requires the State Auditor to conduct a performance and financial audit of the state foster care program. Requires the Department to study standards for assessing the quality and performance of foster care in foster homes based on national standards for such services, as well as standards for the accreditation of

county departments of social services and child placement agencies for purposes of foster care services.

S.B. 01-32: Requires the use of both the Department of Public Safety's Colorado Bureau of Investigation records and the Judicial Department's Integrated Court On-line Network system in conducting criminal background checks on licensed child care providers. For more information, see the Department of Public Safety section of this report.

S.B. 01-77: Reduces the mandatory minimum length of stay on parole for juveniles committed to the Division of Youth Corrections from 12 months to 9 months. Reduces appropriations to the Division of Youth Corrections, based on a lower projected parole population, by \$328,693 General Fund and 1.7 FTE.

S.B. 01-129: Makes a number of changes related to K-12 education. Adjusts FY 2000-01 appropriations to both the Department of Education and the Department of Human Services in order to make additional General Fund moneys available for the State's FY 2001-02 share of school districts' total program funding. For more information, see the Department of Education section of this report.

S.B. 01-185: Supplemental appropriation to the Department of Human Services to modify the appropriations included in the FY 2000-01 Long Bill, S.B. 00-204, and the FY 1999-00 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1079: Pertaining to the Older Coloradans Program in the Department of Human Services (DHS). Removed the provision in H.B. 00-1072 that the appropriation shall only be used for one-time purposes and not be used in a manner that would create a need for ongoing state funding in FY 2001-02 and subsequent fiscal years. Appropriates \$3,000,000 cash funds to the Department of Human Services for FY 2001-02 to provide grants for community-based services to persons 60 and older.

H.B. 01-1102: Expands the number of Juvenile Parole Board members from seven to nine by increasing the number of citizen board members from two to four. Clarifies that the Governor may temporarily fill a vacancy when the General Assembly is not in session until the next meeting of the General Assembly. Clarifies that a hearing panel is not required for consideration of parole for juveniles who have been, or will be, placed in a Department of Corrections facility, adult community corrections facility, or county jail pursuant to an adult sentence. However, juveniles sentenced to adult probation concurrent with, or consecutive to, the juvenile commitment will still require a hearing panel. The bill appropriates \$7,879 in FY 2001-02 and each year thereafter to the Department of Human Services, Juvenile Parole Board for the per-diem and travel reimbursement for two new Juvenile Parole Board members to attend monthly Board meetings.

H.B. 01-1107: Appropriates no more than \$10.0 million cash funds from the operational account of the Severance Tax Trust Fund to the Department of Human Services (DHS), Low-Income Energy Assistance Program (LEAP). The LEAP program provides financial assistance with heating bills to qualifying low income recipients. Persons served by the program include Old Age Pension recipients, Temporary Aid to Needy Families (TANF) recipients, and persons whose income is 185 percent of the federal poverty level. This bill increased the average assistance payment by \$100 to \$600 per year per qualifying household.

H.B. 01-1117: Specifies that until July 1, 2002 or the implementation of guidelines and standards for juvenile sex offender treatment programs, whichever comes first, no public entity shall construct a new facility for the housing, care, or treatment of juvenile sex offenders or implement a new treatment modality, unless the facility or modality is presented to the sex offender management board.

H.B. 01-1184: Makes modifications to the Uniform Dissolution of Marriage Act and the Criminal Code related to domestic violence. Requires the Department of Human Services to provide ongoing domestic violence training to county staff involved in administering the Colorado Works Program and to assist counties in developing and utilizing local resources to provide services to victims of domestic violence, and provides \$122,788 federal TANF funds and 1.0 FTE for such purpose. Also appropriates an additional \$26,776 General Fund to the Department of Human Services for FY 2001-02 for the Colorado Domestic Abuse Program, and includes a provision indicating that the General Fund appropriation for such program should increase by another \$100,000 for FY 2002-03. For more information, see the Judicial Department section of this report.

H.B. 01-1193: Makes a number of changes to the Children's Code to be consistent with the federal Adoption and Safe Families Act and associated federal regulations. Appropriates \$81,713 General Fund to the Department of Human Services and reflects \$9,079 federal funds anticipated to be received by the Department to provide training for county attorneys, court personnel, and county child welfare staff to achieve compliance with federal law. Identifies the General Fund appropriation as exempt from the statutory six percent limitation.

H.B. 01-1227: Beginning July 1, 2001, requires the Director of the Central Registry of Child Protection to expunge the name of a subject of a "minor" report of child abuse or neglect who has been listed for six months if neither criminal charges nor a petition in dependency or neglect has been filed against the subject. For offenses reported on or after July 1, 2001, eliminates the requirement that the Director of the Central Registry examine records related to first-time listings which are based on minor offenses and expunge such records after two years if good cause exists. If the Director of the Central Registry requests a hearing to reinstate a subject's name on the Central Registry, requires the Director to designate the subject's name "status pending" pending the outcome of a hearing and any judicial review. Appropriates \$16,390 cash funds to implement these changes.

H.B. 01-1264: Makes modifications to the Workers' Compensation Act of Colorado, the Uniform Dissolution of Marriage Act, and the Human Services Code related to child support obligations. Allows a noncustodial parent, at a county's option, to receive services under the Colorado Works Program. Makes minor adjustments to various cash funds exempt appropriations of retained child support collections.

H.B. 01-1271: Directs the department of health care policy and financing to submit an amendment to the state medical assistance plan and to request any waivers necessary to expand eligibility under medicaid to implement a medicaid buy-in program for individuals with disabilities who would otherwise be eligible for supplemental security income (SSI) except for their income and for individuals with disabilities whose medical condition improves. Appropriates \$80,000 cash funds exempt donations and reflects an increase of \$129,400 federal funds to the Department of Health Care Policy and Financing for FY 2001-02.

H.B. 01-1289: Specifies that the Child Care Licensing Act does not apply to short-term child care services (i.e., less than three hours in a day) provided by a facility that operates in connection with a church, shopping center, or business. Requires the Department of Human Services to examine the safety of such facilities and report its findings to the General Assembly, and appropriates \$25,000 federal Child Care Development Fund moneys for such purpose.

H.B. 01-1293: Directs the Colorado Commission on Higher Education to develop and implement the Early Childhood Professional Loan Repayment Program. Appropriates federal Child Care Development Fund moneys for repayment of student loans.

H.B. 01-1357: Creates the community accountability program to replace the regimented juvenile training program (boot camp) for adjudicated male and female juveniles 14 to 17 years old. Specifies that the program consist of a 60-day residential component and a community reintegration component not to exceed 120 days. Failure to progress through the program is a probation violation. Creates a 13-member Community Accountability Program Advisory Board to: implement selection criteria for juveniles sentenced to the program; oversee ongoing evaluation of the program; report to the General Assembly; and recommend necessary support services. Requires an evaluation by January 15, 2003. Reduces appropriations for the Department of Human Services by \$2,056,522 General Fund and \$194,966 cash funds exempt (Medicaid transfer from the Department of Health Care Policy and Financing) based on a lower projected juvenile delinquent population. Makes a corresponding reduction of \$97,483 General Fund and \$97,483 federal funds in the money appropriated to the Department of Health Care Policy and Financing for transfer to the Department of Human Services. Makes a new appropriation to the Division of Youth Corrections of \$2,129,020 General Fund to create the Community Accountability Program.

JUDICIAL BRANCH

The Colorado Judicial Department is a constitutionally separate branch of state government. The state court system includes the Supreme Court, the Court of Appeals, district courts in 22 judicial districts, and 63 county courts (Denver County Court is not part of the state court system.). The Judicial Department is also responsible for the operation of the State's probation system. The Judicial Branch currently includes three independent agencies, the Colorado State Public Defender, the Office of Alternate Defense Counsel, and the Office of the Child's Representative. The Chief Justice of the Supreme Court is the head of the state judicial system. The Office of the State Court Administrator provides management supervision and support for the court system and the probation department, pursuant to the policies, guidelines, and directives promulgated by the Chief Justice.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$180,395,178	\$194,268,468	\$206,485,128	\$216,864,050
Cash Fund	32,827,657	35,694,125	40,543,942	45,168,341
Cash Funds Exempt	4,760,732	5,384,519	7,468,675	7,785,782
Federal Funds	<u>976,208</u>	<u>1,555,451</u>	<u>2,189,120</u>	<u>2,189,120</u>
Total Funds	\$218,959,775	\$236,902,563	\$256,686,865	\$272,007,293
Full Time Equiv. Staff	2,887.8	2,999.3	3,048.1	3,168.4

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- An increase of \$2.2 million General Fund and 32.5 FTE to add six new district court judges and associated staff pursuant to H.B. 01-1075;
- An increase of \$2.0 million cash funds for treatment services for probationers;
- An increase of an additional \$1.8 million General Fund to increase judicial salaries pursuant to a three year compensation plan;
- An increase of \$1.4 million cash funds and 30.0 FTE to increase the number of probation officers pursuant to S.B. 01-095;

- ❑ An increase of \$1.0 million General Fund and 30.0 FTE to meet case processing needs;
- ❑ An increase of \$500,000 General Fund for Alternate Defense Counsel caseloads to bring the ADC towards compliance with generally accepted accounting principles pursuant to a four year plan;
- ❑ An increase of \$415,000 and 6.1 FTE to provide a county court judge for the newly created county and city of Broomfield, pursuant to S.B. 01-048;
- ❑ An increase of \$400,000 General Fund for judicial performance review;
- ❑ An increase of \$360,000 cash funds to provide improved sex offender registration and supervision pursuant to H.B. 01-1229;
- ❑ An increase of \$300,000 General Fund for Alternate Defense Counsel caseload increases for FY 2001-02;
- ❑ An increase of 6.0 FTE and \$250,000 General Fund to the Public Defender to handle increased trial and appellate caseloads;
- ❑ An increase of \$100,000 General Fund and 2.0 FTE to improve information technology maintenance within the Judicial Department;
- ❑ A transfer of \$6.8 million General Fund from the trial courts mandated costs line item to the Office of the Child's Representative for the provision of guardian ad-litem services;
- ❑ An increase of \$2.8 million, including \$2.7 million General Fund, for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. The total FY 2001-02 appropriation for salary survey and anniversary increases is \$8.6 million, reflecting a 26 percent increase over the FY 2000-01 base;
- ❑ An increase of \$7.7 million, including \$7.4 million General Fund, to annualize anniversary increases awarded in FY 2000-01.;
- ❑ A decrease of \$1.1 million, including \$1 million General Fund, for a base personal services reduction.

General Factors Driving the Budget

Funding for this department consists of 79.7 percent General Fund, 16.6 percent cash funds, 2.9 percent cash funds exempt, and 0.8 percent federal funds. Some of the most important factors driving the budget are reviewed below.

The main factor driving the budget of the Judicial Branch is caseload. Judges, magistrates, probation officers, public defenders and their staffs can only handle so many cases per year before increases in FTE are necessary. Caseload in turn is related to increases in the overall population in Colorado. The number of each type of case also impacts the Judicial Branch budget, particularly in the trial courts. A misdemeanor costs less than a civil case, which costs less than a homicide. The number of new or renovated courthouses that need to be furnished also impacts the budget.

The Judicial Department receives cash funds from a few main sources. The courts receive a large amount of cash funds from fees charged to use the court system. These moneys are used to fund operating expenses of the courts. Probation receives its cash funds from individuals sentenced to probation who pay fees that are put towards their supervision and treatment. A large amount of cash funds are also received from attorney licensing fees. These dollars are used by the Supreme Court to regulate the practice of law in Colorado.

Supreme Court Caseload

The Supreme Court is comprised of seven justices. The majority of its cases are from requests to review decisions of the Court of Appeals. It has direct appellate jurisdiction over: cases in which a statute has been held to be unconstitutional; cases involving decisions of the Public Utilities Commission; writs of habeas corpus; cases involving adjudication of water rights; summary proceedings initiated under the election code; and prosecutorial appeals concerning search and seizure questions in pending criminal proceedings. In addition to deciding various appellate matters, the Supreme Court regulates the practice of law in Colorado by investigating grievances filed against attorneys, regulating attorney conduct, and monitoring and upgrading the rules of court procedure.

	FY 94-95 Actual	FY 95-96 Actual	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual
New filings	1,358	1,401	1,511	1,401	1,525	1,617
Pending July 1	447	489	522	489	560	476
Total Caseload	1,899	1,985	2,129	1,987	2,183	2,192

Court of Appeals Caseload

The Court of Appeals is composed of 16 judges. The Court of Appeals receives cases from several different venues: District Courts, Denver probate and juvenile courts, state agencies, and the Industrial Appeal Claims Office.

	FY94-95 Actual	FY95-96 Actual	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual
New filings	2,179	2,289	2,245	2,410	2,647	2,502
Pending July 1	2,107	2,130	2,101	2,072	2,251	2,440
Total Caseload	4,380	4,419	4,346	4,482	4,898	4,942

Trial Courts Caseload

There will be 126 district judges in 22 judicial districts in FY 2001-02. The passage of H.B. 01-1075 added six new judges for FY 2001-02, and will add six additional judges in each of the next three years if funding is available. District Courts preside over felony criminal matters, civil claims, all juvenile matters, probate, mental health, divorce proceedings, and water cases. They also preside over jury trials, handle appeals from Colorado's municipal and county courts, and review decisions of administrative boards and agencies.

Particularly at the trial court level, the type of case affects the amount of resources required.

District Court Filings						
	FY 94-95 Actual	FY 95-96 Actual	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual
Domestic Relations	33,456	31,764	31,819	32,179	31,885	32,318
Civil	24,054	33,434	33,434	40,389	38,848	39,161
Probate	10,147	11,263	11,432	11,112	11,714	11,605
Juvenile	34,689	36,025	37,540	38,905	37,214	36,601
Mental Health	3,642	3,873	3,840	4,139	4,142	4,141
Criminal	28,172	30,613	33,867	38,815	37,538	35,770
Total	134,160	146,972	151,932	165,539	161,341	159,596

County Court Filings						
	FY 94-95 Actual	FY 95-96 Actual	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual
Civil	113,817	116,127	119,076	120,846	121,897	127,017
Small Claims	16,899	16,843	17,349	16,650	15,888	15,568
Traffic	152,124	164,217	169,593	170,614	159,861	140,183
Infractions	65,404	74,687	82,963	68,184	64,018	70,094
Misdemeanor	65,026	67,376	69,125	70,271	69,932	73,853

County Court Filings						
	FY 94-95 Actual	FY 95-96 Actual	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual
Felony Complaints	16,649	18,504	14,345	21,097	20,301	20,010
Total	429,919	457,754	472,451	467,662	451,897	446,725

Probation and Related Services Caseload

Probation is a sentencing alternative to the Department of Corrections. Individuals placed upon probation remain under the supervision of the court which sentenced them. Failure to meet the terms of probation set forth in the court's sentencing order may result in incarceration. There are different types of probation which cater to defendants' assessed risk levels and other needs such as substance abuse treatment.

Probation Caseloads						
	FY 94-95 Actual	FY 95-96 Actual	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual
Adult	27,785	28,592	30,856	33,754	36,529	35,513
Juvenile	8,611	9,741	9,666	9,333	9,490	8,722
Total	36,396	38,333	40,522	43,087	46,019	44,235

Public Defender Caseload

The Public Defender represents criminal defendants who are determined to have inadequate resources to pay for their own defense. As in the court system, more complicated felony cases consume more resources than simpler cases; felonies cost more than misdemeanors, and homicides more than assaults or robbery cases.

Closed Cases				
	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual
Felony	16,585	17,092	17,657	16,500
Misdemeanor/Traffic	11,695	11,596	11,848	12,532
Juvenile (All)	4,542	4,582	4,418	4,481
Other Proceedings	18,318	19,225	21,236	22,586
Partial work on cases	7,415	8,379	8,654	8,639
Total	58,555	60,874	63,813	64,738

Alternate Defense Counsel Caseload

The Alternate Defense Counsel contracts with private attorneys to represent indigent defendants in cases where the Public Defender has a conflict of interest and may not ethically represent a defendant. Representation in this situation is more expensive because private attorneys represent the defendants. Here too, complexity of case as well as overall caseload determines the amount of resources required. Representation in a death penalty case costs far more than an assault or burglary case.

Alternate Defense Counsel Caseload			
	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual
Felony	3,775	4,806	4,905
Appeals	175	420	609
Post-conviction (Rule 35(c))	296	559	692
Total	4,246	5,785	6,206

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$206,485,128	\$40,543,942	\$7,468,675	\$2,189,120	\$256,686,865	3,048.1
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court	2,316,941	4,690,000	355,000	0	7,361,941	88.7
Court of Appeals	4,980,966	8,000	0	0	4,988,966	80.0
Administration	8,812,698	0	0	0	8,812,698	40.5
Special Purpose	13,622,519	3,508,797	760,344	85,000	17,976,660	67.7
Judicial/Heritage	530,119	1,700	0	0	531,819	4.0
IIS (Computer Dept)	5,424,712	85,000	0	0	5,509,712	42.8
Trial Courts	92,935,771	26,019,838	240,000	326,068	119,521,677	1,466.9
Probation	39,580,981	6,178,177	6,048,435	1,778,052	53,585,645	924.6
Public Defender	27,391,555	49,430	64,896	0	27,505,881	326.9
Alternate Defense Counsel	10,741,207	3,000	0	0	10,744,207	3.0

	GF	CF	CFE	FF	Total	FTE
Office of the Child's Representative	147,659	0	0	0	147,659	3.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	205,523,139	40,737,764	6,213,335	2,189,120	254,663,358	3,017.6
HB 00-1109	591,491	0	0	0	591,491	8.0
HB 00-1166	11,979	0	0	0	11,979	0.0
HB 00-1169	0	251,977	0	0	251,977	6.4
HB 00-1174	(2,798)	0	0	0	(2,798)	3.7
HB 00-1215	505,815	20,110	0	0	525,925	0.0
HB 00-1317	4,620	0	0	0	4,620	0.0
HB 00-1371	0	0	0	0	0	3.0
HB 00-1458	(540,326)	(26,918)	0	0	(567,244)	0.0
SB 00-121	18,117	0	0	0	18,117	0.0
SB 00-163	0	372,328	0	0	372,328	2.9
SB 01-186	373,091	(811,319)	1,255,340	0	817,112	6.5
FY 2001-02 Total Appropriation:	\$216,864,050	\$45,168,341	\$7,785,782	\$2,189,120	\$272,007,293	3,168.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court	2,426,925	4,690,000	355,000	0	7,471,925	88.7
Court of Appeals	5,184,351	8,000	0	0	5,192,351	80.0
Administration	6,109,579	0	0	0	6,109,579	47.5
Administrative Special Purpose	15,176,508	3,863,604	753,344	85,000	19,878,456	68.9
Judicial/Heritage Complex	540,684	1,700	0	0	542,384	4.0
IIS (Computer Dept)	5,778,982	85,000	0	0	5,863,982	44.8
Trial Courts	93,311,124	26,019,838	240,000	326,068	119,897,030	1,532.4
Probation	40,233,106	10,421,059	6,372,542	1,778,052	58,804,759	957.2
Public Defender	29,574,136	76,140	64,896	0	29,715,172	337.9
Alternate Defense Counsel	11,648,152	3,000	0	0	11,651,152	3.0

	GF	CF	CFE	FF	Total	FTE
Office of the Child's Representative	6,880,503	0	0	0	6,880,503	4.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	214,186,440	43,340,861	7,785,782	2,189,120	267,502,203	3,099.3
SB 01-048	415,582	0	0	0	415,582	6.1
SB 01-095	0	1,432,923	0	0	1,432,923	30.0
SB 01-210	0	36,060	0	0	36,060	0.5
HB 01-1075	2,235,252	0	0	0	2,235,252	32.5
HB 01-1184	26,776	0	0	0	26,776	0.0
HB 01-1229	0	358,497	0	0	358,497	0.0
Change FY 01 - FY02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$10,378,922	\$4,624,399	\$317,107	\$0	\$15,320,428	120.3
Percentage Change	5.0%	11.4%	4.2%	0.0%	6.0%	3.9%

Detail of Appropriation by Administrative Section

Supreme Court

The Supreme Court is the highest court in the State and has general supervisory control over the lower courts. The Supreme Court provides appellate review of final judgements of lower courts and has original jurisdiction over cases relating to the constitutionality of a statute, ordinance, or charter; decisions of the state Public Utilities Commission; writs of habeas corpus; certain water cases; certain proceedings arising from the state election code; and some prosecutorial appeals.

The Supreme Court has rule-making authority over the state court system, both procedural and administrative, and it is responsible for promulgating civil and criminal rules of procedure. There are seven justices appointed to the Supreme Court. The Chief Justice is elected by the members of the Supreme Court. The Supreme Court is also responsible for overseeing the state law library, the law examiner board, the attorney regulation committees, and the continuing legal education program.

The Supreme Court receives nearly all of its cash funds from fees charged to attorneys for the Colorado Bar Examination, and for licenses to practice law. These cash funds are used to monitor the legal profession to ensure that attorneys practicing in Colorado are competent and ethical.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$2,332,608	\$4,690,000	\$355,000	\$0	\$7,377,608	88.7
HB 00-1458	(8,590)	0	0	0	(8,590)	0.0
SB 01-186	<u>(7,077)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,077)</u>	<u>0.0</u>
TOTAL	\$2,316,941	\$4,690,000	\$355,000	\$0	\$7,361,941	88.7
FY 2001-02 Appropriation:						
SB 01-212	<u>\$2,426,925</u>	<u>\$4,690,000</u>	<u>\$355,000</u>	<u>\$0</u>	<u>\$7,471,925</u>	<u>88.7</u>
TOTAL	\$2,426,925	4,690,000	355,000	0	7,471,925	88.7
Change FY 01 - FY 02						
Increase/(Decrease)	\$109,984	\$0	\$0	\$0	\$109,984	0.0
Percentage Change	4.7%	0.0%	0.0%	0.0%	1.5%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Judges and Staff	39.0	39.0
Attorney Regulation Committees	35.5	35.5
Continuing Legal Education	4.0	4.0
Law Examiner Board	8.2	8.2
Law Library	<u>2.0</u>	<u>2.0</u>
	88.7	88.7

General Fund Change: The General Fund increase of \$110,000 is for salary survey and anniversary increases awarded for FY 2000-01, and for a judicial pay increase for FY 2001-02.

Court of Appeals

The Court of Appeals has initial appellate jurisdiction over appeals from district courts and Denver's probate and juvenile courts. In addition, the Court of Appeals has initial statutory jurisdiction over appeals of certain final orders from various state agencies. The Court of Appeals is comprised of 16 judges who serve eight-year terms. The Court sits in panels of three judges under the direction and supervision of the Chief Judge. The Chief Judge of the Court of Appeals is appointed by the Chief Justice of the Supreme Court.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$5,014,532	\$8,000	\$0	\$0	\$5,022,532	80.0
HB 00-1458	(18,142)	0	0	0	(18,142)	0.0
SB 01-186	<u>(15,424)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(15,424)</u>	<u>0.0</u>
TOTAL	\$4,980,966	\$8,000	\$0	\$0	\$4,988,966	80.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$5,184,351</u>	<u>\$8,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,192,351</u>	<u>80.0</u>
TOTAL	\$5,184,351	\$8,000	\$0	\$0	\$5,192,351	80.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$203,385	\$0	\$0	\$0	\$203,385	0.0
Percentage Change	4.1%	n/a	n/a	n/a	4.1%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Judges	16.0	16.0
Staff	<u>64.0</u>	<u>64.0</u>
	80.0	80.0

General Fund Change: The increase results from higher personal services expenditures due to an increase of \$125,000 in judicial compensation, and salary survey and anniversary increases awarded in FY 2000-01.

Courts Administration

This division contains appropriations for the administration of Colorado's courts and probation department. It also includes several specialized programs. The main division includes four subdivisions: Administration (State Court Administrator's Office and County Courthouse Furnishings), Administrative Special Purpose (Centralized appropriations and assorted administrative programs such as training), Judicial/Heritage Complex (Buildings housing the Supreme Court and Court of Appeals) and Integrated Information Services (The Judicial Branch's Computer Department).

Administration (State Court Administrator's Office)

Responsibilities of the State Court Administrator's Office include coordination and control of budgeting, human resources, data processing, and management services; internal audits of court programs, judicial districts, and probation offices; training and technical assistance; and support for the probation offices.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$8,649,397	\$0	\$0	\$0	\$8,649,397	40.5
HB 00-1458	(9,086)	0	0	0	(9,086)	0.0
SB 01-186	<u>172,387</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>172,387</u>	<u>0.0</u>
TOTAL	\$8,812,698	\$0	\$0	\$0	\$8,812,698	40.5
FY 2001-02 Appropriation:						
SB 01-212	\$6,082,803	\$0	\$0	\$0	\$6,082,803	47.5
HB 01-1184	<u>\$26,776</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$26,776</u>	<u>0.0</u>
TOTAL	\$6,109,579	\$0	\$0	\$0	\$6,109,579	47.5
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$2,703,119)	\$0	\$0	\$0	(\$2,703,119)	7.0
Percentage Change	-30.7%	n/a	n/a	n/a	-30.7%	17.3%

FTE Detail	FY 2000-01	FY 2001-02
Administration	11.0	11.0
Court Services	8.5	8.5
Financial Services	11.0	11.0
Planning	7.0	8.0
Human Resources	<u>3.0</u>	<u>9.0</u>
	40.5	47.5

FTE Change: The increase of 7.0 FTE includes 6.0 FTE for the centralization of human resources functions in the office of the State Court Administrator, and 1.0 FTE for the addition of a facility planner to handle courthouse construction, maintenance and furnishings issues.

General Fund Change: The \$2.7 million General Fund decrease is primarily attributable to a \$3.2 million decrease in the cost of furnishing county courthouses that are being built or remodeled by counties. This decrease is partially offset by the addition of \$380,000 and 6.0 Human Resources FTE and 1.0 facility planner FTE, and salary survey and anniversary increases awarded in FY 2000-01.

Administrative Special Purpose

This section includes several programs that affect the entire Judicial Department, such as the Office of Dispute Resolution, the child support enforcement program, the retired judge program, and the Commission on Judicial Performance. This section also includes centrally appropriated line items, such as salary survey and anniversary increases, workers' compensation, legal services, and payments related to risk management.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$13,110,437	\$3,608,855	\$329,111	\$85,000	\$17,133,403	61.3
HB 00-1169	0	251,977	0	0	251,977	6.4
HB 00-1215	442,082	20,110	0	0	462,192	0.0
HB 00-1458	0	(9,826)	0	0	(9,826)	0.0
SB 01-186	<u>70,000</u>	<u>(362,319)</u>	<u>431,233</u>	<u>0</u>	<u>138,914</u>	<u>0.0</u>
TOTAL	\$13,622,519	\$3,508,797	\$760,344	\$85,000	\$17,976,660	67.7
FY 2001-02 Appropriation:						
SB 01-212	<u>\$15,176,508</u>	<u>\$3,863,604</u>	<u>\$753,344</u>	<u>\$85,000</u>	<u>\$19,878,456</u>	<u>68.9</u>
TOTAL	\$15,176,508	\$3,863,604	\$753,344	\$85,000	\$19,878,456	68.9
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$1,553,989	\$354,807	(\$7,000)	\$0	\$1,901,796	1.2
Percentage Change	11.4%	n/a	n/a	n/a	10.6%	1.8%

FTE Detail	FY 2000-01	FY 2001-02
Collections Investigators	60.7	61.9
Office of Dispute Resolution	4.5	4.5
Child Support Enforcement	1.0	1.0

FTE Detail	FY 2000-01	FY 2001-02
CICJIS Data Scrubber	<u>1.5</u>	<u>1.5</u>
	67.7	68.9

FTE Change: The increase of 1.2 FTE is due to an annualization of FTE for H.B. 00-1169, which added collections investigators in FY 2000-01.

General Fund Change: The net increase in the General Fund appropriation is attributable to: (1) an increase of \$1.4 million for salary survey and anniversary expenditures for FY 2001-02; (2) an increase of \$330,000 for judicial performance review; (3) an increase of \$140,000 for leased space expenses; and (4) an increase of \$58,000 for short-term disability and liability insurance costs. These increases are offset by the following reductions: (1) \$280,000 for workers' compensation; and (2) \$100,000 for health insurance, administrative costs, opinion publication, child support enforcement, and training.

Cash Fund Changes: The net increase in cash fund spending authority is due to: (1) an increase for salary survey and anniversary costs for FY 2001-02 of \$125,000; (2) an increase of \$90,000 for collections investigators due to the annualized costs of H.B. 00-1169; (3) an increase of \$80,000 in spending authority for the Office of Dispute Resolution; (4) an increase of \$38,000 for health insurance; and (5) an increase for administrative purposes of \$20,000.

Cash Fund Exempt Change: The decrease in cash fund exempt spending authority is due to a reduction for child support enforcement.

Judicial/Heritage Complex

The Judicial/Heritage Complex consists of two buildings and a parking lot. The Judicial Building houses the Supreme Court, the Court of Appeals, and the state law library. The second building houses the State Historical Society and Museum and the Colorado Commission on Higher Education. The appropriation for the complex provides for maintenance and security services. Cash funds are from parking lot revenues.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$531,390	\$700	\$0	\$0	\$532,090	4.0
HB 00-1458	(1,271)	0	0	0	(1,271)	0.0
SB 01-186	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>0.0</u>
TOTAL	\$530,119	\$1,700	\$0	\$0	\$531,819	4.0

	GF	CF	CFE	FF	Total	FTE
FY 2001-202 Appropriation:						
SB 01-212	\$540,684	\$1,700	\$0	\$0	\$542,384	4.0
TOTAL	\$540,684	\$1,700	\$0	\$0	\$542,384	4.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$10,565	\$0	\$0	\$0	\$10,565	0.0
Percentage Change	2.0%	n/a	n/a	n/a	2.0%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Facilities Planning Manager	1.0	1.0
Building Mechanics	2.0	2.0
Security Guard	1.0	1.0
	4.0	4.0

General Fund Change: The General Fund appropriation reflects an increase due to salary survey and anniversary for FY 2000-01.

Integrated Information Services (IIS)

This section provides automated data processing services to the state courts and probation offices. Major systems supported by IIS include the Integrated Colorado On-line Network (ICON), which handles case tracking and financial functions for the trial courts and probation departments; 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, and adult and youth corrections; the appellate case tracking system; the court-appointed counsel system; and the state court administrator's local-area network.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$5,520,437	\$85,000	\$0	\$0	\$5,605,437	42.8
HB 00-1458	(9,045)	0	0	0	(9,045)	0.0
SB 01-186	(86,680)	0	0	0	(86,680)	0.0
TOTAL	\$5,424,712	\$85,000	\$0	\$0	\$5,509,712	42.8

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$5,778,982	\$85,000	\$0	\$0	\$5,863,982	44.8
TOTAL	\$5,778,982	\$85,000	\$0	\$0	\$5,863,982	44.8
Change FY 01 - FY 02						
Increase/(Decrease)	\$354,270	\$0	\$0	\$0	\$354,270	2.0
Percentage Change	6.5%	0.0%	n/a	n/a	6.4%	4.7%

FTE Detail	FY 2000-01	FY 2001-02
Admn./Support	5.0	5.0
Programmers/Technical	25.8	27.8
Programming/Tech Supervisors	4.0	4.0
Customer Support	<u>8.0</u>	<u>8.0</u>
	42.8	44.8

FTE Changes: The increase of 2.0 FTE is due to the addition of two information technology field technicians.

General Fund Changes: The net increase in General Fund is attributable to: (1) \$190,000 for salary survey and anniversary increases for FY 2000-01; (2) a \$120,000 increase in the purchase of services from the Department of Personnel; and (3) the addition of the 2.0 computer field technicians, including salaries, operating expenditures, as well as capital outlay, for a total of \$100,000. These increases were partially offset by a reduction in the base personal services appropriation.

Trial Courts

The trial courts represent the largest portion of the Judicial Department's budget. The trial courts include district courts in 22 judicial districts, 62 county courts, and 7 water courts. Each judicial district includes one district court and a county court in each county served by the district. The Second Judicial District (Denver) also includes a probate court and a juvenile court. However, the Denver County Court is not part of the state court system. Cash funds are generated through operating charges to those who use the court system, and include filing fees and copying fees.

The district courts are trial courts of general jurisdiction and have appellate jurisdiction over final judgements of county courts and municipal courts. The county courts have limited jurisdiction, as set by statute. County courts have appellate jurisdiction over municipal courts. Water courts are

separately created by the Water Right Determination and Administration Act of 1969 and have general jurisdiction over water use, water rights, and water administration.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$92,729,011	\$26,019,838	\$240,000	\$326,068	\$119,314,917	1,458.9
HB 00-1109	591,491	0	0	0	591,491	8.0
HB 00-1371	(147,659)	0	0	0	(147,659)	0.0
HB 00-1458	(215,557)	0	0	0	(215,557)	0.0
SB 01-186	<u>(21,515)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(21,515)</u>	<u>0.0</u>
TOTAL	\$92,935,771	\$26,019,838	\$240,000	\$326,068	\$119,521,677	1,466.9
FY 2001-02 Appropriation:						
SB 01-212	\$90,853,351	\$26,019,838	\$240,000	\$326,068	\$117,439,257	1,496.9
SB 01-048	348,506	0	0	0	348,506	5.5
HB 01-1075	<u>2,109,267</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,109,267</u>	<u>30.0</u>
TOTAL	\$93,311,124	\$26,019,838	\$240,000	\$326,068	\$119,897,030	1,532.4
Change FY 01 - FY 02						
Increase/(Decrease)	\$375,353	\$0	\$0	\$0	\$375,353	65.5
Percentage Change	0.4%	0.0%	0.0%	0.0%	0.3%	4.5%

FTE Detail	FY 2000-01	FY 2001-02
District Court Judges	120.0	126.0
County Court Judges	82.0	83.0
Magistrates & Water Referee	58.4	58.4
Division Staff	373.3	383.3
Court Reporters	125.8	131.8
Clerks' Offices	593.4	635.9
Administrative/Office Support	105.5	105.5
Grants and Federal Funds	<u>8.5</u>	<u>8.5</u>
	1,466.9	1,532.4

FTE Changes: The appropriation reflects an increase of 65.5 FTE based upon the following: (1) an increase of 15.0 court clerks and an increase of 15.0 case facilitators to handle case processing needs; (2) an increase of 30.0 FTE including six district court judges and associated staff and; (3) an increase of 5.5 FTE including 1 county court judge and associated staff for the new county of Broomfield

General Fund Changes: The net General Fund change includes the following increases:(1) \$3.2 million for salary survey and anniversary increases awarded for FY 2000-01; (2) \$2.1 million for new district court judges and staff; (3) \$1.6 million for judicial pay increases; (4) \$1.0 million related to the addition of court staff including their operating and capital expenses and; (5) \$350,000 related to the addition of a county court judge and staff for the new county of Broomfield. These increases were partially offset by the following decreases. (1) a \$6.7 million transfer of mandated costs to the Office of the Child's Representative; (2) a reduction in PERA contributions of \$600,000; (3) a base personal services reduction of \$330,000; (4) a \$215,000 reduction in contract services; and (5) a \$55,000 reduction in capital outlay expenditures.

Probation and Related Services

Probation is a dispositional and sentencing alternative available to the courts. The offender serves a sentence in the community under the supervision of a probation officer, subject to the conditions imposed by the court. There are varying levels of supervision that may be required under a probation sentence, and there are numerous services, ranging from drug counseling to child care, that may be provided to offenders sentenced to probation. The amount of supervision and the types of services vary depending on the profile and history of each offender. In addition, probation officers are responsible for investigating the background of persons brought before the court for sentencing. Cash funds are generated by supervision and testing fees charged to offenders.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$39,735,604	\$6,309,621	\$5,224,328	\$1,778,052	\$53,047,605	916.0
HB 00-1166	11,979	0	0	0	11,979	0.0
HB 00-1317	4,620	0	0	0	4,620	0.0
HB 00-1458	(189,339)	(17,092)	0	0	(206,431)	0.0
SB 00-121	18,117	0	0	0	18,117	0.0
SB 00-163	0	335,648	0	0	335,648	2.1
SB 01-186	<u>0</u>	<u>(450,000)</u>	<u>824,107</u>	<u>0</u>	<u>374,107</u>	<u>6.5</u>
TOTAL	\$39,580,981	\$6,178,177	\$6,048,435	\$1,778,052	\$53,585,645	924.6

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$40,233,106	\$8,593,579	\$6,372,542	\$1,778,052	\$56,977,279	926.7
SB 01-095	0	1,432,923	0	0	1,432,923	30.0
SB 01-210	0	36,060	0	0	36,060	0.5
HB 01-1229	0	358,497	0	0	358,497	0.0
TOTAL	\$40,233,106	\$10,421,059	\$6,372,542	\$1,778,052	\$58,804,759	957.2
Change FY 01 - FY 02						
Increase/(Decrease)	\$652,125	\$4,242,882	\$324,107	\$0	\$5,219,114	32.6
Percentage Change	1.6%	68.7%	5.4%	0.0%	9.7%	3.5%

FTE Detail	FY 2000-01	FY 2001-02
Chief Officers	21.0	21.0
Probation Supervisors	59.9	59.9
Probation Officers	506.7	536.4
Admin. / Support	139.9	139.9
Female Offender Program	6.0	6.0
Offender Services	3.0	3.0
Alcohol/Drug Driving Safety	70.2	70.2
Drug Offender Assessment	15.5	18.4
Victims Grants	17.3	17.3
S.B. 91-94	52.8	52.8
Grants and Federal Funds	<u>32.3</u>	<u>32.3</u>
	924.6	957.2

FTE Changes: The increase of 32.6 FTE is due to: (1) 30.0 probation officers added by SB 01-095; (2) 2.1 FTE needed for new drug courts established pursuant to S.B. 00-163; and (3) 0.5 FTE added for registering sex offenders pursuant to H.B. 01-1229.

General Fund Changes: The net increase in the General Fund appropriation includes a \$2.3 million for salary survey and anniversary increases awarded in FY 2000-01. This increase is partially offset by: (1) the elimination of \$625,000 for the Sex Offender Intensive Supervision Program; (2) a

\$400,000 reduction due to the elimination of the aftercare program; (3) a personal services base reduction of \$215,000; (4) a reduction in contract services of \$215,000; (5) a reduction in PERA contributions of \$170,000; and (6) a \$50,000 reduction in amounts for electronic monitoring of probationers.

Cash Fund Changes: The increase in the cash funds appropriation includes: (1) an increase of \$2 million for offender treatment; (2) an increase of \$1.4 million to pay for additional probation officers; (3) an increase of \$500,000 due to a reclassification of Victims Assistance and Law Enforcement (VALE) fund; (4) a \$380,000 increase for the second year of drug court programs established in S.B. 00-163; (5) an increase of \$360,000 to monitor and treat sex offenders pursuant to H.B. 01-1229; and (6) salary survey and anniversary increases awarded in FY 2000-01. These increases are partially offset by a reduction in the base personal services appropriation.

Cash Funds Exempt Changes: The increase in the cash funds exempt appropriation is due to an increase in funds for youth services pursuant to S.B. 91-094.

Public Defender

The Public Defender is responsible for providing legal counsel for criminal defendants whom the courts have found to be indigent and who are facing the possibility of incarceration. The Public Defender maintains 21 regional offices and an appellate division. The Public Defender is appointed by an independent Public Defender Commission.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$27,219,285	\$12,750	\$64,896	\$0	\$27,296,931	322.4
HB 00-1174	171,996	0	0	0	171,996	3.7
HB 00-1215	63,227	0	0	0	63,227	0.0
HB 00-1458	(87,953)	0	0	0	(87,953)	0.0
SB 00-163	0	36,680	0	0	36,680	0.8
SB 01-186	<u>25,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>0.0</u>
TOTAL	\$27,391,555	\$49,430	\$64,896	\$0	\$27,505,881	326.9
FY 2001-02 Appropriation:						
SB 01-212	\$29,381,075	\$76,140	\$64,896	\$0	\$29,522,111	334.8
SB 01-048	67,076	0	0	0	67,076	0.6
HB 01-1075	<u>125,985</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>125,985</u>	<u>2.5</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$29,574,136	\$76,140	\$64,896	\$0	\$29,715,172	337.9
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$2,182,581	\$26,710	\$0	\$0	\$2,209,291	11.0
Percentage Change	8.0%	54.0%	0.0%	N/A	8.0%	3.4%

FTE Detail	FY 2000-01	FY 2001-02
State Public Defender and Deputies	3.0	3.0
Public Defenders	194.6	203.7
Investigators	61.5	62.0
Paralegals	5.7	5.7
Admin./Support	<u>62.1</u>	<u>63.5</u>
	326.9	337.9

FTE Change: The increase in FTE includes: (1) 4.0 appellate attorneys and 2.0 trial attorneys; (2) 3.1 FTE added pursuant to H.B. 01-1075 and S.B. 01-048 to handle additional work generated by new judges; and (3) 1.9 FTE to annualize increases pursuant to H.B. 00-1174 and S.B. 00-163.

General Fund Change: The General Fund increase is comprised of: (1) \$1.3 million in salary survey and anniversary awards for FY 2000-01; (2) \$730,000 for centralized appropriations for expected salary survey and anniversary awards for FY 2001-02; (3) \$290,000 for the increase of six attorneys; (4) \$200,000 for leased space; and (5) \$190,000 to pay for additional FTE pursuant to H.B. 01-1075 and S.B. 01-048. These increases are partially offset by: (1) a 1.5 percent base reduction for personal services equaling \$330,000; (2) the elimination of \$112,000 for appellate contract services; and (3) a \$93,000 decrease in PERA contributions.

Cash Fund Change: The increase in cash funds is due to the annualization of expenditures incurred pursuant to S.B. 00-163, which established new drug courts.

Alternate Defense Counsel

The Office of Alternate Defense Counsel is an independent agency that was established by S.B. 96-205. The Office provides representation for indigent defendants when the Public Defender is precluded from doing so because of a conflict of interest. Private attorneys are appointed by the courts and are hired on a per hour contract basis by the Alternate Defense Counsel. The Office also contracts with private investigators to assist in the defense of the appointed cases, and the Office is responsible for the payment of expenses for discovery and interpreters in the appointed cases. The Office is governed by a nine-member advisory commission appointed by the Supreme Court.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$10,680,438	\$3,000	\$0	\$0	\$10,683,438	3.0
HB 00-1174	(174,794)	0	0	0	(174,794)	0.0
HB 00-1215	506	0	0	0	506	0.0
HB 00-1458	(1,343)	0	0	0	(1,343)	0.0
SB 01-186	<u>236,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>236,400</u>	<u>0.0</u>
TOTAL	\$10,741,207	\$3,000	\$0	\$0	\$10,744,207	3.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$11,648,152</u>	<u>\$3,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$11,651,152</u>	<u>3.0</u>
TOTAL	\$11,648,152	\$3,000	\$0	\$0	\$11,651,152	3.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	<u>\$906,945</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$906,945</u>	<u>0.0</u>
Percentage Change	8.4%	0.0%	n/a	n/a	8.4%	0.0%

General Fund Change: The increase in the General Fund appropriation includes an increase of \$900,000 for conflict-of-interest contracts to provide private legal representation for indigent criminal defendants when the Public Defender is unable to represent those defendants because of a conflict of interest. Of this amount, \$540,000 is to be used to bring the ADC closer to compliance with generally accepted accounting principles by allowing them to pay for work done in a fiscal year with that year's appropriation. The balance of \$360,000 is for appellate and post-conviction caseload increases.

Office of the Child's Representative

The Office of the Child's Representative was created by H.B. 00-1371 and is an independent agency within the Judicial Department. The structure and organization of the Office will be established during FY 2000-01, and it will become fully operational in FY 2001-02, pursuant to the bill. The Office will be responsible for overseeing the representation of children by attorneys, guardians ad-litem and other representatives, within the judicial system.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1371	\$147,659	\$0	\$0	\$0	\$147,659	3.0
TOTAL	\$147,659	\$0	\$0	\$0	\$147,659	3.0
FY 2001-02 Appropriation:						
SB 01-212	\$6,880,503	\$0	\$0	\$0	\$6,880,503	4.0
TOTAL	\$6,880,503	\$0	\$0	\$0	\$6,880,503	4.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$6,732,844	\$0	\$0	\$0	\$6,732,844	1.0
Percentage Change	4559.7%	n/a	n/a	n/a	4559.7%	33.3%

FTE Change: The increase of 1.0 FTE is to handle an increased workload. The new agency will be fully operational in FY 2001-02, whereas in FY 2000-01 its duties were limited to organizational and administrative tasks pursuant to H.B. 00-1371.

General Fund Change: The increase in General Fund expenditures is due to a transfer from the Judicial Mandated Costs line item of moneys used to provide guardian ad-litem services, pursuant to H.B. 00-1371. The Office of the Child's Representative assumed the responsibility for providing these services pursuant to the bill. FY 2001-02 will be the first year of full operations for this new agency.

Recent Legislation

2000 Session Bills

H.B. 00-1109: Increases the number of judges in the 4th and 18th judicial districts by one each, and adds required staff. Appropriates \$591,491 and adds 8.0 FTE to the Trial Courts line item.

H.B. 00-1166: Requires that all persons discharged from the Department of Corrections, who are not placed on parole, all persons sentenced as habitual offenders for offenses committed on or after July 1, 2000, and all persons convicted of second or third degree burglary for offenses committed on or after July 1, 2000, as well as any person sentenced to a county jail or community corrections facility who is required by statute to be tested, submit to blood testing for genetic markers. The bill appropriates \$11,979 to the Judiciary for drawing blood. The bill authorizes the imposition of an offender fee to pay for the blood work.

H.B. 00-1169: Requires that every order of conviction of a felony, misdemeanor, petty or traffic misdemeanor, with the exception of traffic convictions in municipal or county courts, include a consideration of restitution. Also provides that orders of restitution be paid upon entry of the conviction, or that the order of conviction be sent to a collections investigator, and a payment plan created. Appropriates \$251,977 from the judicial collection enhancement fund, and adds 6.4 FTE to handle expected increased collections investigations.

H.B. 00-1174: Eliminates representation of the partially indigent by the Office of the Alternate Defense Counsel. Reduces its appropriation by \$174,794. Adds \$171,996 and 3.7 FTE to the State Public Defender with the anticipation that most of the partially indigent will be represented by that office.

H.B. 00-1317: Makes numerous changes to statutes with regard to sex offenders. Includes the following appropriation for FY 2000-01:

- \$4,620 General Fund to the Judicial Department;
- \$85,984 General Fund and 0.3 FTE to the Department of Public Safety, Colorado Bureau of Investigation; and
- \$127,872 General Fund and 1.7 FTE to the Department of Public Safety, Division of Criminal Justice.

H.B. 00-1371: Creates the Office of the Child's Representative (the "Office") as a separate agency within the Judicial Department. The Office will be responsible for the provision of legal services to children who are affected by or involved in legal proceedings and need representation. Reduces the Trial Courts' Mandated Costs line by \$147,659 to fund 3.0 FTE and their operations for FY 2000-01. The bill states the intent of the General Assembly that the structure of the Office will be established in FY 2000-01, and that the office will be fully functional in FY 2001-02.

H.B. 00-1451: General appropriations act for FY 2000-01.

S.B. 00-121: Expands the requirement for genetic testing to persons who were convicted of or plead guilty to specified violent or sexual crimes and who, as of July 1, 2000, were in the custody of the Department of Corrections, on probation, or parole. Includes the following appropriation for FY 2000-01:

- \$25,080 General Fund to the Department of Corrections;
- \$364,736 General Fund and 1.5 FTE to the Department of Public Safety, Colorado Bureau of Investigation; and
- \$18,117 General Fund to the Judicial Department.

S.B. 00-163: Provides that the Judicial Department will create up to three drug court pilot programs, including one in a rural district, and including one West of the Continental Divide. In drug courts, there is frequent contact between a select group of offenders and the judge in hopes that this will lead

to a reduced rate of recidivism amongst drug offenders. Appropriates \$372,328 from the Drug Offender Surcharge Fund and adds 2.9 FTE to the Judicial Department.

2001 Session Bills

S.B. 01-048: Adds an additional county court judge and affiliated staff for the new county of Broomfield. Appropriates 5.5 FTE and \$348,506 General Fund to the Judicial Branch, and 0.5 FTE and \$67,076 General Fund to the Public Defender's Office.

S.B. 01-095: Allows the Offender Services Fund to be used to pay personal services expenses connected with the monitoring of individuals sentenced to probation. Appropriates \$1,432,923 cash funds and 30.0 FTE to Probation and Related Services.

S.B. 01-104: Sets forth the procedures by which a defendant will be adjudged mentally incompetent to receive the death penalty, and specifies that such a person may be restored to competency.

S.B. 01-186: Supplemental appropriation to the Judicial Department to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-210: Makes failure to register as a sex offender a class 6 felony for a defendant convicted of a felony sex offense, and a class five felony for second and subsequent offense of failure to register. Appropriates \$36,060 cash funds and 0.5 FTE to Probation.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1075: Subject to available appropriations, creates 24 additional judge positions over the next four years, beginning with 4 judges in FY 2001-02. Appropriates \$125,985 General Fund and 2.5 FTE to the Public Defender and 30.0 FTE and \$2,109,267 General Fund to the Judicial Branch for FY 2001-02.

H.B. 01-1184: Requires the Department of Human Services to provide domestic violence training to county staff, and to assist counties in developing local resources and utilizing available community resources to assist victims of domestic violence. Also requires disclosure of prior restraining orders when petitioning for dissolution of marriage or legal separation, and in proceedings concerning parental responsibilities. Requires the court to advise parties concerning services available to help victims of domestic violence. Appropriates \$26,776 General Fund to the Judicial Department to fund grants for the provision of domestic violence counseling services.

H.B. 01-1229: Requires certain sex offenders to register as sex offenders on a quarterly basis for life, and expands the number of offenses which require participation in Probation's Sex Offender Intensive Supervision program if the defendant is sentenced to probation. Appropriates \$358,497 cash funds to Probation for FY 2001-02.

DEPARTMENT OF LABOR AND EMPLOYMENT

The Department is responsible for: administering state and federal employment and training programs, enforcing state and federal labor laws; operating state regulatory programs for the oil industry, school construction and boilers and; administering the workers' compensation program. The Department is comprised of the following divisions: the Executive Director's Office; the Division of Employment and Training; the Division of Labor and; the Division of Workers' Compensation.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$0	\$0	\$0	\$0
Cash Fund	20,663,508	22,498,183	24,724,987	26,677,074
Cash Funds Exempt	14,375,042	16,848,092	18,099,352	16,408,248
Federal Funds	<u>73,056,225</u>	<u>68,964,320</u>	<u>80,747,703</u>	<u>87,383,172</u>
Total Funds	\$108,094,775	\$108,310,595	\$123,572,042	\$130,468,494
Full Time Equiv. Staff	1,055.3	1,022.8	1,057.6	1,035.4

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- A reduction of 1.0 FTE in the Executive Director's Office resulting from decreased need;
- a reduction of 7.0 FTE in the Unemployment Insurance Division;
- a reduction of 18.2 FTE at one-stop job centers state-wide;
- a reduction of 1.0 FTE in the Division of Public Safety due to an on-going vacancy;
- an increase of 5.0 federally funded FTE for the Labor Market Information division;
- an increase of \$1.2 million federal funds for contracts for counties to run one-stop job centers;
- an increase of \$6.6 million federal funds for welfare-to-work block grants;

- an increase of \$136,000 cash funds, \$20,000 cash funds exempt, and \$243,000 federal funds for information technology asset maintenance;
- an increase of \$80,000 cash funds exempt to study the impact of a change in edition of the American Medical Association Guide to Permanent Impairment Ratings on the Workers' compensation system;
- an increase of \$0.8 million, for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. The total FY 2001-02 appropriation for salary survey and anniversary increases is \$3.1 million, reflecting an 33 percent increase over the FY 2000-01 base;
- a \$1.4 million increase, to annualize anniversary increases awarded in FY 2000-01; and
- a decrease of \$863,000, for a 1.5 percent personal services reduction.

General Factors Driving the Budget

Funding for this department consists of 16.7 percent cash funds, 2.9 percent cash funds exempt, and 80.4 percent federal funds. There is no General Fund appropriation for the Department of Labor. Some of the most important factors driving the budget are reviewed below.

Unemployment Insurance (UI)

The provision of unemployment insurance services is a major component of the Department's budget. The State collects unemployment taxes which are then forwarded to Colorado's federal trust fund which is maintained by the U.S. government for Colorado. Naturally, the state of the economy locally and nationally affects the degree to which unemployment insurance services are needed and how high these taxes need to be. There is a fraud investigation unit that is also sensitive to the state of the Colorado economy.

Colorado Unemployment Trust Fund					
	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Estimate	FY 2001-02 Projected	FY 2002-03 Projected
Beginning Balance	672,135,589	749,425,008	817,648,999	850,856,082	829,070,512
Revenues	234,916,231	234,643,929	244,189,998	237,025,896	248,077,525
Expenditures	157,626,812	166,419,938	210,982,915	258,811,466	301,048,277
Ending Balance	7,494,250,078	817,648,999	850,856,082	829,070,512	776,099,760

Colorado Unemployment Trust Fund					
	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Estimate	FY 2001-02 Projected	FY 2002-03 Projected
Reserve Increase/Decrease	77,289,419	68,223,991	33,207,083	(21,785,570)	(52,970,752)

Employment and Training

The Department provides employment and training services including welfare-to-work programs, through "one-stop" centers run by either the state or by counties. Under the federal Workforce Investment Act of 1998, there is a much greater emphasis on working to match employers with employees. Thus while a poor economy increases the number of workers seeking assistance, a strong economy such as the one in Colorado increases the number of employers seeking qualified employees.

	FY 95-96	FY 96-97	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02
Individuals Served	197,432	196,938	227,948	209,267	194,905	194,000	194,000
Entered Employment	46,121	49,403	47,304	42,941	42,467	42,000	42,000

Workers' Compensation/Major Medical and Subsequent Injury

This program's budget is driven by the number of workers injured in a given year, and the number of hearings requested by an employer/insurance company or an injured employee to determine the benefits provided. The Workers' Compensation program offers claims intervention, mediation, pre-hearing conferences, settlement conferences, and arbitration to assist with claims dispute resolution. Colorado employers are mandated to have workers' compensation insurance. This insurance pays medical expenses for work-related injuries, as well as partial wage replacement while the worker recovers. The Division of Workers' Compensation provides various services to support this mandate, including customer service, oversight, claims resolution, employer and employee education, and cost containment.

The Major Medical program provides benefits to workers who sustained catastrophic injuries between July 1, 1971 and June 30, 1981. There are currently 1,589 of these cases still open. The Subsequent Injury program provides compensation to injured workers who have become permanently, totally disabled by more than one work-related injury. There are currently 552 open cases. The Major Medical and Subsequent Injury programs are continuously appropriated.

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$0	\$24,724,987	\$18,099,352	\$80,747,703	\$123,572,042	1,057.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	0	7,759,872	1,226,019	14,227,277	23,213,168	166.4
Division of Employment and Training	0	7,894,664	235,979	66,015,435	74,146,078	691.0
Division of Labor	0	2,557,063	1,643,079	504,991	4,705,133	71.8
Division of Workers' Compensation	0	6,513,388	14,994,275	0	21,507,663	128.4
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	0	23,907,381	17,991,732	80,186,402	122,085,515	1,049.6
HB 00-1056	0	437,403	0	0	437,403	8.0
HB 00-1215	0	37,032	11,140	92,544	140,716	0.0
HB 00-1458	0	(63,573)	(26,337)	(133,141)	(223,051)	0.0
SB 01-187	0	406,744	122,817	601,898	1,131,459	0.0
FY 2001-02 Total Appropriation:	\$0	\$26,677,074	\$16,408,248	\$87,383,172	\$130,468,494	1,035.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	0	8,204,419	1,234,341	14,744,211	24,182,971	165.4
Division of Employment and Training	0	7,267,192	705,958	72,101,528	80,074,678	670.8
Division of Labor	0	2,769,749	1,180,856	537,433	4,488,038	70.8
Division of Workers' Compensation	0	8,435,714	13,287,093	0	21,722,807	128.4
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	182,199	26,494,875	16,408,248	87,383,172	130,468,494	1,035.4

	GF	CF	CFE	FF	Total	FTE
SB 01-233	(182,199)	182,199	0	0	0	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$1,952,087	(\$1,691,104)	\$6,635,469	\$6,896,452	(22.2)
Percentage Change	n/a	7.9%	-9.3%	8.2%	5.6%	-2.1%

Detail of Appropriation by Administrative Section

Executive Director's Office

The Executive Director's Office performs departmental administrative functions, including public relations, information management, accounting, budgeting, data processing, and personnel management. The Office also administers three programs: (1) the Industrial Claims Appeal Panel, which adjudicates appeals relating to unemployment insurance and workers' compensation issues; (2) the Public Employees' Social Security Program, which administers the federal-state agreement with the U.S. Social Security Administration; and (3) Investigations and Criminal Enforcement, which investigates potential fraud in the Unemployment Insurance and the Workers' Compensation programs.

Cash funds used for administration of the Department's programs are primarily from the Workers' Compensation Cash Fund, the Employment Support Fund, and the Petroleum Storage Tank Fund. Cash funds exempt used for administration are from the Major Medical Insurance Fund, the Subsequent Injury Fund and reserves in the Petroleum Storage Tank and Unemployment Revenue Funds. Federal funds are used to administer unemployment programs.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$7,734,662	\$1,217,536	\$14,156,614	\$23,108,812	166.4
HB 00-1215	0	37,032	11,140	92,544	140,716	0.0
HB 00-1458	0	(11,822)	(2,657)	(21,881)	(36,360)	0.0
TOTAL	\$0	\$7,759,872	\$1,226,019	\$14,227,277	\$23,213,168	166.4
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$8,204,419	\$1,234,341	\$14,744,211	\$24,182,971	165.4

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$0	\$8,204,419	\$1,234,341	\$14,744,211	\$24,182,971	165.4
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$444,547	\$8,322	\$516,934	\$969,803	(1.0)
Percentage Change	n/a	5.7%	0.7%	3.6%	4.2%	-0.6%

FTE Detail	FY 2000-01	FY 2001-02
Director's Office	28.4	28.4
Industrial Claims Appeals	9.5	9.5
Information Services	66.5	66.5
Finance	19.0	19.0
Human Resources	12.0	11.0
Investigations/ Criminal Enforcement	7.0	7.0
Budget	6.0	6.0
Facilities	<u>18.0</u>	<u>18.0</u>
	166.4	165.4

FTE Changes: The reduction of 1.0 FTE is the result of on-going vacancies in the division.

Cash Funds Changes: The increase in the appropriation is a result of an increased reliance on cash funds for program needs throughout the Department which results in more administrative services being charged to those cash funds. This shift includes increases for centrally appropriated personal services items such as salary survey and anniversary, and health insurance.

Cash Funds Exempt Changes: The slight increase in the appropriation is due to an increase in cash fund exempt support for salary survey and anniversary increases awarded for FY 2000-01.

Federal Funds Changes: The change in federal funds is the result of increased federal grants throughout the Department, which result in more administrative services being charged to those grants.

Division of Employment and Training

The Division administers three major program areas: (1) the Unemployment Insurance Program, which is responsible for administering all aspects of unemployment insurance, including benefits, taxes, appeals, and fraud; (2) Employment and Training Programs, which provide job placement and related services to job-seeking applicants and employers; and (3) the Labor Market Information section, which tracks and disseminates labor market and economic trend information and statistics.

Cash funds are from the Employment Support Fund, and the Unemployment Revenue Fund, cash funds exempt are from reserves in the Employment Revenue Fund, and federal funds are from welfare-to-work block grants, Workforce Investment Act grants, and other federal grants designated for unemployment programs.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$7,479,444	\$248,205	\$65,525,567	\$73,253,216	683.0
HB 00-1056	0	437,403	0	0	437,403	8.0
HB 00-1458	0	(22,183)	(12,226)	(110,132)	(144,541)	0.0
SB 01-187	<u>0</u>	<u>0</u>	<u>0</u>	<u>600,000</u>	<u>600,000</u>	<u>0.0</u>
TOTAL	\$0	\$7,894,664	\$235,979	\$66,015,435	\$74,146,078	691.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$7,267,192</u>	<u>\$705,958</u>	<u>\$72,101,528</u>	<u>\$80,074,678</u>	<u>670.8</u>
TOTAL	\$0	\$7,267,192	\$705,958	\$72,101,528	\$80,074,678	670.8
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	(\$627,472)	\$469,979	\$6,086,093	\$5,928,600	(20.2)
Percentage Change	n/a	-7.9%	199.2%	9.2%	8.0%	-2.9%

FTE Detail	FY 2000-01	FY 2001-02
<u>Unemployment Insurance</u>		
Administration	4.0	4.0
Tax Collection	134.0	133.0
Benefits	190.0	184.0
Appeals	44.0	44.0

FTE Detail	FY 2000-01	FY 2001-02
Quality Control	14.0	14.0
<u>Unemployment Insurance Fraud</u>		
Criminal Investigators	4.0	4.0
Labor & Employment Specialists	16.0	16.0
<u>Employment and Training</u>		
Management	1.5	1.5
Labor and Employment Specialists	141.4	129.3
General Professionals	6.1	5.1
Support Staff / Administrators	5.2	4.5
One Stop County Contracts	56.3	51.9
Workforce Investment Act	40.0	40.0
<u>Labor Market Information</u>		
Total Staff	<u>34.5</u>	<u>39.5</u>
	691.0	670.8

FTE Changes: The appropriation provides for a net reduction of 20.2 FTE. Of this amount, 7.0 are attributable to the elimination of long standing federally funded vacancies in the unemployment insurance division, 17.2 are due to a reduction in federal and state funded FTE in county operated One-Stop Job Centers and 1.0 is due to the elimination of a long vacant position in state operated workforce centers. These decreases are partially offset by the addition of 5.0 federally funded FTE in the Labor Market Information section.

Cash Funds Changes: The decrease in cash funds is primarily due to: (1) a shift towards federally funded FTE in the unemployment insurance division (\$750,000); (2) a shift to the use of cash funds exempt to support personal services in the unemployment insurance fraud division (\$440,000), and; (3) a reduction in the assessment of indirect costs (\$32,000). This is partially offset by a \$590,000 shift towards state funded operations at one-stop work centers around the state.

Cash Funds Exempt Changes: The increase in cash funds exempt is the result of the abovementioned shift towards exempt cash funds support of personal services in the Unemployment Insurance Fraud Division of \$440,000, and salary survey and anniversary awards for FY 2000-01.

Federal Funds Changes: The increase in anticipated federal funds is the result of: (1) a \$6.6 million increase in the federal welfare-to-work block grants; (2) a \$1.2 million increase for contracts for counties to operate one-stop centers, and; (3) \$580,000 for salary survey and anniversary awards for unemployment insurance programs in FY 2000-01. These increases are partially offset by a \$1.2

million decrease in funds for state operated workforce centers, and a \$1.1 million decrease in the indirect cost assessment for unemployment insurance programs.

Division of Labor

The Division is comprised of two major program areas, Labor Administration and Standards and Public Safety. Labor Administration and Standards ensures compliance with wage, youth employment, and labor practice laws. This division also administers labor relations programs in the public and private sectors. Public Safety conducts annual 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, and enforces statutory requirements pertaining to safety in public schools, carnivals, explosives, and bungee jumping.

Cash funds are from the Petroleum Storage Tank Fund, the Boiler Inspection Fund, and the Public Safety Inspection Fund. Cash funds exempt are from statewide indirect cost recoveries, and reserves in the Petroleum Storage Tank Fund. Federal funds are from U.S. programs that support state efforts to remediate contaminated petroleum storage tanks sites.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$2,557,707	\$1,647,230	\$504,221	\$4,709,158	71.8
HB 00-1458	0	(7,388)	(4,868)	(1,128)	(13,384)	0.0
SB 01-187	<u>0</u>	<u>6,744</u>	<u>717</u>	<u>1,898</u>	<u>9,359</u>	<u>0.0</u>
TOTAL	\$0	\$2,557,063	\$1,643,079	\$504,991	\$4,705,133	71.8
FY 2001-02 Appropriation:						
SB 01-212	\$182,199	\$2,587,550	\$1,180,856	\$537,433	\$4,488,038	70.8
SB 01-233	<u>(182,199)</u>	<u>182,199</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$0	\$2,769,749	\$1,180,856	\$537,433	\$4,488,038	70.8
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$212,686	(\$462,223)	\$32,442	(\$217,095)	(1.0)
Percentage Change	n/a	8.3%	-28.1%	6.4%	-4.6%	-1.4%

FTE Detail	FY 2000-01	FY 2001-02
Director	0.5	0.5
Labor Relations	11.0	11.0
Investigations	2.0	2.0
Administrative	0.0	0.0
Boiler Inspection	13.0	13.0
Public Safety Inspection	2.0	2.0
Oil Inspection	<u>43.3</u>	<u>42.3</u>
	71.8	70.8

FTE Changes: The reduction of 1.0 FTE in the subdivision of Public Safety is the result of an on-going vacancy.

Cash Funds Changes: The increase in the appropriation is attributable to a \$189,000 increase in cash funds to support the labor standards program pursuant to S.B. 01-233, and salary survey and anniversary awards of \$175,000 granted for FY 2000-01. These increases are partially offset by the following: a 1.5 percent reduction of \$50,000 in the base personal services appropriation, a reduction of \$42,000 due to the elimination of 1.0 FTE, a reduction in PERA contributions of \$14,000, and a reduction in the statewide indirect cost assessment of \$13,000.

Cash Funds Exempt Changes: The reduction in the cash funds exempt appropriation is due to: the elimination of \$190,000 in one-time costs associated with the Labor Standards Information System; a \$189,000 shift towards reliance on the Employment Support Cash Fund to support personal services due to a reduction in statewide indirect cost recoveries, and; the elimination of FY 2000-01 costs associated with the Public Safety Management Information System (\$118,000). These decreases are partially offset by an increase due to salary survey and anniversary increases awarded in FY 2000-01.

Federal Funds Changes: The increase in the federal funds is due to salary survey and anniversary awards for FY 2000-01.

Division of Workers' Compensation

The Division of Workers' Compensation is responsible for assuring the quick and efficient delivery of disability and medical benefits to injured workers at a reasonable cost to employers. The Division is comprised of five major sections: customer service, dispute resolution, medical cost containment, employer services, and special funds.

The customer service unit provides administrative oversight of injury claims to assure compliance with all benefit and reporting requirements. This unit provides information and technical assistance, and audits insurers' claims handling practices.

The dispute resolution unit provides mediation, arbitration, pre-hearing, and settlement services. These services are designed to resolve frequently contested issues, thus reducing the need for administrative hearings and/or litigation. This unit also coordinates with the Division of Administrative Hearings in the Department of Personnel for those cases requiring an administrative hearing.

The medical cost containment unit oversees several programs including Physician Accreditation, Medical Utilization Review, Medical Treatment Guidelines, Medical Fee Schedule, and Independent Medical Examinations. These programs are intended to ensure that medical services are provided in a cost-effective manner.

The employer services section administers the self-insurance and premium cost-containment programs, and ensures employer compliance with workers' compensation coverage requirements.

The special funds section administers three insurance funds. The Major Medical Insurance Fund which covers workers who sustained catastrophic injuries between July 1971, and June, 1981, has approximately 1,700 open cases. The Medical Disaster Insurance Fund provides similar medical benefits to workers who were injured prior to July 1971; 12 cases remain open. The Subsequent Injury Fund provides compensation to injured workers who have become permanently and completely disabled from more than one industrial injury, as well as those workers who are disabled from certain occupational diseases. This fund, which was closed to new incidents in April 1994, currently has approximately 600 open cases.

The primary sources of cash funds are the Workers' Compensation Cash Fund and the Subsequent Injury and Major Medical Cash Funds. Cash funds Exempt are from reserves in the same funds.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$6,135,568	\$14,878,761	\$0	\$21,014,329	128.4
HB 00-1458	0	(22,180)	(6,586)	0	(28,766)	0.0
SB 01-187	<u>0</u>	<u>400,000</u>	<u>122,100</u>	<u>0</u>	<u>522,100</u>	<u>0.0</u>
TOTAL	\$0	\$6,513,388	\$14,994,275	\$0	\$21,507,663	128.4

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$8,435,714	\$13,287,093	\$0	\$21,722,807	128.4
TOTAL	\$0	\$8,435,714	\$13,287,093	\$0	\$21,722,807	128.4
Change FY 01 - FY 02						
Increase/(Decrease)	\$0	\$1,922,326	(\$1,707,182)	\$0	\$215,144	0.0
Percentage Change	n/a	29.5%	-11.4%	n/a	1.0%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Customer Service	27.0	27.0
Dispute Resolution	13.0	13.0
Medical Cost Containment	5.0	5.0
Employer Services	15.0	15.0
Administration / Technical Operations	46.4	46.4
Accounting	5.0	5.0
Program Administration	1.0	1.0
Compensation Insurance Specialists	12.0	12.0
Support Staff	<u>4.0</u>	<u>4.0</u>
	128.4	128.4

Cash Funds Changes: The increase in the appropriation is primarily due to increased cash fund support of personal services expenses instead of cash fund exempt support due to a reduction in the need to reduce cash fund balances. The overall increase is due to salary survey and anniversary awards for FY 2001-02 of \$215,000 and a \$95,000 increase to study different American Medical Association Guides to Permanent Impairment Ratings. This is partially offset by a 1.5 percent base reduction in personal services (\$100,000).

Recent Legislation

2000 Session Bills

H.B. 00-1056: Credits employer and claimant penalty money recovered to the Unemployment Insurance Revenue Fund, rather than the Unemployment Insurance Trust Fund. In FY's 2000-01 and

2001-02, this bill will transfer \$1,100,000 from the Trust Fund to the Revenue Fund. Appropriates \$437,403 cash funds and 8.0 FTE to conduct fraud investigations.

H.B. 00-1083: Implements the federal "Workforce Investment Act of 1998" by creating a system of local and regional boards, appointed by local elected officials, to deliver services and receive and administer federal moneys. Creates the State Work Force Development Council in the Department of Local Affairs. Appropriates \$150,467 cash funds exempt and 2.0 FTE to the Department of Local Affairs for implementation. Gives the Department of Labor and Employment responsibility for administration of federal block grant moneys received pursuant to the Workforce Investment Act. The Department of Labor and Employment will administer labor market information, fiscal systems, assist in establishing and operating one-stop career centers, and contract and administer funds.

H.B. 00-1086: Reduces the amount of social security benefits by 50 percent that are offset against unemployment compensation benefit payments in calculating unemployment compensation benefits payments payable from the Unemployment Insurance Trust Fund. Increases the estimated amount of benefits to be paid in FY 2000-01 by \$569,992. This amount shall be expended from the Unemployment Insurance Trust Fund and does not require an appropriation.

H.B. 00-1310: Creates a temporary 20 percent tax credit against unemployment insurance taxes. Provides credit if, on the Unemployment Insurance tax computation date, the ratio of the balance of the Unemployment Insurance Trust Fund equals 1.1 percent of covered wages paid in the previous calendar year. Reduces revenue to the Trust Fund by \$11,029,746 cash funds in FY 2000-01 and by \$26,947,759 in FY 2001-02.

H.B. 00-1451: General appropriations act for FY 2000-01.

S.B. 00-68: Increases the maximum death benefit for burial expenses for deceased employees from \$4,000 to \$7,000 under the provisions of the Workers' Compensation Act. Increases expenditures from the Subsequent Injury Fund by \$9,000 cash funds exempt. This fund is continuously appropriated.

2001 Session Bills

S.B. 01-187: Supplemental appropriation to the Department of Labor to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

S.B. 01-233: Allows the Employment Support Fund to be used for the labor standards, labor relations, and the Colorado works grievance procedure until July 1, 2003. Eliminates the General Fund appropriation of \$182,199, and increases the cash funds appropriation by the same amount.

H.B. 01-1279: Increases by specified amounts the statutory limits on fees that may be charged by the Department of Labor for boiler inspections. The bill authorizes the Department to assess a certificate of boiler operation issuance fee of not more than \$25.

H.B. 01-1373: Creates the Division of Oil and Public Safety in the Department of Labor and Employment by combining the duties of the Office of State Inspector of Oils with the public safety functions of the Division of Labor.

DEPARTMENT OF LAW

The Attorney General, as head of the Department of Law, is the chief legal counsel for all agencies of state government. The Department represents the State in criminal appeals; in legal actions before the State Supreme Court, the State Court of Appeals, and federal courts; and in other circumstances as required by law. The Department is also responsible for a number of other programs, including enforcement of consumer protection and antitrust laws, assisting local district attorneys in handling death penalty cases, and investigating and prosecuting Medicaid-related crimes. The Department is comprised of the following divisions: Administration, General Enforcement and Appellate Sections, Legal Services to State Agencies, and Special Purpose.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$9,527,587	\$10,102,686	\$8,844,611	\$9,825,809
Cash Fund	1,445,656	1,397,215	1,683,664	769,957
Cash Funds Exempt	15,888,687	17,761,467	20,572,243	22,145,468
Federal Funds	<u>632,718</u>	<u>662,997</u>	<u>748,784</u>	<u>781,937</u>
Total Funds	\$27,494,648	\$29,924,365	\$31,849,302	\$33,523,171
Full Time Equiv. Staff	329.2	321.9	345.5	352.0

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- A \$1,325,000 million increase, including \$448,000 million General Fund, to annualize salary survey and anniversary increases awarded in FY 2000-01.
- An increase of \$289,000 General Fund and 2.0 FTE to defend the State's interests in the Republican River litigation;
- An increase of \$257,000, including \$51,000 General Fund, to improve the wiring of the State Services Building, to buy new telecommunications hardware and software, and to enhance the security of the Department's computer systems,

- ❑ An increase of \$230,000, including \$93,000 General Fund, for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. The total FY 2001-02 appropriation for salary survey and anniversary increases is \$1,487,000, reflecting an 18.3% increase over the FY 2000-01 base.
- ❑ An increase of \$82,000 General Fund and 1.0 FTE to prosecute fugitives who have fled to Mexico;
- ❑ An increase of \$74,000 cash funds exempt and 1.0 FTE to defend and enforce the Master Settlement Agreement with tobacco manufacturers;
- ❑ An increase of \$80,000 General Fund and 1.7 FTE to annualize an appropriation by the General Assembly in FY 2000-01 to add additional staff to handle an increased appellate caseload. This increase was offset by the elimination of \$132,000 General Fund for contract attorneys to handle part of the State's appellate caseload.
- ❑ The transfer of the Office of Consumer Counsel and the Legal Services to Risk Management Division from the Special Purpose section of the budget to the Legal Services to State Agencies section of the budget. This transfer did not change the appropriation to either program.
- ❑ A decrease of \$340,000, including \$105,000 General Fund, for a 1.5 percent personal services reduction.

General Factors Driving the Budget

Funding for this department consists of 29.3 percent General Fund, 2.3 percent cash funds, 66.1 percent cash funds exempt, and 2.3 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Legal Services to State Agencies

In FY 2001-02, the provision of legal services to state agencies cost roughly \$15.9 million, representing about 47.4% of the Department of Law's budget (Note: if centralized and overhead costs contained in the Administration section of the budget are included, the cost of providing legal services to state agencies would rise to about \$18.1 million and would account for about 53.9% of the Department's budget). Seven departments (the Departments of Regulatory Agencies, Natural Resources, Public Health and Environment, Human Services, Corrections, Transportation, and Labor and Employment) account for roughly 78 percent of the total legal services used by state agencies.

Legal Services by State Agency

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Approp	FY 01-02 Approp
Regulatory Agencies	\$3,558,724	\$3,769,962	\$4,230,414	\$4,498,956	\$4,485,072
Natural Resources	1,599,436	1,718,754	1,913,089	2,129,095	2,228,188
Public Health & Env.	1,314,364	1,332,726	1,470,798	1,612,295	1,636,803
Corrections	519,167	571,847	799,952	1,445,873	1,540,613
Human Services	809,871	1,081,761	1,001,351	1,122,004	1,122,004
Labor & Employment	833,057	778,155	753,118	978,349	825,031
Transportation	820,215	816,750	869,012	919,024	962,166
Other	<u>2,432,937</u>	<u>2,611,509</u>	<u>3,085,149</u>	<u>3,231,232</u>	<u>3,607,056</u>
Total	\$11,887,771	\$12,681,464	\$14,122,883	\$15,936,828	\$16,406,933

General Enforcement and Appellate

This unit is comprised of investigators and attorneys who represent the State in the criminal appeals process, prosecute antitrust and consumer protection cases, assist local district attorneys in prosecuting death penalty cases, coordinate the State's crime victims assistance program, and protect the State's water rights. The FY 1998-99 Long Bill included an additional 3.0 FTE for this unit, including 2.0 FTE to handle a growing appellate caseload and 1.0 FTE for the Capital Crimes Prosecution Unit. The FY 1999-00 appropriation included an additional 3.0 FTE for the Business Regulation Unit to better enforce consumer protection laws in Colorado. Based on significant growth in the appellate caseload, a total of 10.0 FTE have been added over a two year period starting in FY 2000-01 to address the higher appellate caseload. Due to a more recent decrease in caseload, in FY 2001-02 the General Assembly eliminated the \$132,000 General Fund appropriation provided to the Department in previous years.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Approp	FY 01-02 Approp
Appropriation	\$3,127,805	\$3,585,892	\$4,074,681	\$4,364,566	\$4,644,894
FTE	49.0	52.4	52.9	63.3	67.0
Appellate Unit - New Cases	800	904	1,000	1,060	900

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-2001 Total Appropriation:	\$8,844,611	\$1,683,664	\$20,572,243	\$748,784	\$31,849,302	345.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	1,098,690	134,023	4,045,597	79,920	5,358,230	38.7
General Enforcement and Appellate Sections	4,121,756	25,727	217,084	0	4,364,567	63.3
Legal Service to State Agencies	0	144,794	13,424,742	0	13,569,536	173.8
Special Purpose	3,624,165	1,379,120	2,884,820	668,864	8,556,969	69.7
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	9,602,039	1,635,777	20,204,613	779,078	32,221,507	344.6
HB 00-1183	0	0	10,574	0	10,574	0.1
HB 00-1215	19,531	2,184	37,959	1,376	61,050	0.0
HB 00-1294	0	0	24,585	0	24,585	0.3
HB 00-1427	0	0	1,057	0	1,057	0.0
HB 00-1458	(20,111)	(5,126)	(62,636)	(7,246)	(95,119)	0.0
SB 01-188	(756,848)	50,829	356,091	(24,424)	(374,352)	0.5
FY 2001-2002 Total Appropriation:	\$9,825,809	\$769,957	\$22,145,468	\$781,937	\$33,523,171	352.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	1,600,279	23,899	4,289,058	85,244	5,998,480	38.7
General Enforcement and Appellate Sections	4,327,236	25,399	292,259	0	4,644,894	67.0
Legal Service to State Agencies	0	161,636	15,736,361	0	15,897,997	198.0
Special Purpose	3,898,294	559,023	1,827,790	696,693	6,981,800	48.3

	GF	CF	CFE	FF	Total	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	9,825,809	769,957	21,992,827	781,937	33,370,530	350.5
SB 01-73	0	0	5,860	0	5,860	0.1
SB 01-100	0	0	2,791	0	2,791	0.0
SB 01-164	0	0	12,836	0	12,836	0.1
SB 01-214	0	0	25,673	0	25,673	0.3
HB 01-1097	0	0	2,232	0	2,232	0.0
HB 01-1195	0	0	83,715	0	83,715	0.8
HB 01-1354	0	0	19,534	0	19,534	0.2
Change FY 01 - FY 02						
Increase/(Decrease)	\$981,198	(\$913,707)	\$1,573,225	\$33,153	\$1,673,869	6.5
Percentage Change	11.1%	-54.3%	7.6%	4.4%	5.3%	1.9%

Detail of Appropriation by Administrative Section

Administration

This division funds overhead costs for the entire department, as well as personal services and operating costs for the following centralized Department units: the Office of the Attorney General, human resources, fiscal (accounting/budgeting), information services, text management, and administrative services. Cash and cash exempt funds appropriated consist of direct and indirect cost recoveries used to cover the general administrative costs associated with cash, cash exempt, and federal programs within the Department.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,452,512	\$131,239	\$3,739,598	\$102,968	\$5,426,317	38.7
HB 00-1215	19,531	2,184	37,959	1,376	61,050	0.0
HB 00-1458	0	0	(8,351)	0	(8,351)	0.0
SB 01-188	(373,353)	600	276,391	(24,424)	(120,786)	0.0
TOTAL	\$1,098,690	\$134,023	\$4,045,597	\$79,920	\$5,358,230	38.7

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	<u>\$1,600,279</u>	<u>\$23,899</u>	<u>\$4,289,058</u>	<u>\$85,244</u>	<u>\$5,998,480</u>	<u>38.7</u>
TOTAL	\$1,600,279	23,899	4,289,058	85,244	5,998,480	38.7
Change FY 01 - FY 02						
Increase/(Decrease)	\$501,589	(\$110,124)	\$243,461	\$5,324	\$640,250	0.0
Percentage Change	45.7%	-82.2%	6.0%	6.7%	11.9%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Office of the Attorney General	6.0	7.0
Human Resources	3.0	2.5
Fiscal	5.0	5.5
Information Services Unit	11.0	11.7
Text Management	8.0	7.0
Administrative	<u>5.7</u>	<u>5.0</u>
	38.7	38.7

General Fund Changes: The General Fund appropriation reflects an increase of \$180,000 to compensate for a \$180,000 decrease in Department indirect cost recoveries received in FY 2001-02. This increase reflects that indirect cost recoveries are used to offset General Fund that is otherwise required to fund costs for the administration of the Department. The General Fund appropriation also includes: (1) an increase of \$120,000 for salary increases awarded in FY 2000-01 to the 38.7 FTE in the Department's Executive Director's Office; (2) an increase of \$93,000 for salary survey and anniversary increases to be awarded in FY 2001-02; (3) an increase of \$51,000 to upgrade the wiring of the State Services Building and to enhance the security of the Department's computers and databases from outside intrusion; (4) an increase of \$33,000 for health, life, and dental insurance costs of Department employees; and (5) a net increase of roughly \$25,000 in miscellaneous centrally allocated Department appropriations.

Cash Funds Changes: The cash funds appropriation decrease reflects two changes in funding methodology. First, the appropriation for the Office of Consumer Counsel reflects bringing the office under the "Oregon Plan". Instead of funding the Office directly from the Public Utilities Commission's Fixed Utilities Fund (a cash fund appropriation source), the Office will now be funded by billing the Department of Regulatory Agencies the hourly legal services rate (which is reflected as a cash fund exempt transfer). This funding approach is referred to as "the Oregon Plan". Second, funding for overhead expenses of the Collection Agency Board and the Uniform Consumer Credit

Code program are now reflected as cash funds exempt. This change reflects that both programs are now predominantly spending down significant cash fund reserves.

Cash Funds Exempt Changes: The cash funds exempt increase is primarily due to the following: (1) an increase of \$200,000 to upgrade the wiring of the State Services Building and to enhance the security of the Department's computer systems from outside intrusion; (2) an increase of \$141,000 for salary survey and anniversary increases to be awarded in FY 2001-02; (3) an increase of an \$110,000 to reflect that overhead expenses of the Office of Consumer Counsel, the Collection Agency Board, and the Uniform Consumer Credit Code are now appropriated as cash funds exempt (see above). These increases were partially offset by a decrease of \$180,000 to reflect decreased indirect cost recoveries and a net decrease of \$28,000 in other miscellaneous central appropriations.

General Enforcement and Appellate Sections

This division includes the following:

- **Business Regulation Unit (Antitrust Program)** - Investigates and prosecutes antitrust violations, including price fixing, bid rigging, and companies attempting to monopolize the market or requiring dealers to sell products at specified prices.
- **Business Regulation Unit (Consumer Protection Program)** - The Business Regulation: (1) investigates and prosecutes deceptive and fraudulent trade and advertising practices; (2) educates the public about deceptive trade practices and scams; (3) participates in multi-state initiatives and joint investigations/prosecutions of consumer protection cases; (4) administers registrations and/or bonding programs involving telephone solicitors, health clubs, automobile repossession, and manufactured home sales; (5) responds to consumer complaints and, where applicable, settles complaints through mediation; and (6) enforces and defends the Tobacco Master Settlement Agreement.
- **Special Prosecution Unit** - Investigates and prosecutes a wide variety of cases including organized criminal activity, white collar crimes, political corruption, election fraud, misappropriation of state funds, tax evasion, and environmental crimes. Coordinates the activities of the Statewide Grand Jury.
- **Federal and Interstate Water Unit** - This unit provides legal counsel and representation to the State in (1) federal water rights claims, such as the U.S. Forest Service reserved rights cases; (2) complying with federal regulatory programs, such as the federal endangered species act; and (3) representing the State interests in interstate water allocations such as the Arkansas River compact.
- **Appellate Unit** - Defends the State position in state and federal appellate courts. In this regard, the appellate unit attempts to prosecute and defend convictions for a variety of serious

crimes including homicide, assault, sexual assault, kidnaping, theft/burglary, drug-related crimes, crimes against children, and other felonies.

- **Capital Crimes Unit** - This unit provides State assistance to local district attorneys in reviewing, investigating, and prosecuting death penalty cases. In addition, staff in this unit participate in defending death penalty cases on appeal in both state and federal court.
- **Victims' Assistance** - By law, crime victims in Colorado have the right to be informed of and present at critical stages of the criminal justice process. The Department of Law's Victims' Assistance program provides certain victims of crime with case status and scheduling information, explanations, court accompaniment, and liaison services.

Cash funds in this division are from the Manufactured Home Cash Fund to enforce the registration and bonding of persons selling manufactured homes. Cash funds exempt moneys reflect: (1) court-awarded settlements and other custodial funds received by the Department of Law; (2) moneys from the Defense Account of the Tobacco Litigation Settlement Cash Fund for defense and enforcement of the tobacco settlement; and (3) moneys from the Victim's Assistance and Law Enforcement Fund for victims' assistance programs.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$4,319,511	\$25,806	\$217,544	\$0	\$4,562,861	63.3
HB 00-1458	(11,739)	(79)	(572)	0	(12,390)	0.0
SB 01-188	(186,016)	0	112	0	(185,904)	0.0
TOTAL	\$4,121,756	\$25,727	\$217,084	\$0	\$4,364,567	63.3
FY 2001-02 Appropriation:						
SB 01-212	\$4,327,236	\$25,399	\$292,259	\$0	\$4,644,894	67.0
TOTAL	\$4,327,236	\$25,399	\$292,259	\$0	\$4,644,894	67.0
Change FY 01 - FY 02						
	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$205,480	(\$328)	\$75,175	\$0	\$280,327	3.7
Percentage Change	5.0%	n/a	n/a	n/a	6.4%	5.8%

FTE Detail	FY 2000-01	FY 2001-02
Appellate	29.3	31.0
General Enforcement	28.0	30.0
Capital Crimes Unit	5.0	5.0
Victims Assistance	<u>1.0</u>	<u>1.0</u>
	63.3	67.0

FTE Changes: The increase of 3.7 FTE includes: (1) an increase of 1.7 FTE to annualize an FY 2000-01 appropriation to handle an increased appellate caseload; (2) an increase of 1.0 FTE to prosecute murder suspects and people who have committed other major felonies and then fled to Mexico; and (3) an increase of 1.0 FTE to defend the Master Settlement Agreement with tobacco manufacturers and to enforce various provisions of the agreement such as the advertising, event sponsorship, and gray market provisions.

General Fund Changes: The General Fund appropriation includes the following: (1) a net increase of \$128,000 for salary survey and anniversary increases awarded in FY 2000-01; (2) an increase of \$90,000 to reflect discontinuation of a one-time vacancy savings adjustment in FY 2000-01; (3) an increase of \$80,000 to annualize additional appellate FTE; (4) an increase of \$78,000 to prosecute fugitives under Article IV of the Mexican penal code; and (5) a net increase of \$12,000 for the operating and litigation expenses of the division. These increases were partially offset by: (1) a decrease of \$132,000 reflecting elimination of funding for contract attorneys to handle a part of the appellate caseload; and (2) a decrease of \$50,000 for consultant expenses associated with federal reserved water rights cases.

Cash Funds Exempt Changes: The cash funds exempt increase reflects an increase of \$75,000 for the personal services, operating expenses, litigation expenses, and indirect costs of a new attorney to defend and enforce the Master Settlement Agreement with tobacco manufacturers.

Legal Services to State Agencies

This section contains appropriations for attorneys, paralegals, and support personnel who provide direct legal services to state agencies, as well as to other public entities and state enterprises such as the Public Employees Retirement Association, the Correctional Industries Subprogram, Veterans' Nursing Homes in the Department of Human Services, the State Lottery Division, the Colorado Student Loan Program, the Colorado Student Obligation Bonding Authority, and the Auraria Higher Education Center. The attorneys in this section represent the State in legal disputes and provide advice to agencies, public entities, offices, boards, and commissions on a fee-for-service basis. In FY 2001-02, the Department anticipates providing over 272,210 hours of legal services to state agencies and other public entities through the Legal Services to State Agencies program. In FY 2001-02, legal services will be provided to state agencies by the Department of Law at a \$58.43 per hour legal rate. Cash funds represent funds earned by the Department for the provision of legal services to state

enterprises and other public entities. Cash funds exempt reflect revenue earned from the provision of services to state agencies.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$95,000	\$13,353,857	\$0	\$13,448,857	172.9
HB 00-1183	0	0	10,574	0	10,574	0.1
HB 00-1294	0	0	24,585	0	24,585	0.3
HB 00-1427	0	0	1,057	0	1,057	0.0
HB 00-1458	0	(435)	(46,979)	0	(47,414)	0.0
SB 01-188	<u>0</u>	<u>50,229</u>	<u>81,648</u>	<u>0</u>	<u>131,877</u>	<u>0.5</u>
TOTAL	\$0	\$144,794	\$13,424,742	\$0	\$13,569,536	173.8
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$161,636	\$15,583,720	\$0	\$15,745,356	196.5
SB 01-73	0	0	5,860	0	5,860	0.1
SB 01-100	0	0	2,791	0	2,791	0.0
SB 01-164	0	0	12,836	0	12,836	0.1
SB 01-214	0	0	25,673	0	25,673	0.3
HB 01-1097	0	0	2,232	0	2,232	0.0
HB 01-1195	0	0	83,715	0	83,715	0.8
HB 01-1354	<u>0</u>	<u>0</u>	<u>19,534</u>	<u>0</u>	<u>19,534</u>	<u>0.2</u>
TOTAL	\$0	\$161,636	\$15,736,361	\$0	\$15,897,997	198.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$16,842	\$2,311,619	\$0	\$2,328,461	24.2
Percentage Change	N/A	11.6%	17.2%	N/A	17.2%	13.9%

FTE Detail	FY 2000-01	FY 2001-02
Attorneys	128.6	144.4
Legal Assistants	25.9	31.2

FTE Detail	FY 2000-01	FY 2001-02
Administrative / Support	<u>19.3</u>	<u>22.4</u>
	173.8	198.0

FTE Changes: The overall appropriation includes a net increase of 24.2 FTE to provide legal services to state agencies, including: (1) the transfer of 20.7 FTE providing legal services to the Risk Management Services program into the Legal Services to State Agencies program to include the program under the "Oregon Plan" and to more efficiently handle the tort caseload; (2) the transfer of 4.0 FTE to the Legal Services to State Agencies program to include the program under the "Oregon Plan"; (3) an increase of 1.5 FTE to provide legal services to state agencies pursuant to various special bills (see the cash funds exempt changes below for a complete description); and (4) a decrease of 2.0 FTE to reflect a net decrease in legal service hours provided to state agencies, including a reduction of 5,285 hours provided to the Dental and Nursing Boards and a decrease of 3,388 hours provided to the Department of Labor's Subsequent Injury Fund program. The 20.7 FTE increase related to providing legal services for Risk Management includes 19.0 FTE transferred from the Special Purposes section of the Department's budget plus an increase of 1.7 FTE to reduce the reliance on more costly private attorneys to handle a portion of the tort caseload.

Cash Funds Changes: The increase in cash funds reflects the purchase of legal services by non-state agencies such as the Public Employees Retirement Association (PERA), the Colorado Student Obligation Bonding Authority, the Limited Gaming Division, and State Veterans Nursing Homes.

Cash Funds Exempt Changes: The \$2.3 million cash funds exempt increase includes: (1) the transfer of \$1,562,000 into the Legal Services to State Agencies division in order to provide legal services to the Risk Management Services program under the "Oregon Plan"; (2) a net increase of \$423,000 for salary survey and anniversary increases awarded in FY 2000-01, as well as for a 1.5 percent personal services reduction and other personal services and operating adjustments; (3) the transfer of \$303,000 into the Legal Services to State Agencies division in order to provide legal services to the Office of Consumer Counsel under the "Oregon Plan"; (4) an increase of \$84,000 to assist the Public Utilities Commission to handle appeals to local government decisions regarding the siting and building of power plants under H.B. 01-1195; (5) an increase of \$26,000 to assist the Department of Public Health and Environment to develop rules and hold hearings to review land management plans for land managers wishing to implement prescribed burns under S.B. 01-214; (6) an increase of \$20,000 in the division's indirect cost assessment; (7) an increase of \$20,000 to assist the Department of Natural Resources to promulgate rules necessary for the operation of a water bank pilot program authorized pursuant to H.B. 01-1354; (8) an increase of \$13,000 to assist the Department of Public Health and Environment in implementing the Dental Loan Repayment Program created under S.B. 01-164; (9) an increase of \$6,000 to assist the Department of Revenue with hearings and civil filings on those failing to pay fines assessed for selling tobacco to minors pursuant to S.B. 01-73; (10) \$3,000 to assist the Department of State to regulate charitable organizations that solicit donations, professional fund-raising consultants, and paid solicitors under S.B. 01-100, (11) \$2,000 to assist the Governor's Office in developing and implementing a program to certify insurance

companies that invest in capital companies under H.B. 01-1097; and (12) a decrease of \$149,000 related to the net overall reduction in legal services being provided to state agencies.

Special Purpose

This section contains appropriations for the following on-going programs and line items: Collection Agency Board; Uniform Consumer Credit Code; Medicaid Fraud unit; District Attorneys' salaries; Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) litigation; Workers' Compensation Fraud; Arkansas River Litigation; Republican River Litigation; the Peace Officers Standards and Training (POST) Board; the Litigation Management Fund; Insurance Fraud; and Securities Fraud. This section also includes funding for large lawsuits. The FY 2001-02 appropriation includes funding specifically for the Cumbres and Toltec Scenic Railroad Operator Litigation and the Trinidad Correctional Facility Construction Litigation. Cash funds are from fees paid by collection agencies and debt collectors, fees paid by non-depository lenders, from the Workers' Compensation Insurance Authority, and from fees for Peace Officer Standards and Training certification. Cash funds exempt are primarily from funds transferred from other agencies, including funds from the Department of Public Health and Environment for oversight of CERCLA sites, from the Department of Regulatory Agencies for insurance and securities fraud prosecution, and from the Department of Corrections for the Trinidad Correctional Facility Construction Litigation.

	GF	CF	CFE	FF	Total	FTE
FY 2000-2001 Appropriation:						
HB 00-1451	\$3,830,016	\$1,383,732	\$2,893,614	\$676,110	\$8,783,472	69.7
HB 00-1458	(\$8,372)	(\$4,612)	(\$6,734)	(\$7,246)	(\$26,964)	0.0
SB 01-188	(197,479)	0	(2,060)	0	(199,539)	0.0
TOTAL	\$3,624,165	\$1,379,120	\$2,884,820	\$668,864	\$8,556,969	69.7
FY 2001-2002 Appropriation:						
SB 01-212	<u>\$3,898,294</u>	<u>\$559,023</u>	<u>\$1,827,790</u>	<u>\$696,693</u>	<u>\$6,981,800</u>	<u>48.3</u>
TOTAL	\$3,898,294	\$559,023	\$1,827,790	\$696,693	\$6,981,800	48.3
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$274,129	(\$820,097)	(\$1,057,030)	\$27,829	(\$1,575,169)	(21.4)
Percentage Change	7.6%	-59.5%	-36.6%	4.2%	-18.4%	-30.7%

FTE Detail	FY 2000-01	FY 2001-02
Collection Agency Board	2.5	2.5
Uniform Consumer Credit Code	8.5	8.5
Medicaid Fraud Control Unit	11.0	11.0
Office of Consumer Counsel	4.0	0.0
Legal Services for Risk Management Division	19.0	0.0
Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) Litigation Unit	12.7	12.3
Workers' Compensation Fraud	2.0	2.0
Republican River Litigation	0.0	2.0
Police Officers Standards and Training (POST) Board	4.0	4.0
Securities Fraud	3.5	3.5
Insurance Fraud	<u>2.5</u>	<u>2.5</u>
	69.7	48.3

FTE Changes: The appropriation provides for a net decrease of 21.4 FTE, including: (1) the transfer of 19.0 FTE to the Legal Services to State Agencies program to provide legal services to the Risk Management program under the "Oregon Plan"; (2) the transfer of 4.0 FTE to the Legal Services to State Agencies program to provide legal services to the Office of Consumer Counsel under the "Oregon Plan"; and, (3) a decrease of 0.4 FTE to eliminate a vacant position under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) program. These decreases were partially offset by an increase of 2.0 FTE to defend the State's interests in the Republican River litigation.

General Fund Changes: The General Fund appropriation includes: (1) an increase of \$289,000 for defense of the Republican River litigation; and (2) a net increase of \$10,000 for salary survey, anniversary, and other personal service adjustments made in FY 2000-01. These increases were partially offset by a reduction of \$25,000 for the Parental Notification Act Litigation.

Cash Funds Changes: The cash funds appropriation includes: (1) a decrease of \$401,000 in cash fund appropriations from the Collection Agency Board and the Uniform Consumer Credit Code program, reflecting that both programs have cut fees and are increasingly relying upon spending from cash fund reserves; (2) the transfer of \$295,000 for the Office of Consumer Counsel out of the Special Purpose section of the budget and into the Legal Services to State Agencies program; (3) a decrease of \$119,000 in cash funded indirect cost recoveries related to the Collection Agency Board, the Uniform Consumer Credit Code, and the Office of Consumer Counsel; (4) a decrease of \$12,000 for the Peace Officer Standards and Training (POST) Board, reflecting declining cash revenues and increasing reliance on cash funds exempt expenditures from cash fund reserves; and (5) an increase

of \$7,000 for salary survey and anniversary increases that were awarded to the Workers Compensation Fraud program in FY 2000-01.

Cash Funds Exempt Changes: The net decrease in cash funds exempt is attributable to the following: (1) the transfer of \$1,414,000 for the provision of legal services to the Risk Management Division from the Special Purposes section of the Department of Law's budget to the Legal Services to State Agencies program; (2) a decrease of \$91,000 in indirect cost recoveries by Special Purpose programs (reflecting the transfer of the Risk Management program to the Legal Services to State Agencies program); and (3) a decrease of \$15,000 for funding Colorado's share of the Cumbres and Toltec Scenic Railroad Operator Litigation. These decreases were partially offset by: (1) an increase of \$410,000 in cash funds exempt reserve spending by the Collection Agency Board, the Uniform Consumer Credit Code Program, and by the POST Board; and (2) an increase of \$54,000 for salary survey and anniversary increases awarded in FY 2000-01;

Federal Funds Changes: The increase in federal funds reflects salary survey and anniversary increases that were awarded in FY 2000-01 to the Medicaid Fraud Control Unit.

Recent Legislation

2000 Session Bills

H.B. 00-1183: Establishes the Colorado State Boxing Authority within the Department of Regulatory Agencies. Appropriates \$10,574 cash funds exempt and 0.1 FTE to the Department of Law to assist the Authority in administrating and supervising the conduct of all boxing events in Colorado.

H.B. 00-1215: Increases the state contribution for state employee health benefits.

H.B. 00-1294: Creates a regulatory program for respiratory therapists in the Division of Registrations at the Department of Regulatory Agencies. Authorizes the issuance of licenses to qualified applicants; the implementation and enforcement of disciplinary action; and prohibits unlicensed persons from practicing respiratory therapy. Appropriates \$24,585 cash funds exempt and 0.3 FTE to the Department of Law to assist in implementing the bill.

H.B. 00-1427: Creates the Office of Smart Growth in the Department of Local Affairs to develop criteria for the designation of Colorado Heritage Communities and for the awarding of grants to such communities to address critical planning issues and to develop master plans. Appropriates \$1,057 cash funds exempt to the Department of Law for the provision of legal services to the Office of Smart Growth.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Reduces the state contribution for state employees' retirement (PERA) by 0.5 percent.

S.B. 00-74: Creates the Tobacco Settlement Defense Account within the Tobacco Litigation Settlement Cash Fund. Authorizes the Department of Law to use funds within the account to defend the State in lawsuits stemming from the tobacco litigation settlement, subject to appropriation by the General Assembly. Provides that all moneys received by the State as compensation for attorney fees, court costs, and other expenses incurred in obtaining the tobacco litigation settlement be deposited in the account.

S.B. 00-75: Distinguishes between custodial and noncustodial moneys received by the Attorney General's Office. Requires the Department of Law to report on custodial moneys.

2001 Session Bills

S.B. 01-73: Reauthorizes the state's liquor enforcement program. Requires the Liquor Enforcement Division, Department of Revenue, to perform at least the minimum number of random inspections of businesses selling cigarettes and tobacco products at retail as required by federal regulations. Appropriates \$472,601 and 7.5 FTE to the Department of Revenue in FY 2001-02. Of this amount, \$5,860 cash funds exempt is transferred to the Department of Law for legal assistance in civil filings against those failing to pay fines assessed for selling tobacco to minors. For additional details on this bill, see the Department of Revenue section of this report.

S.B. 01-100: Amends the "Colorado Charitable Solicitations Act" to impose additional reporting requirements on charitable organizations that solicit donations, as well as on professional fund-raising consultants and paid solicitors. Requires these entities to register with, file information with, and pay filing fees to the Secretary of State. Requires the Secretary of State to annually publish reported information and to publicize the reporting requirements. Allows the Secretary of State to revoke the registration of any entity found to be in violation of the requirements of the bill. Appropriates \$299,423 cash funds and 0.9 FTE to the Department of State in FY 2001-02 to register charitable organizations, fund-raising consultants, and paid solicitors pursuant to the act. Of this amount, \$2,791 cash funds exempt is transferred to the Department of Law for legal assistance in investigating and pursuing charitable fraud violations.

S.B. 01-164: Creates a state dental loan repayment program for dentists and dental hygienists who provide a significant level of services to under-served populations. Changes the annual allocation from the Tobacco Litigation Cash Fund to provide for \$200,000 to the Dental Loan Repayment Fund and appropriates \$200,000 from the Dental Loan Repayment Fund and 0.4 FTE to the Department of Public Health and Environment. Of that amount, the act further appropriates \$12,836 cash funds exempt and 0.1 FTE to the Department of Law to assist the Department of Public Health and Environment in establishing and administering the Dental Loan program.

S.B. 01-188: Supplemental appropriation to the Department of Law to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

S.B. 01-214: Expands the prescribed burn provisions of the "Colorado Air Pollution Prevention and Control Act" and requires the Air Quality Control Commission (AQCC) in the Department of Public Health and Environment (DPHE) to review land management plans adopted by any significant user of prescribed fire, including federal, state, local government, and private land managers. Appropriates \$50,868 cash funds and 0.4 FTE to DPHE and \$25,673 cash funds exempt and 0.3 FTE to the Department of Law for FY 2001-02.

H.B. 01-1097: Provides incentives for insurance companies to invest in capital companies (CAPCOs) that are certified by the Office of Economic Development (OED) and are qualified to offer assistance to business enterprises that create jobs in the state. OED is authorized to establish procedures for making an application to become a certified capital company. Insurance companies that make an investment of certified capital in a CAPCO receive a tax credit against premium taxes owed. The bill includes an appropriation of \$86,400 cash funds and 1.0 FTE to the Governor's Office for implementation of this new program. Of that amount, \$2,232 is allocated for the procurement of 40 hours of legal services from the Department of Law.

H.B. 01-1195: Allows public utilities to appeal local government siting and building decisions for power plants and other facilities to the Public Utilities Commission (PUC). Directs the PUC to balance local government interest with statewide interests and allows the PUC to hear any appeal of a local government decision and render a determination in accordance with its current procedures. Appropriates \$83,715 and 0.8 FTE to the Department of Law to assist the PUC in implementing the bill.

H.B. 01-1354: Creates the Arkansas River Water Bank Pilot Program, authorizing the State Engineer to promulgate rules and report to the General Assembly on or before November 1, 2005, regarding proposed operation of the Bank. Appropriates \$56,253 cash funds exempt from the Water Conservation Board Construction Fund and 0.1 FTE to the State Engineer for rule promulgation and report preparation and \$19,534 cash funds exempt for accompanying legal services.

LEGISLATIVE BRANCH

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 service agency staffs are full-time nonpartisan professionals, while a majority of the House and Senate staff serve only when the General Assembly is in session.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$22,988,602	\$24,116,364	\$28,978,643	\$31,101,969
Cash Fund	99,808	92,345	90,000	90,000
Cash Funds Exempt	1,284,972	1,147,270	1,500,000	1,500,000
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds	\$24,373,382	\$25,355,979	\$30,568,643	\$32,691,969
Full Time Equiv. Staff	240.0	263.3	265.9	273.9

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- An increase of \$427,138 General Fund for activities related to the Reapportionment Commission;
- An increase of \$203,117 General Fund for increased staff and other operating expenses for the Office of Legislative Legal Services;
- An increase of \$225,00 General Fund for increases related to annualized salaries for 18 Senate members and, a one-time increase of \$200,000 for legal expenses related to congressional redistricting;
- An increase of \$431,816 General Fund for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. The total FY 2001-02 appropriation for salary survey and anniversary increases is \$1,418,943, reflecting a 43.7 percent increase over the FY 2000-01 base; and

- A decrease of \$211,062 General Fund for a 1.5 percent personal services reduction.

General Factors Driving the Budget

Funding for this department consists of 95.1 percent General Fund, 0.3 percent cash funds, and 4.6 percent cash funds exempt. Some of the most important factors driving the budget are reviewed below.

Special Studies or Functions

The appropriation for the majority of the functions and activities for the Legislature are contained in a separate legislative appropriation bill. This separate appropriation funds the staff and operating expenses of the House of Representatives and the Senate, as well as the four legislative staff agencies: the Legislative Council, the State Auditor's Office, the Joint Budget Committee, and the Office of Legislative Legal Services. Typically, the legislative appropriation bill provides funding for the 120 day regular session, staffing of four interim committees, and funds for up to 20 days of a special session. Outside of staff or salary increases, funding for special studies or functions account for the factors driving the budget.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Approp.	FY 01-02 Approp.
Property Tax Study	\$774,450	\$794,350	\$794,000	\$825,000	\$805,000
Ballot Analysis	\$1,040,686	\$2,091,170	\$1,520,443	\$1,110,000	\$952,000
Reapportionment Commission	\$0	\$0	\$0	\$175,654	\$602,792

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$28,978,643	\$90,000	\$1,500,000	\$0	\$30,568,643	265.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	11,960,950	90,000	0	0	12,050,950	72.1
State Auditor	5,930,975	0	1,500,000	0	7,430,975	73.2
Joint Budget Committee	1,114,161	0	0	0	1,114,161	16.0
Legislative Council	5,898,812	0	0	0	5,898,812	50.2

	GF	CF	CFE	FF	Total	FTE
Committee on Legal Services	3,898,091	0	0	0	3,898,091	52.9
Colorado Reapportionment Commission	175,654	0	0	0	175,654	1.5
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	3,373,423	0	0	0	3,373,423	0.0
HB 00-1020	3,792	0	0	0	3,792	0.0
HB 00-1033	19,896	0	0	0	19,896	0.4
HB 00-1215	50,624	0	0	0	50,624	0.0
HB 00-1352	25,191,927	90,000	1,500,000	0	26,781,927	264.9
HB 00-1458	(12,013)	0	0	0	(12,013)	0.0
SB 00-119	344,274	0	0	0	344,274	0.6
SB 00-137	6,720	0	0	0	6,720	0.0
SB 01-202	0	0	0	0	0	0.0
FY 2001-02 Total Appropriation:						
	\$31,101,969	\$90,000	\$1,500,000	\$0	\$32,691,969	273.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	12,840,421	90,000	0	0	12,930,421	73.3
State Auditor	6,283,163	0	1,500,000	0	7,783,163	73.2
Joint Budget Committee	1,207,175	0	0	0	1,207,175	16.0
Legislative Council	5,892,840	0	0	0	5,892,840	53.9
Committee on Legal Services	4,275,578	0	0	0	4,275,578	56.0
Colorado Reapportionment Commission	602,792	0	0	0	602,792	1.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	3,398,993	0	0	0	3,398,993	0.0

	GF	CF	CFE	FF	Total	FTE
SB 01-202	27,702,976	90,000	1,500,000	0	29,292,976	273.9
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$2,123,326	\$0	\$0	\$0	\$2,123,326	8.0
Percentage Change	7.3%	n/a	n/a	n/a	6.9%	3.0%

Detail of Appropriation by Administrative Section

General Assembly

Comprised of 35 members of the Senate and 65 members of the House of Representatives, the General Assembly meets annually beginning in early January and per the Colorado Constitution must adjourn within 120 days. The Colorado Constitution vests all legislative power in the General Assembly, except those powers specifically reserved by the people.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,438,423	\$0	\$0	\$0	\$1,438,423	0.0
HB 00-1020	3,792	0	0	0	3,792	0.0
HB 00-1033	5,724	0	0	0	5,724	0.0
HB 00-1215	50,624	0	0	0	50,624	0.0
HB 00-1352	10,467,680	90,000	0	0	10,557,680	72.1
HB 00-1458	(12,013)	0	0	0	(12,013)	0.0
SB 00-137	<u>6,720</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,720</u>	<u>0.0</u>
TOTAL	\$11,960,950	\$90,000	\$0	\$0	\$12,050,950	72.1
FY 2001-02 Appropriation:						
SB 01-212	\$1,585,993	\$0	\$0	\$0	\$1,585,993	0.0
SB 01-202	<u>11,254,428</u>	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>11,344,428</u>	<u>73.3</u>
TOTAL	\$12,840,421	\$90,000	\$0	\$0	\$12,930,421	73.3

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$879,471	\$0	\$0	\$0	\$879,471	1.2
Percentage Change	7.4%	n/a	n/a	n/a	7.3%	1.7%

FTE Detail	FY 2000-01	FY 2001-02
House Staff	35.9	35.5
Senate Staff	31.2	30.8
Legislative Information Services	<u>5.0</u>	<u>7.0</u>
	72.1	73.3

FTE Changes: The net increase of 1.2 FTE reflects a transfer of 1.0 FTE from the House staff and 1.0 FTE from the Senate staff to the Legislative Information Services staff; a 0.6 FTE increase in House session-only staff; a decrease of 0.4 FTE Senate session-only staff; and a 1.0 FTE increase in Senate permanent staff.

General Fund Changes: The General Fund appropriation includes increases for group health, life, and dental insurance, salary survey and anniversary costs for legislative staff and annualized salaries for 18 Senate members. In addition, there is a one-time increase of \$200,000 for legal expenses related to congressional redistricting.

State Auditor

The duties of the State Auditor are to conduct post-audits of all financial transactions and accounts of all state departments, institutions and agencies of the executive, legislative, and judicial branches; conduct performance post-audits; and prepare summary audit reports and recommendations concerning each agency. Legislative oversight is provided by the Legislative Audit Committee, which is comprised of four Senators, two from each major political party, and four Representatives, two from each major political party.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1352	<u>\$5,930,975</u>	<u>\$0</u>	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$7,430,975</u>	<u>73.2</u>
TOTAL	\$5,930,975	\$0	\$1,500,000	\$0	\$7,430,975	73.2
FY 2001-02 Appropriation:						
SB 01-202	<u>\$6,283,163</u>	<u>\$0</u>	<u>\$1,500,000</u>	<u>\$0</u>	<u>\$7,783,163</u>	<u>73.2</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$6,283,163	\$0	\$1,500,000	\$0	\$7,783,163	73.2
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$352,188	\$0	\$0	\$0	\$352,188	0.0
Percentage Change	5.9%	n/a	n/a	n/a	4.7%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Audit Staff	66.2	65.6
Support Staff	<u>7.0</u>	<u>7.6</u>
	73.2	73.2

General Fund Changes: The General Fund appropriation includes increases for group health, life, and dental insurance, contract audit services, and annualization of salary costs.

Joint Budget Committee

The Joint Budget Committee is the permanent fiscal and budget review agency of the General Assembly. The six-member Committee is comprised of three members from the House and three members from the Senate. The Committee, through its staff, is responsible for analyzing the programs, management, operations, and fiscal needs of state agencies. After holding budget hearings with all state departments and agencies, the Committee and its staff prepare the annual appropriations bill. The staff is also responsible for providing support for both the House and Senate Appropriations Committees.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1352	<u>\$1,114,161</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,114,161</u>	<u>16.0</u>
TOTAL	\$1,114,161	\$0	\$0	\$0	\$1,114,161	16.0
FY 2001-02 Appropriation:						
SB 01-202	<u>\$1,207,175</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,207,175</u>	<u>16.0</u>
TOTAL	\$1,207,175	\$0	\$0	\$0	\$1,207,175	16.0

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$93,014	\$0	\$0	\$0	\$93,014	0.0
Percentage Change	8.3%	n/a	n/a	n/a	8.3%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Analysts	14.0	14.0
Support Staff	<u>2.0</u>	<u>2.0</u>
	16.0	16.0

General Fund Changes: The General Fund appropriation includes increases for group health, life, and dental insurance, and annualization of salary costs.

Legislative Council

The Legislative Council is comprised of 18 legislators, nine from the House and nine from the Senate. The staff of the Council provides fact-finding and information-collecting services for all members of the General Assembly. In addition, the staff provides support for all standing committees except Appropriations, and for most interim committees. The staff maintains a reference library for all legislators and staff, and the Council contracts for special studies as needed. The State Capitol building tour guide coordinator is an employee of the Council. The Council staff is also responsible for preparing fiscal notes on new legislation and for providing revenue estimates.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,935,000	\$0	\$0	\$0	\$1,935,000	0.0
HB 00-1033	10,497	0	0	0	10,497	0.3
HB 00-1352	3,771,042	0	0	0	3,771,042	50.6
SB 00-119	171,233	0	0	0	171,233	(0.7)
SB 01-202	<u>11,040</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,040</u>	<u>0.0</u>
TOTAL	\$5,898,812	\$0	\$0	\$0	\$5,898,812	50.2
FY 2001-02 Appropriation:						
SB 01-212	\$1,813,000	\$0	\$0	\$0	\$1,813,000	0.0
SB 01-202	<u>4,079,840</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,079,840</u>	<u>53.9</u>
TOTAL	\$5,892,840	\$0	\$0	\$0	\$5,892,840	53.9

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$5,972)	\$0	\$0	\$0	(\$5,972)	3.7
Percentage Change	-0.1%	n/a	n/a	n/a	-0.1%	7.4%

FTE Detail	FY 2000-01	FY 2001-02
Administration	4.0	4.0
Economics and Forecasting	5.5	5.5
Fiscal Notes	8.0	8.0
Policy Research and Committee Staff	21.1	23.8
Support Staff	<u>11.6</u>	<u>12.6</u>
	50.2	53.9

FTE Changes: The net increase in FTE reflects the transfer of 0.7 FTE to the Reapportionment Commission; an increase of 1.0 FTE for the Policy Research and Committee Staff to be assigned to assist the Capital Development Committee; an increase of 1.0 FTE for the Policy Research and Committee Staff to assist with constituent services; and, an increase of 1.0 FTE support staff.

General Fund Changes: The General Fund appropriations includes additional costs associated with FTE increases that are offset by larger decreases in General Fund appropriations for the annual Property Tax Study, for the ballot analyses that are estimated to be necessary over the next two years, and for the transfer of staff assigned to the Reapportionment Commission.

Committee on Legal Services

The Committee on Legal Services consists of ten members, five from the House of Representatives and five from the Senate. It provides the legislative oversight to the Office of Legislative Legal Services and coordinates litigation involving the General Assembly.

The Office of Legislative Legal Services drafts and prepares bills, resolutions, amendments, conference committee reports, and digests of enacted bills. The Office also reviews rules promulgated by executive agencies to determine whether they are within the powers delegated to the agency; performs legal research; aids in legal representation of the General Assembly; participates in the review of and comments on the titles given to initiated measures; and assists in staffing interim committees.

The Office is also responsible for compiling, editing, arranging and preparing for publication all of the laws of the State of Colorado, and for assisting in publication and distribution of portions of the statutes in accordance with Section 2-5-118, C.R.S. Annually, the Office prepares the session laws and supplements to the statutes as necessary. The staff of the Committee on Legal Services also prepares the index and case law annotations for the Colorado Revised Statutes.

The Colorado Commission of Uniform State Laws, comprised of seven members who are attorneys-at-law in Colorado (three of whom are state legislators) represent Colorado at the National Conference of Commissioners on Uniform State Laws. The purpose of the conference is to promote uniformity of state laws on all subjects where uniformity is deemed desirable and practical.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1033	\$3,675	\$0	\$0	\$0	\$3,675	0.1
HB 00-1352	3,908,069	0	0	0	3,908,069	53.0
SB 00-119	(11,667)	0	0	0	(11,667)	(0.2)
SB 01-202	<u>(1,986)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,986)</u>	<u>0.0</u>
TOTAL	\$3,898,091	\$0	\$0	\$0	\$3,898,091	52.9
FY 2001-02 Appropriation:						
SB 01-202	<u>\$4,275,578</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$4,275,578</u>	<u>56.0</u>
TOTAL	\$4,275,578	\$0	\$0	\$0	\$4,275,578	56.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$377,487	\$0	\$0	\$0	\$377,487	3.1
Percentage Change	9.7%	n/a	n/a	n/a	9.7%	5.9%

FTE Detail	FY 2000-01	FY 2001-02
Administration	5.5	4.8
Attorneys	24.9	26.0
Legislative Assistants	<u>22.5</u>	<u>25.2</u>
	52.9	56.0

FTE Changes: The net increase in FTE reflects the transfer of 0.2 FTE to the Reapportionment Commission; an increase of 1.0 FTE attorney; and an increase of 1.9 FTE legislative assistants.

General Fund Changes: The General Fund appropriation includes funding for new staff, salary increases, operating expense increases for communications, ADP purchased services, contract printing, and outside legal fees.

Colorado Reapportionment Commission

Once every ten years, all congressional districts and state legislative districts are redrawn based on the latest census information. The General Assembly is responsible for redrawing congressional districts and a separate Reapportionment Commission is responsible for redrawing state legislative districts. The Commission consists of eleven members, including four from the General Assembly (the Speaker of the House, the minority leader of the House and the majority and minority leaders of the Senate), three appointed by the Governor, and four appointed by the Chief Justice of the Supreme Court. Funds are provided for this Commission once each decade.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
SB 00-119	\$184,708	\$0	\$0	\$0	\$184,708	1.5
SB 01-202	(9,054)	0	0	0	(9,054)	0.0
TOTAL	\$175,654	\$0	\$0	\$0	\$175,654	1.5
FY 2001-02 Appropriation:						
SB 01-202	\$602,792	\$0	\$0	\$0	\$602,792	1.5
TOTAL	\$602,792	\$0	\$0	\$0	\$602,792	1.5
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$427,138	\$0	\$0	\$0	\$427,138	0.0
Percentage Change	243.2%	n/a	n/a	n/a	243.2%	0.0%

General Fund Changes: The increase in General Fund appropriations reflects the majority of the work necessary for redrawing the boundaries of state legislative districts. The appropriation includes staff salaries, per diem and travel for commission members, operating expenses and legal fees associated with the reapportionment process.

Recent Legislation

2000 Session Bills

H.B. 00-1020: Creates a Child Care Commission to provide legislative oversight and continued study and further development of recommendations for improvements in the delivery of child care.

H.B. 00-1033: Establishes a legislative oversight committee to continue to examine the treatment of persons with mental illness who are involved in the criminal justice system.

H.B. 00-1215: Increases the state contribution for state employee health benefits.

H.B. 00-1352: Separate legislative appropriation bill.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Reduces the state contribution for state employees' retirement (PERA) by 0.5 percent.

S.B. 00-119: Updates the permanent statutes relating to redistricting.

S.B. 00-137: Increases the membership of the State Capitol Building Advisory Committee from nine to twelve members.

2001 Session Bills

S.B. 01-202: Separate legislative appropriation bill for FY 2001-02. Also contains supplemental appropriations for FY 2000-01.

S.B. 01-212: General appropriations act for FY 2001-02.

DEPARTMENT OF LOCAL AFFAIRS

The Department is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. The Department is comprised of the Executive Director's Office, Property Taxation, and Community Development.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$29,776,271	\$37,482,439	\$12,520,118	\$14,547,657
Cash Fund	12,121,348	12,768,929	13,867,925	24,388,645
Cash Funds Exempt	52,530,526	58,895,520	71,780,891	83,082,910
Federal Funds	<u>32,617,323</u>	<u>43,999,715</u>	<u>36,404,661</u>	<u>41,938,885</u>
Total Funds	\$127,045,468	\$153,146,603	\$134,573,595	\$163,958,097
Full Time Equiv. Staff	181.8	182.4	179.6	179.8

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- An increase of \$12.1 million cash funds exempt and \$10.7 million cash funds for the Local Government Mineral and Energy Impact program (these increases better reflect historical program spending rather than significant program expansion);
- An increase of \$2.3 million federal funds in Section 8 certificates and vouchers from the U.S. Department of Housing and Urban Development;
- An increase of \$2.0 million General Fund for affordable housing construction grants and loans;
- An estimated \$1.5 million cash funds exempt reduction in Conservation Trust Fund disbursements;
- An anticipated \$1.0 million increase in federal Community Development Block Grant moneys which will be used for business development and public infrastructure development;

- The transfer of \$210,000 federal funds and 4.8 FTE related to the federal Safe and Drug Free Schools program to the Department of Public Health and Environment;
- An increase of \$125,000 cash funds exempt and 2.0 FTE to support the activities of the Workforce Development Council;
- An increase of \$592,000, including \$426,000 General Fund, to annualize salary survey and anniversary increases awarded in FY 2000-01;
- A decrease of \$124,000, including \$110,000 General Fund, for a 1.5 percent personal services reduction; and
- An increase of \$51,000 General Fund for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. The total FY 2001-02 appropriation for salary survey and anniversary increases is \$554,000, reflecting an 9.2 percent increase over the FY 2000-01 base.

General Factors Driving the Budget

Funding for this department in FY 2001-02 consists of 8.9 percent General Fund, 14.9 percent cash funds, 50.6 percent cash funds exempt, and 25.6 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Dedicated Funding Sources

The Department of Local Affairs is responsible for a number of programs with dedicated cash and cash exempt revenue sources. These include the Conservation Trust Fund (a portion of state lottery proceeds distributed to local entities on a formula basis for parks and open space purposes); the Severance Tax and Mineral Impact grants (distributing a portion of the state and federal taxes on the severance of minerals as grants to local governments affected by mineral extraction activities); and several other grant programs. Program expenditures fluctuate with changes in the revenue earned from various dedicated funding sources.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Approp.	FY 01-02 Approp.
Conservation Trust Fund	\$35,689,889	\$33,895,855	\$35,790,712	\$42,000,000	\$40,500,000
Severance Tax & Mineral Impact Receipts	\$12,583,983	\$15,746,387	\$25,227,237	\$32,600,000	\$55,369,242
Limited Gaming, Search and Rescue, and Waste Tire Fund	\$5,127,790	\$3,945,313	\$5,575,311	\$8,230,000	\$8,407,647

Federal Funds

Federally-funded programs make up close to 26 percent of the Department of Local Affairs FY 2001-02 appropriation. These programs generally have no state match, and funding is provided at the discretion of federal authorities. Major federal grants in FY 2001-02 include the U.S. Department of Housing and Urban Development (HUD) housing program grants (\$11.7 million), Section 8 Low Income Rental Subsidies (\$9.2 million), Community Development Block Grants (\$8.1 million), Community Services Block Grants (\$5.4 million), Office of Emergency Management support (\$4.6 million), Emergency Shelter Program grants (\$0.9 million), and other miscellaneous federal grants and federal moneys used by the Department for grant administration (\$2.0 million). The large amount of federal funds in FY 1999-00 represents one-time payments from the Federal Emergency Management Agency (FEMA) for flooding which occurred in Colorado.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Estimate	FY 01-02 Estimate
Federal Funds	\$38,378,402	\$32,617,323	\$43,999,715	\$36,404,661	\$41,938,885

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$12,520,118	\$13,867,925	\$71,780,891	\$36,404,661	\$134,573,595	179.6
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	2,023,895	59,178	737,057	318,560	3,138,690	16.0
Property Taxation	3,063,998	0	0	0	3,063,998	56.0
Community Development	7,432,225	13,808,747	71,043,834	36,083,601	128,368,407	107.6
Economic Development	0	0	0	2,500	2,500	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	32,475,941	13,867,453	72,415,875	37,392,915	156,152,184	188.5
HB 00-1083	0	0	150,467	0	150,467	2.0
HB 00-1215	28,374	1,210	1,767	9,217	40,568	0.0
HB 00-1224	(6,097,190)	0	(145,413)	0	(6,242,603)	(3.3)
HB 00-1342	(8,871,000)	0	(1,415,946)	0	(10,286,946)	(3.0)

	GF	CF	CFE	FF	Total	FTE
HB 00-1345	0	0	8,000	0	8,000	0.0
HB 00-1427	851,483	0	735,485	0	1,586,968	2.0
HB 00-1458	(12,417)	(738)	0	(6,479)	(19,634)	0.0
SB 00-219	(5,869,379)	0	0	0	(5,869,379)	(7.0)
SB 01-189	14,306	0	30,656	(990,992)	(946,030)	0.4
FY 2001-02 Total Appropriation:	\$14,547,657	\$24,388,645	\$83,082,910	\$41,938,885	\$163,958,097	179.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	2,265,887	66,982	713,073	269,115	3,315,057	18.0
Property Taxation	3,212,909	0	0	0	3,212,909	56.0
Community Development	9,068,861	24,321,663	82,369,837	41,669,770	157,430,131	105.8
Economic Development	0	0	0	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	14,547,657	24,310,998	83,082,910	41,938,885	163,880,450	178.3
SB 01-57	0	77,647	0	0	77,647	1.0
HB 01-1018	0	0	0	0	0	0.5
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$2,027,539	\$10,520,720	\$11,302,019	\$5,534,224	\$29,384,502	0.2
Percentage Change	16.2%	75.9%	15.7%	15.2%	21.8%	0.1%

Detail of Appropriation by Administrative Section

Executive Director's Office

This office is responsible for the management and administration of the Department, including accounting, budgeting, and human services. 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 and support of the federal Workforce Development Council. Cash funds, cash funds exempt, and federal funds appropriations consist of direct and indirect cost recoveries used to cover the general administrative costs associated with cash, cash exempt, and

federal programs within the Department. Funding in this division also consists of cash funds and cash funds exempt spending from lease revenues generated from the operation of the Moffat Tunnel

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$2,052,263	\$57,968	\$584,823	\$309,048	\$3,004,102	14.0
HB 00-1083	0	0	150,467	0	150,467	2.0
HB 00-1215	28,374	1,210	1,767	9,217	40,568	0.0
HB 00-1427	1,057	0	0	0	1,057	0.0
HB 00-1458	(1,655)	0	0	0	(1,655)	0.0
SB 00-219	(63,408)	0	0	0	(63,408)	0.0
SB 01-189	<u>7,264</u>	<u>0</u>	<u>0</u>	<u>295</u>	<u>7,559</u>	<u>0.0</u>
TOTAL	\$2,023,895	\$59,178	\$737,057	\$318,560	\$3,138,690	16.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$2,265,887</u>	<u>\$66,982</u>	<u>\$713,073</u>	<u>\$269,115</u>	<u>\$3,315,057</u>	<u>18.0</u>
TOTAL	\$2,265,887	\$66,982	\$713,073	\$269,115	\$3,315,057	18.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$241,992	\$7,804	(\$23,984)	(\$49,445)	\$176,367	2.0
Percentage Change	12.0%	13.2%	-3.3%	-15.5%	5.6%	12.5%

FTE Detail	FY 2000-01	FY 2001-02
Executive Director's Staff and Help Desk Staff	4.0	4.0
Accounting / Budgeting	8.0	8.0
Human Resources	2.0	2.0
Workforce Development Council	<u>2.0</u>	<u>4.0</u>
	16.0	18.0

FTE Changes: The increase of 2.0 FTE is for the increased workload of the Department in supporting the State Workforce Development Council.

General Fund Changes: The General Fund appropriation includes an increase of \$196,000 General Fund due to decreased cash funds exempt indirect cost recoveries and an increase of \$46,000 General Fund for salary survey increases to be awarded to Department employees in FY 2001-02.

Cash Funds Exempt Changes: The cash funds exempt appropriation includes a \$162,000 decrease in indirect cost recoveries used to offset General Fund in the Executive Director's Office. This decrease was partly offset by an increase of \$125,000 cash funds exempt for the Workforce Development Council. The appropriation also includes a net increase of \$13,000 cash funds exempt in various centrally-appropriated items such as legal services, salary survey, and anniversary increases.

Federal Fund Changes: The decrease in anticipated federal funds reflects a decreased reliance on direct billing federal grants for direct and indirect costs. Instead, these costs will be billed indirectly to federal grants through the Department's indirect cost recovery plan. Consequently, the payment of these appropriations now show as cash funds exempt indirect cost recoveries.

Property Taxation

This division supervises property tax collection by local governments to ensure property tax laws are administered consistently and fairly throughout the State. This includes training county assessors, calculating property tax for certain multi-county companies such as utilities, and determining eligibility for property tax exemptions. The Division includes the Board of Assessment Appeals, which is responsible for hearing appeals of decisions by county boards of equalization, county boards of commissioners, and the State Property Tax Administrator on the valuation of real and personal property, property tax abatements, and property tax exemptions. The Board hears roughly 1,600 appeals annually. The Division also values over 550 companies for property tax purposes and processes 500-750 property tax exemption requests annually.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$3,067,583	\$0	\$0	\$0	\$3,067,583	56.0
H.B. 00-1458	(5,150)	0	0	0	(5,150)	0.0
SB 01-189	<u>1,565</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,565</u>	<u>0.0</u>
TOTAL	\$3,063,998	\$0	\$0	\$0	\$3,063,998	56.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$3,212,909</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,212,909</u>	<u>56.0</u>
TOTAL	\$3,212,909	\$0	\$0	\$0	\$3,212,909	56.0

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$148,911	\$0	\$0	\$0	\$148,911	0.0
Percentage Change	4.9%	n/a	n/a	n/a	4.9%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Board of Assessment Appeals	16.0	16.0
Property Taxation	<u>40.0</u>	<u>40.0</u>
	56.0	56.0

General Fund Changes: The General Fund appropriation reflects increased personal services costs for the Board of Assessment Appeals and the Division of Property Taxation.

Community Development

This section contains appropriations for all functions within the Department that focus on local government and community development. It includes two divisions: (1) the Division of Housing and (2) the Division of Local Government.

Division of Housing

The mission of the Division of Housing (DOH) is to ensure that Coloradans live in safe, decent, and affordable housing. The Division provides financial and technical assistance to help communities meet their goal of providing affordable housing to low income, elderly, and disabled people. Financial assistance programs include state and federal grants, loans, loan guarantees, and other means to provide incentive for the construction, acquisition, and rehabilitation of affordable housing. The Division also develops and updates various studies on the availability and affordability of housing in Colorado. Finally, DOH regulates the manufacture of factory-built residential and commercial buildings. In FY 2001-02, the Division of Housing will administer \$17.2 million in affordable housing grants and \$9.2 million in federal low income rental assistance subsidies.

Division of Local Government

This division includes programs to assist local governments in identifying and responding to financial issues, problem-solving, administrative, and leadership development needs. To provide this assistance to local governments, the Division of Local Government operates eight field offices. Specific programs operated by the Division include: (a) training and technical assistance for local governments on such issues as budget review, property tax limitations, the Taxpayers Bill of Rights (TABOR), water and sewer financing, election rules, purchasing, and land use planning; (b) providing demographic and economic information, statistics, and analysis to public and private organizations; (c) administration of the local government funding and technical assistance programs, including the Community Services Block Grant program, the Local Utility Management Assistance program, Conservation Trust Fund disbursements, waste tire recycling grants, and the Non-rated Public Securities program; and (d) provision of technical and financial assistance, through the Office of

Emergency Management, to support communities in preparing for, responding to, recovering from, and mitigating the effect of emergencies.

Cash funds in this division include: (1) local severance tax revenues; (2) revenues generated by the \$0.75 waste tire recycling development fee imposed pursuant to Section 25-17-202 (1) (a) (II), C.R.S.; (3) revenues from the various Search and Rescue surcharges on various outdoor licenses, registrations, and tickets; (4) moneys from the Water Resources and Power Development Authority for the Local Utility Management Assistance program; (5) registration fees for manufactured and factory built homes and buildings; and (6) miscellaneous revenues generated from product sales and fees charged for participation in training seminars conducted by the Department.

Cash funds exempt consist primarily of (1) moneys distributed from the Local Government Mineral Impact Fund; (2) grants made from reserves in the Local Government Severance Tax Fund; (3) grants made from the Limited Gaming Fund; (4) grants for Smart Growth projects from the Colorado Heritage Communities Fund; (5) indirect cost on federal grants used to offset divisional overhead; and (6) spending of reserves in the Waste Tire Recycling Development Cash Fund.

Federal funds in this section include federal low income rental subsidies, the HOME Investment Partnership Grant (a federal affordable housing program), the Community Development Block Grant, the Community Services Block Grant, the Emergency Shelter Grant, and various emergency preparedness, response, recovery, and mitigation grants administered through the state Office of Emergency Management.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$15,452,934	\$13,809,485	\$71,685,639	\$37,081,367	\$138,029,425	108.2
HB 00-1342	(8,871,000)	0	(1,415,946)	0	(10,286,946)	(3.0)
HB 00-1345	0	0	8,000	0	8,000	0.0
HB 00-1427	850,426	0	735,485	0	1,585,911	2.0
HB 00-1458	(5,612)	(738)	0	(6,479)	(12,829)	0.0
SB 01-189	<u>5,477</u>	<u>0</u>	<u>30,656</u>	<u>(991,287)</u>	<u>(955,154)</u>	<u>0.4</u>
TOTAL	\$7,432,225	\$13,808,747	\$71,043,834	\$36,083,601	\$128,368,407	107.6
FY 2001-02 Appropriation:						
SB 01-212	\$9,068,861	\$24,244,016	\$82,369,837	\$41,669,770	\$157,352,484	104.3
SB 01-57	0	77,647	0	0	77,647	1.0
HB 01-1018	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.5</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$9,068,861	\$24,321,663	\$82,369,837	\$41,669,770	\$157,430,131	105.8
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$1,636,636	\$10,512,916	\$11,326,003	\$5,586,169	\$29,061,724	(1.8)
Percentage Change	22.0%	76.1%	15.9%	15.5%	22.6%	-1.7%

FTE Detail	FY 2000-01	FY 2001-02
Division of Housing	27.4	28.9
Local Government and Community Services	30.5	26.2
Field Services	26.7	27.2
Office of Emergency Management	<u>23.0</u>	<u>23.5</u>
	107.6	105.8

FTE Changes: The overall appropriation includes a net decrease of 1.8 FTE, which includes the following: (1) a reduction of 4.8 FTE for administration of the Safe and Drug Free Schools Program, which was transferred to the Department of Public Health and Environment by Executive Order of the Governor; (2) an increase of 1.0 FTE to manage the Colorado Outdoor Recreation Search and Rescue Card program and administer grants from the Search and Rescue Fund under S.B. 01-57; (3) an increase of 1.0 FTE for the Manufactured Homes Installation Inspection Program created pursuant to H.B. 00-1345; (4) an increase of 0.5 federally-funded FTE, reflecting an increased workload in administering federal housing grants, including long-term project monitoring under the federal HOME program; and (5) an increase of 0.5 FTE to administer waste tire recycling grants under H.B. 01-1018.

General Fund Changes: The General Fund appropriation includes an increase of \$1,970,000 for affordable housing construction grants and loans. This increase was funded using one-time General Fund savings under the federal Temporary Aid to Needy Families (TANF) program. Starting in FY 2002-03, it is assumed that this \$1,970,000 General Fund will again be needed for the State's maintenance of effort under the federal TANF program. The General Fund appropriation also includes an increase of \$96,000 for salary survey and anniversary increases awarded in FY 2000-01. Finally, the appropriation includes a decrease of \$429,000 General Fund related to the Build a Generation program, which was transferred to the Department of Public Health and Environment. This change is consistent with the intent of H.B. 00-1342, which transferred other youth crime prevention programs to the Department of Public Health and Environment.

Cash Funds Changes: The increase in cash funds includes an increase of \$10.7 million for the Local Government Mineral and Energy Impact program. The significant increase reflects a change in the

philosophy used to generate the Long Bill appropriation for this line item. Based on the belief that it had continuous spending authority for this line item, the Department of Local Affairs has operated under a strategy of simply seeking a continuation appropriation for this line item each year regardless of anticipated spending. This strategy has prevented the Department from having to justify large requested increases or decreases for this line item based in part on severance tax revenue projections. However, recent appropriations have poorly reflected the reality of spending under this program. The FY 2001-02 cash funds appropriation also includes: (1) \$82,000 for the Manufactured Homes Installation Inspection Program created pursuant to H.B. 00-1345; (2) \$78,000 to manage the Colorado Outdoor Recreation Search and Rescue Card program and administer grants from the Search and Rescue Fund under S.B. 01-57; and (3) a reduction of \$400,000 in recycled waste tire fund appropriations, predominantly due to the waste tire recycling fee being reduced from \$1.00 to \$0.75 per tire under H.B. 00-1430.

Cash Funds Exempt Changes: The FY 2001-02 appropriations includes the following: (1) an increase of \$12.1 million for the Local Government Mineral and Energy Impact program (see above); (2) an increase of \$0.7 million in Local Government Limited Gaming Impact grants; (3) a net increase of roughly \$0.2 million for salary survey and anniversary increases awarded in FY 2000-01; (4) a decrease of \$1.5 million in Conservation Trust Fund disbursements due to a decline in lottery proceeds; and, (5) a decrease of \$0.2 million in spending of reserves in the Waste Tire Recycling Cash Fund.

Federal Funds Changes: The FY 2001-02 appropriation includes: (1) an increase of \$2.3 million in Section 8 certificates and vouchers which provide rental subsidies to low income persons; (2) an increase of \$1.0 million for Community Development Block Grant moneys to be used for business development, public facilities, and infrastructure development; (3) an increase of \$0.8 million in Federal Affordable Housing Construction Grants and Loans (including moneys for this purpose from the Community Development Block Grant); (4) an increase of \$0.8 million in Community Services Block Grant moneys; (5) an increase of \$0.5 million for the Housing Opportunities for Persons with AIDS (HOPWA) grant program; and (6) an increase of roughly \$0.5 million for salary survey and anniversary increases awarded in FY 2000-01 and for other miscellaneous federal expenditures. These increases were offset by a decrease of \$0.2 million for the federal Safe and Drug Free Schools grant, which was transferred to the Department of Public Health and Environment.

Economic Development

In previous years, this section centralized economic development programs in the State. However, S.B. 00-219 transferred the Motion Picture and Television Advisory Commission and the Economic Development Commission, along with related funding, to the Office of Economic Development in the Governor's Office. Further, H.B. 00-1224 eliminated the Colorado Tourism Board and Colorado Travel and Tourism Authority and transferred all tourism-related funding to the Colorado Tourism Office, which the bill created in the Governor's Office. In FY 2000-01, the only funding that remained in this division was \$2,500 federal funds to close out the old Title 9 program which

provided broad economic and community development programs targeted at low-income communities and individuals.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$11,903,161	\$0	\$145,413	\$2,500	\$12,051,074	10.3
H.B. 00-1224	(6,097,190)	0	(145,413)	0	(6,242,603)	(3.3)
SB 00-219	<u>(5,805,971)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,805,971)</u>	<u>(7.0)</u>
TOTAL	\$0	\$0	\$0	\$2,500	\$2,500	0.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$0	\$0	\$0	0.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$0	\$0	\$0	(\$2,500)	(\$2,500)	0.0
Percentage Change	N/A	N/A	N/A	-100.0%	-100.0%	N/A

Federal Funds Changes: The appropriation reflects the completion of the old Title 9 program.

Recent Legislation

2000 Session Bills

H.B. 01-1002: Reduces the state contribution to employee retirement benefits.

H.B. 00-1083: Creates the State Workforce Development Council to oversee federal workforce development programs and associated federal block grant moneys received pursuant to the federal Workforce Investment Act. Appropriates \$150,467 cash funds exempt and 2.0 FTE to the Department for the support and operating expenses of the Council.

H.B. 00-1215: Increases the state contribution for state employee health benefits.

H.B. 00-1224: Creates the Colorado Tourism Office in the Governor's Office. Transfers roughly \$6.24 million and 3.3 FTE from the Department of Local Affairs to the Governor's Office, including

funding for Colorado Promotion and Colorado Welcome Centers, to support the new Colorado Tourism Office.

H.B. 00-1342: Creates the Division of Prevention, Intervention, and Treatment Services for Children and Youth in the Department of Public Health and Environment. Transfers the Youth Crime Prevention and Positive Intervention Program (\$7,671,000 General Fund and 3.0 FTE) and Youth Mentoring Program (\$1,200,000 General Fund and \$1,415,946 cash funds exempt) out of the Department of Local Affairs to the Department of Public Health and Environment.

H.B. 00-1427: Creates the Office of Smart Growth in the Department of Local Affairs. Authorizes the Office to award grants to communities to address critical planning issues and develop master plans. Appropriates \$115,998 General Fund and 2.0 FTE for administration of the program. Appropriates \$735,485 General Fund to the Colorado Heritage Communities Fund to be used for grant awards.

H.B. 00-1430: Reduces the fee for waste tire recycling from \$1.00 to \$0.75 per tire. Provides that two-thirds of the money generated shall be appropriated to the Department of Local Affairs and one-third shall be appropriated to the Colorado Commission on Higher Education for the Advanced Technology Fund. Eliminates waste tire recycling fees as a funding sources for the Colorado Housing and Finance Authority.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Reduces the state contribution for state employees' retirement (PERA) by 0.5 percent.

S.B. 00-219: Transfers approximately \$5.87 million and 7.0 FTE related to Economic Development programs from the Department of Local Affairs to the Office of the Governor. The transfer includes the following programs: the Colorado First Customized Job Training program, the Economic Development Commission, the Colorado Existing Industry Training program, and the Motion Picture and Television Promotion program.

2001 Session Bills

S.B. 01-57: Establishes the Colorado Outdoor Recreation Search and Rescue Card program. Of the \$3 fee for the card, \$2 is deposited into the Search and Rescue Fund and \$1 is retained by the agent selling the card. The Department is also authorized to issue multi-year cards, valid for up to five years, at a reduced rate. The bill appropriates \$77,647 cash funds and 1.0 FTE to the Department to manage a contract for the printing and distribution of the new search and rescue card, as well as to administer reimbursements to eligible agencies for search and rescue costs.

S.B. 01-189: Supplemental appropriation to the Department of Local Affairs to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1018: Clarifies various statutes related to the recycling of waste tires. Provides for quarterly transfer of one-third of waste tire recycling revenues to the Advanced Technology Fund. The two-thirds of moneys received by the Department of Local Affairs, after paying administrative costs, shall be used as follows: (1) up to 50 percent shall be for grants to local governments for the disposal, recycling, or reuse of waste tires; (2) up to 20 percent shall be for incentives for waste tire reuse and recycling in public projects; (3) up to 20 percent shall be for partial reimbursement to processors and end users of recycled waste tires; and (4) up to 10 percent shall be allocated to the Colorado Commission on Higher Education for evaluating potential uses for recycled waste tires. Appropriates 0.5 FTE to the Department of Local Affairs for administration of the grant program.

H.B. 01-1172: Authorizes a multijurisdictional authority to operate programs to provide affordable housing, including the ability to levy sales taxes, use taxes, property taxes, employment taxes, and impact fees to fund affordable housing programs. The Department of Revenue will administer the collection of any sales and use taxes that may be assessed by a multijurisdictional housing authority. However, such sales and use taxes must first be approved by local voters.

H.B. 01-1334: Specifies that the property tax exemption used for charitable purposes include property used to provide affordable housing to low income households.

DEPARTMENT OF MILITARY AFFAIRS

The Department of Military Affairs consists of the Executive Director's Office and the Army National Guard, the Air National Guard, and the Civil Air Patrol. The Adjutant General is the administrative head of the Department as well as the Chief of Staff of the Colorado National Guard. The Colorado National Guard is a federal and state military organization whose primary mission is to support the federal, state, and local governments in times of need.

The Department receives federal funds from the U.S. Department of Defense for maintenance and construction of facilities. In addition, the Adjutant General is responsible for managing federal funds that do not pass through the State's accounting system, but are used for recruiting, training, and retaining members of the Colorado National Guard. Federal funds and the associated FTE are shown in the Long Bill under the Federal Funded Programs section for informational purposes only.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$4,108,126	\$3,755,108	\$4,025,082	\$4,096,566
Cash Fund	35,405	24,257	25,073	25,009
Cash Funds Exempt	706,235	0	0	0
Federal Funds	<u>123,242,664</u>	<u>118,083,666</u>	<u>112,625,481</u>	<u>112,725,961</u>
Total Funds	\$128,092,430	\$121,863,031	\$116,675,636	\$116,847,536
Full Time Equiv. Staff	1,303.2	1,215.1	1,292.5	1,286.8

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- A total decrease of 0.3 General Fund supported FTE, 5.9 federally-funded FTE, \$33,000 General Fund, and \$141,000 federal funds to reflect the reclassification of Buckley Air National Guard Base to Buckley Air Force Base;
- An increase of 0.5 FTE and \$24,000 General Fund for a budget analyst position;
- A net increase of \$4,700, including an increase of \$14,200 General Fund and a decrease of \$9,500 federal funds for salary survey and anniversary increases anticipated to be awarded

in FY 2001-02. The total FY 2001-02 appropriation for salary survey and anniversary increases is \$4,700 reflecting a two percent increase over the FY 2000-01 base;

- ❑ A \$125,552 increase, including \$58,467 General Fund, to annualize anniversary increases awarded in FY 2000-01; and
- ❑ A decrease of \$96,174, including \$28,328 General Fund, for a 2.5 percent personal services reduction. The reduction was increased from the common policy reduction of 1.5 percent to 2.5 percent (with exceptions for divisions with few FTE) to account for a significantly higher turnover rate within the Department in FY 1999-00.

General Factors Driving the Budget

Funding for this department consists of 96.5 percent federal funds, 3.5 percent General Fund, and a nominal percent cash funds. Some important factors driving the budget are reviewed below.

Federal Funding

The vast majority of resources, 96.5 percent of total funding (\$112.7 million) and 97.1 percent of total FTE (1,249.7) for the Department's organizations and programs come from the federal government. Efforts to reduce the size of the federal government require the State budget to support many FTEs that are funded with federal dollars resulting in "Federally Funded State FTE." Furthermore, many of these positions are funded by a split of state and federal funds (e.g., 80/20, 75/25, 50/50) which is based on predetermined classifications that estimate the overall federal verses state support functions for any given position.

State Support

All State FTE in the Department's budget, those funded by the General Fund as well as by the National Guard Bureau, primarily provide administrative and maintenance support for buildings and facilities used by the Colorado National Guard and the Civil Air Patrol. Of State funding (\$4,053,000 for FY 2001-02), 52 percent (\$2,094,000) is allocated to personnel (37.1 FTE), approximately 17 percent (\$679,000) is used for property and equipment maintenance and repair costs, approximately 15 percent (\$612,000) is used for utility costs, and 10 percent (\$386,000) is allocated to the Colorado National Guard Tuition Fund.

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$4,025,082	\$25,073	\$0	\$112,625,481	\$116,675,636	1,292.5
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	3,401,804	25,073	0	2,265,176	5,692,053	40.9
Air National Guard	461,206	0	0	2,784,586	3,245,792	51.6
Federal Funded Programs	0	0	0	107,575,719	107,575,719	1,198.0
Civil Air Patrol	162,072	0	0	0	162,072	2.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	4,092,898	25,073	0	113,017,459	117,135,430	1,311.6
HB 00-1215	6,228	0	0	11,666	17,894	0.0
HB 00-1458	(8,675)	0	0	(13,673)	(22,348)	0.0
SB 01-190	(65,369)	0	0	(389,971)	(455,340)	(19.1)
FY 2001-02 Total Appropriation:	\$4,096,566	\$25,009	\$0	\$112,725,961	\$116,847,536	1,286.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	3,465,073	25,009	0	2,279,938	5,770,020	40.7
Air National Guard	462,179	0	0	2,870,304	3,332,483	46.1
Federal Funded Programs	0	0	0	107,575,719	107,575,719	1,198.0
Civil Air Patrol	169,314	0	0	0	169,314	2.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	4,096,566	25,009	0	112,725,961	116,847,536	1,286.8

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$71,484	(\$64)	\$0	\$100,480	\$171,900	(5.7)
Percentage Change	1.8%	-0.3%	0.0%	0.1%	0.1%	-0.4%

Detail of Appropriation by Administrative Section

Executive Director and Army National Guard

This division is responsible for the overall management and administration of the Department. The appropriation includes the operating budget for the Executive Director as well as all centrally appropriated items for the Department. In addition, this section includes appropriations for tuition assistance for National Guard members attending college and the State's share of maintenance upkeep for the State's Army National Guard facilities.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$3,453,805	\$25,073	\$0	\$2,383,869	\$5,862,747	43.5
HB 00-1215	6,228	0	0	11,666	17,894	0.0
HB 00-1458	(7,081)	0	0	(3,212)	(10,293)	0.0
SB 01-190	(51,148)	0	0	(127,147)	(178,295)	(2.6)
TOTAL	\$3,401,804	\$25,073	\$0	\$2,265,176	\$5,692,053	40.9
FY 2001-02 Appropriation:						
SB 01-212	\$3,465,073	\$25,009	\$0	\$2,279,938	\$5,770,020	40.7
TOTAL	\$3,465,073	\$25,009	\$0	\$2,279,938	\$5,770,020	40.7
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$63,269	(\$64)	\$0	\$14,762	\$77,967	(0.2)
Percentage Change	1.9%	-0.3%	0.0%	0.7%	1.4%	-0.5%

FTE Detail	FY 2000-01	FY 2001-02
Administration and Staff Support	12.5	13.2
Financial	6.9	6.0
Information Technology	1.0	1.0

FTE Detail	FY 2000-01	FY 2001-02
Physical Plant	<u>20.5</u>	<u>20.5</u>
	40.9	40.7

FTE Changes: The change in FTE includes an increase of 0.5 General Fund FTE for a budget analyst position, and an increase of 0.6 General Fund FTE and a decrease of 1.3 federally-funded FTE associated with the reclassification of Buckley Air Force Base.

General Fund Changes: The General Fund increase is primarily due to salary survey, anniversary, and group benefit increases of \$140,000; a \$22,000 increase in health, life, dental and other benefits; \$22,000 for a 0.5 FTE Budget Analyst position; and a net increase of \$12,000 for computer network equipment and support. These increases are partially offset by a \$55,000 reduction in utilities; workers' compensation, risk management, PERA, other personal services reductions of \$30,000; and a \$7,000 reduction of personal services due to the Buckley Air Force Base reclassification.

Federal Funds Changes: The federal fund increase is primarily due to salary survey, anniversary, and group benefit increases of \$82,000; an \$22,000 increase in health, life, dental and other benefits; and an increase of \$10,000 for utilities. These increases are partially offset by workers' compensation, PERA, and other personal services reductions of \$34,000; and a \$50,000 reduction of personal services due to the Buckley Air Force Base reclassification.

Air National Guard

This division provides funding for the operations of the Buckley and Greeley Air National Guard bases. The State's share of operating and maintenance costs for facilities varies under agreements with the federal government based on the type of building, how it is used, and whether it is on State or federal land. For Air Guard facilities, the State share is typically 25 percent.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$480,263	\$0	\$0	\$3,057,871	\$3,538,134	68.1
HB 00-1458	(1,133)	0	0	(10,461)	(11,594)	0.0
SB 01-190	<u>(17,924)</u>	<u>0</u>	<u>0</u>	<u>(262,824)</u>	<u>(280,748)</u>	<u>(16.5)</u>
TOTAL	\$461,206	\$0	\$0	\$2,784,586	\$3,245,792	51.6
FY 2001-02 Appropriation:						
SB 01-212	<u>\$462,179</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,870,304</u>	<u>\$3,332,483</u>	<u>46.1</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$462,179	\$0	\$0	\$2,870,304	\$3,332,483	46.1
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$973	\$0	\$0	\$85,718	\$86,691	(5.5)
Percentage Change	0.2%	0.0%	0.0%	3.1%	2.7%	-10.7%

FTE Detail	FY 2000-01	FY 2001-02
Administrative Support	2.1	2.1
Air Traffic Controllers	5.0	7.0
Physical Plant	32.8	32.0
Security Guards	<u>11.7</u>	<u>5.0</u>
	51.6	46.1

FTE Changes: The decrease of 5.5 FTE is due to a decrease of 0.1 General Fund FTE and a net decrease of 5.4 federally-funded FTE associated with the reclassification of Buckley Air Force Base.

General Fund Changes: The General Fund increase is due to \$14,500 in salary survey and anniversary increases which are partially offset by PERA, and other personal services reductions of \$13,500, including the net effect of the Buckley Air Force Base reclassification.

Federal Funds Changes: The federal fund increase is primarily due to salary survey and anniversary increases of \$92,000 which are partially offset by PERA, and other personal services reductions of \$6,000 including the net effect of the Buckley Air Force Base reclassification.

Federal Funded Programs

Federal Funded Programs include funding for weekend and annual training for all members of the National Guard. These federal funds do not flow through the State's accounting system, but are shown for informational purposes to demonstrate the full scope of the Department's activities.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$107,575,719</u>	<u>\$107,575,719</u>	<u>1,198.0</u>
TOTAL	\$0	\$0	\$0	\$107,575,719	\$107,575,719	1,198.0

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$0	\$0	\$107,575,719	\$107,575,719	1,198.0
TOTAL	\$0	\$0	\$0	\$107,575,719	\$107,575,719	1,198.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The appropriation reflects an estimate of federal funds available for federal FY 2001-02 for the programs of the National Guard, which include weekend and two weeks per year training for each member of the Colorado National Guard. All figures are estimates based on the federal fiscal year and reflect no change from the prior year.

Civil Air Patrol

The Civil Air Patrol provides skilled volunteer personnel to assist in the search and rescue of missing and lost persons, the search and rescue of missing and downed aircraft, the airlift of blood, drugs and medical supplies, the transport of Red Cross and State emergency personnel to disaster areas, and activities of the Office of Emergency Management during natural disasters.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$158,830	\$0	\$0	\$0	\$158,830	2.0
HB 00-1458	(461)	0	0	0	(461)	0.0
SB 01-190	3,703	0	0	0	3,703	0.0
TOTAL	\$162,072	\$0	\$0	\$0	\$162,072	2.0
FY 2001-02 Appropriation:						
SB 01-212	\$169,314	\$0	\$0	\$0	\$169,314	2.0
TOTAL	\$169,314	\$0	\$0	\$0	\$169,314	2.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$7,242	\$0	\$0	\$0	\$7,242	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	4.5%	0.0%

General Fund Changes: The General Fund increase reflects salary survey and anniversary increases.

Recent Legislation

2000 Session Bills

H.B. 00-1215: Increases the amount of State contributions for employees in group benefit plans in selected areas.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Reduces the State's contribution to the Public Employees' Retirement Association (PERA) by 0.5 percent as well as other changes.

2001 Session Bills

S.B. 01-190: Supplemental appropriation to the Department of Military Affairs to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

DEPARTMENT OF NATURAL RESOURCES

The Department is responsible for developing, protecting and enhancing Colorado's natural resources for the use and enjoyment of the state's present and future residents and visitors. The Department is comprised of the following agencies and divisions: Executive Director's Office, Minerals and Geology, Geological Survey, Oil and Gas Conservation Commission, State Board of Land Commissioners, Parks and Outdoor Recreation, Water Conservation Board, Water Resources Division, and the Division of Wildlife.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$25,532,839	\$27,817,745	\$29,092,602	\$29,164,002
Cash Fund	74,136,733	73,782,162	83,278,869	89,849,156
Cash Funds Exempt	18,333,628	21,683,944	33,560,909	35,251,502
Federal Funds	<u>13,569,479</u>	<u>15,850,496</u>	<u>14,063,522</u>	<u>14,848,563</u>
Total Funds	\$131,572,679	\$139,134,347	\$159,995,902	\$169,113,223
Full Time Equiv. Staff	1,359.1	1,400.6	1,474.4	1,517.3

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- An increase of \$4.9 million cash funds exempt provided in S.B. 01-157 for the Water Conservation Board and the Division of Water Resources for various water studies and projects, data collection, satellite monitoring, and mapping;
- A \$4.0 million increase, including \$1.1 million General Fund, to annualize anniversary increases awarded in FY 2000-01;
- An increase of \$1,465,000, including \$143,000 General Fund, for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. The total FY 2001-02 appropriation for salary survey and anniversary increases is \$4.9 million, reflecting an 42.2 percent increase over the FY 2000-01 base;
- An increase of \$75,800 cash funds exempt provided in H.B. 01-1354 for the Division of Water Resources to initiate a water banking pilot project;

- ❑ An increase of \$1.2 million cash funds for an additional 40.3 FTE for Established State Parks in the Division of Parks and Outdoor Recreation;
- ❑ An increase of \$956,000 General Fund to the Division of Water Resources for litigation expenses, including \$205,667 for the Arkansas River Litigation and \$750,000 for the Republican River Compact Litigation and Sportsman's Ranch Litigation;
- ❑ An increase of \$906,700 for imaging projects in the Division of Water Resources, the Division of Minerals and Geology, and the Oil and Gas Conservation Commission, including \$618,400 cash funds from the Operational Account of the Severance Tax Trust Fund, \$211,900 cash funds exempt from reserves in the Water Conservation Board Construction Fund, and \$76,400 from reserves in the Groundwater Management Cash Fund;
- ❑ A shift of \$4.6 million cash funds exempt in the Division of Parks and Outdoor Recreation for Great Outdoors Colorado Board Grants to the capital construction section of the Long Bill to accurately reflect the use of the funds;
- ❑ Refinancing of \$1.85 million of General Fund in the Division of Minerals and Geology, the Colorado Geological Survey, and the Colorado Water Conservation Board with \$1.85 million cash funds from the Operational Account of the Severance Tax Trust Fund;
- ❑ Reprioritization of existing resources to fund the start-up costs associated with the Division's new licensing system (the Total Licensing Project);
- ❑ An increase of \$300,000 cash funds to increase the purchase of whirling disease negative trout from private hatcheries;
- ❑ Reprioritization of \$275,000 cash funds of existing resources to fund big game inventory and research;
- ❑ An increase of \$300,000 cash funds for the Division of Wildlife to enter lease agreements providing pheasant hunting access on an estimated 100,000 acres of private land; and
- ❑ A decrease of \$1,274,000, including \$362,000 General Fund, for a 1.5 percent personal services reduction.

General Factors Driving the Budget

Funding for this department consists of 17.3 percent General Fund, 53.1 percent cash funds, 20.8 percent cash funds exempt, and 8.8 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Great Outdoors Colorado (GOCO) Board Grants

Both the Division of Parks and Outdoor Recreation and the Division of Wildlife receive funding from the GOCO Board, as established in Article XXVII of the Colorado Constitution. These grants represent approximately 62.5 percent of the Department's total cash funds exempt funding. GOCO grants are not subject to legislative authority, and thus are reflected in the Long Bill for information only.

GOCO Grants to the Division of Parks and Outdoor Recreation are used for developing new parks (capital) as well as enhancing and maintaining existing parks (operating). For FY 2001-02, a significant portion of the GOCO grant funding was shifted from the operating to the capital construction section of the Long Bill, to more accurately reflect use of the funds. Additionally, long-term capital grants have been reflected for the first time.

GOCO Grants to the Division of Wildlife are used for species protection, habitat development, watchable wildlife, and wildlife education. Funding shown below for the Division of Wildlife does not include money for capital construction purposes. Cutbacks in capital projects (both using GOCO funds and Wildlife Cash) have resulted in an increasing amount of GOCO dollars being used by the Division of Wildlife for operating purposes.

Great Outdoors Colorado Board Grants	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02
Parks Capital Budget	\$0	\$0	\$0	\$0	\$4,662,000
Parks Operating Budget	<u>3,591,557</u>	<u>4,500,440</u>	<u>5,582,414</u>	<u>6,000,000</u>	<u>2,704,953</u>
Total GOCO Grants to Parks	\$3,591,557	\$4,500,440	\$5,582,414	\$6,000,000	\$7,366,953
<i>Percent of Parks' Budget</i>	<i>11.9%</i>	<i>13.6%</i>	<i>15.6%</i>	<i>16.3%</i>	<i>18.4%</i>
Grants to Division of Wildlife	\$4,293,023	\$734,740	\$3,431,130	\$8,341,256	\$8,447,956
<i>Percent of DOW Budget</i>	<i>7.6%</i>	<i>1.2%</i>	<i>5.4%</i>	<i>11.9%</i>	<i>11.6%</i>

Division of Water Resources General Fund

This division receives nearly 68 percent of the Department's total Long Bill General Fund appropriations, including appropriations to the division and the Executive Director's Office. Approximately 92 percent of the division's General Fund appropriation is attributable to personal services costs.

Division of Water Resources Long Bill General Fund	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Approp.	FY 01-02 Approp.
General Fund - Division	12,834,368	13,639,582	14,477,591	15,369,585	16,508,826
General Fund - Central Pots	<u>2,561,104</u>	<u>2,511,968</u>	<u>2,736,492</u>	<u>2,872,300</u>	<u>3,203,709</u>
Total GF Attributable to DWR	\$15,395,472	\$16,151,550	\$17,214,083	\$18,241,885	\$19,712,535
<i>Percent Increase</i>	<i>N/A</i>	<i>4.9%</i>	<i>6.6%</i>	<i>6.0%</i>	<i>8.1%</i>
Total Department General Fund	\$24,493,285	\$26,343,771	\$29,274,084	\$29,045,910	\$29,164,002
<i>DWR GF As Percent of Department GF</i>	<i>62.9%</i>	<i>61.3%</i>	<i>58.8%</i>	<i>62.8%</i>	<i>67.6%</i>

Division of Wildlife

In FY 2001-02, the Division of Wildlife's \$70.2 million appropriation represented about 45.6 percent of the total Department's budget. Approximately 72 percent of the Division's operating budget is cash funded through hunting and fishing license fees. The other 28 percent is comprised of federal funds, Great Outdoors Colorado (GOCO) grants, and voluntary tax checkoffs for non-game species. The Division of Wildlife's budget contains a number of large programs, including:

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Approp.	FY 01-02 Approp.
Habitat and Species Management	N/A	\$13.6	\$13.1	\$17.6	\$17.2
Wildlife Related Recreation	N/A	21.4	20.9	23.4	25.2
Wildlife Education and Information	N/A	8.2	9.2	10.1	10.5
Responsive Management	N/A	13.6	14.5	15.9	16.0
Special Purpose	N/A	2.8	3.2	3.3	3.7
GOCO Grants	<u>N/A</u>	<u>0.7</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total DOW Budget	\$59.6	\$60.3	\$60.9	\$70.3	\$72.6

Notes:

1. All figures are shown in millions of dollars
2. In FY 1998-99, the General Assembly changed the budget format for the Division of Wildlife's Long Bill Appropriation. Unfortunately, the Division has only tracked expenditures by these new line items for the fiscal years since this new budget format was implemented.

Severance Tax Expenditures

The Operational Account of the Severance Tax Trust Fund was created to fund programs within the Department that promote responsible resource development, offset the environmental impacts of

mineral and mineral fuel development, and encourage sound management of natural resources. (For further information, see the description of S.B. 96-70 in the Summary of Major Legislation section of this overview) As can be seen below, significant growth in severance tax spending occurred in FY 2001-02 as a result of the refinancing of \$1.85 million of General Fund appropriations with severance tax revenues.

	FY 96-97	FY 97-98	FY 98-99	FY 99-00	FY 00-01	FY 01-02
Oil & Gas Conservation Commission	\$1,432,000	\$1,424,854	\$1,672,926	\$2,174,019	\$2,061,999	\$1,163,195
Minerals & Geology	900,000	203,316	826,605	671,770	755,771	2,778,881
Geological Survey	740,000	744,792	790,000	1,312,601	1,226,364	2,139,019
Water Conservation Board	<u>100,000</u>	<u>100,000</u>	<u>275,000</u>	<u>500,000</u>	<u>585,000</u>	<u>628,750</u>
TOTAL	\$3,172,000	\$2,472,962	\$3,564,531	\$4,658,390	\$4,629,134	\$6,709,845

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$29,092,602	\$83,278,869	\$33,560,909	\$14,063,522	\$159,995,902	1,474.4
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director	4,580,050	9,294,748	5,510,764	1,409,949	20,795,511	60.6
Minerals and Geology	1,278,630	1,382,302	475,567	2,580,869	5,717,368	68.7
Geological Survey	562,440	1,631,157	1,066,941	545,777	3,806,315	37.0
Oil and Gas	0	3,338,395	0	112,064	3,450,459	35.0
State Land Board	0	1,621,267	1,546,267	0	3,167,534	33.0
Parks	6,338,711	12,112,717	7,211,092	449,958	26,112,478	206.5
Water Conservation	1,391,832	592,100	8,537,890	224,661	10,746,483	36.5
Water Resources	14,940,939	601,149	340,558	10,614	15,893,260	244.6
Wildlife	0	52,705,034	8,871,830	8,729,630	70,306,494	752.5

	GF	CF	CFE	FF	Total	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
IHB 00-1451	30,616,921	83,116,777	26,857,306	14,667,956	155,258,960	1,483.4
HB 00-1071	0	49,520	0	0	49,520	0.0
HB 00-1215	118,171	129,157	22,244	26,349	295,921	0.0
H B. 00-1255	0	17,600	0	0	17,600	0.0
IHB 00-1419	0	0	6,593,000	0	6,593,000	0.0
H B 00-1458	(97,224)	(199,880)	(35,330)	(35,910)	(368,344)	0.0
HB 00-1460	(1,591,958)	(80,973)	(14,004)	(599,877)	(2,286,812)	(9.0)
H B. 00-1483	0	150,000	0	0	150,000	0.0
SB 00-16	0	16,492	0	0	16,492	0.0
SB 01-191	46,692	80,176	137,693	5,004	269,565	0.0
FY 2001-02 Total Appropriation:						
	\$29,164,002	\$89,849,156	\$35,251,502	\$14,848,563	\$169,113,223	1,517.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director	4,545,622	11,513,604	6,377,457	1,551,947	23,988,630	60.6
Minerals and Geology	368,464	2,663,067	471,354	2,478,477	5,981,362	67.7
Geological Survey	0	2,350,851	1,086,087	553,980	3,990,918	37.0
Oil and Gas	0	2,572,430	400,000	112,612	3,085,042	35.0
State Land Board	0	1,443,619	1,368,619	0	2,812,238	33.0
Parks	6,476,598	13,728,790	4,162,734	582,239	24,950,361	250.3
Water Conservation	1,264,492	635,850	11,651,401	230,768	13,782,511	36.5
Water Resources	16,508,826	620,195	766,459	13,215	17,908,695	244.7
Wildlife	0	54,320,750	8,967,391	9,325,325	72,613,466	752.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	29,164,002	89,849,156	25,206,584	14,848,563	159,068,305	1,517.2
SB 01-157	0	0	9,969,131	0	9,969,131	0.0

	GF	CF	CFE	FF	Total	FTE
HB 01-1354	0	0	75,787	0	75,787	0.1
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$71,400	\$6,570,287	\$1,690,593	\$785,041	\$9,117,321	42.9
Percentage Change	0.2%	7.9%	5.0%	5.6%	5.7%	2.9%

Detail of Appropriation by Administrative Section

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, information technology services, and the Youth in Natural Resources Program. Approximately 75 percent of funding includes both cash funds and cash funds exempt collected from various divisions, either in direct support of specific activities or for direct and indirect cost recoveries.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$4,566,357	\$9,280,258	\$5,375,964	\$1,383,600	\$20,606,179	60.6
HB 00-1215	118,171	129,157	22,244	26,349	295,921	0.0
HB 00-1458	(473)	0	(16,100)	0	(16,573)	0.0
HB 00-1460	(96,127)	0	0	0	(96,127)	0.0
SB 01-191	<u>(7,878)</u>	<u>(114,667)</u>	<u>128,656</u>	<u>0</u>	<u>6,111</u>	<u>0.0</u>
TOTAL	\$4,580,050	\$9,294,748	\$5,510,764	\$1,409,949	\$20,795,511	60.6
FY 2001-02 Appropriation:						
SB 01-212	\$4,545,622	\$11,513,604	\$6,357,923	\$1,551,947	\$23,969,096	60.6
HB 01-1354	<u>0</u>	<u>0</u>	<u>19,534</u>	<u>0</u>	<u>19,534</u>	<u>0.0</u>
TOTAL	\$4,545,622	11,513,604	6,377,457	1,551,947	23,988,630	60.6

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$34,428)	\$2,218,856	\$866,693	\$141,998	\$3,193,119	0.0
Percentage Change	-0.8%	23.9%	15.7%	10.1%	15.4%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Administration and Policy	10.0	10.0
Budgeting	2.0	2.0
Human Resources	10.0	10.0
Accounting	21.6	21.6
Information Technology Services	15.0	15.0
Youth In Natural Resources	<u>2.0</u>	<u>2.0</u>
	60.6	60.6

General Fund Changes: The General Fund and cash funds changes partially reflect the distribution of funding for the Division of Parks and Outdoor Recreation's share of centrally appropriated line items. The \$1.2 million cash funds provided for 40.3 FTE in Established State Parks increased the Division's share of central appropriations in the Executive Director's Office supported with cash funds, and decreased the need for General Fund for these items. This General Fund decrease is offset somewhat by overall increases in central appropriations.

Cash Funds and Cash Funds Exempt Changes: A total of \$907,000 for imaging projects largely contributes to the increases to both cash funds and cash funds exempt: \$618,000 cash funds from the Operational Account of the Severance Tax Trust Fund, \$212,000 cash funds exempt from reserves in the Water Conservation Board Construction Fund, and \$76,000 from reserves in the Groundwater Management Cash Fund support imaging projects in the Division of Water Resources, the Division of Minerals and Geology, and the Oil and Gas Conservation Commission. Additionally, H.B. 01-1354 appropriates \$20,000 cash funds exempt for legal services associated with a water banking pilot program.

Other Major Changes Across Funding Sources: Other major changes across all funding sources include the following increases: (1) \$1.5 million for centrally appropriated salary survey, anniversary, and shift differential moneys which will be awarded in FY 2001-02; (2) \$290,000 for health, life, and dental insurance costs; (3) \$360,000 personal services costs for contract personnel and position reclassifications associated with restructuring the Information Technology Services Division; (4) \$193,000 for salary survey and anniversary increases awarded in FY 2000-01; and (5) \$131,000 for the annualization of new leased vehicles purchased in FY 2000-01 and replacement vehicles to be purchased in FY 2001-02.

These increases are partially offset by the following decreases: (1) \$198,000 for workers compensation payments; (2) \$99,000 for Information Technology Asset Maintenance to reflect savings anticipated to be achieved with a restructuring of the Information Technology Services division; and (3) \$61,000 for application of a 1.5 percent reduction to the personal services base appropriation.

Minerals and Geology

This division includes the following four 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. This includes the requirement that lands impacted by coal operations are reclaimed in such a manner that the land may be beneficially used after the mining is completed. To meet this charge, it is estimated that the program will analyze over 200 coal mining permits and perform over 600 site inspections in FY 2001-02. Cash funding for this program is from the Operational Account of the Severance Tax Trust Fund.

Inactive Mines - This program safeguards mine openings, inspects and monitors mine sites, and reclaims abandoned mines. Annually, this program safeguards about 300 mine openings. Cash funding for this program is from the Operational Account of the Severance Tax Trust Fund.

Minerals - This program issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands. In this regard, the program permits and inspects the roughly 1,777 non-coal mines in Colorado. The Minerals program also regulates approximately 415 active prospecting operations. Annually, the program must address roughly 450 permitting decisions and perform 700 site inspections. Cash Funds are from the Operational Account of the Severance Tax Trust Fund and from permit fees. Cash Funds Exempt come from spending reserves in the Mined Land Reclamation Fund.

Mine Safety Training - This program regulates active mines for safety, inspects tourist mines, perform safety audits, administer certification programs for mining employees, provide training in mine rescue/safety, and regulate underground diesel equipment and mining explosives. Cash funds are from fees for certification of electricians, foremen, and other underground mining professionals, as well as from the Operational Account of the Severance Tax Trust Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,280,928	\$1,385,578	\$475,567	\$2,584,611	\$5,726,684	68.7
HB 00-1458	(4,523)	(4,775)	0	(8,557)	(17,855)	0.0
SB 01-191	<u>2,225</u>	<u>1,499</u>	<u>0</u>	<u>4,815</u>	<u>8,539</u>	<u>0.0</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$1,278,630	\$1,382,302	\$475,567	\$2,580,869	\$5,717,368	68.7
FY 2001-02 Appropriation:						
SB 01-212	\$368,464	\$2,663,067	\$471,354	\$2,478,477	\$5,981,362	67.7
TOTAL	\$368,464	\$2,663,067	\$471,354	\$2,478,477	\$5,981,362	67.7
Change FY 01 - FY 02						
	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$910,166)	\$1,280,765	(\$4,213)	(\$102,392)	\$263,994	(1.0)
Percentage Change	-71.2%	92.7%	-0.9%	-4.0%	4.6%	-1.5%

FTE Detail	FY 2000-01	FY 2001-02
Coal Reclamation	25.0	24.0
Inactive Mines	13.8	13.8
Minerals	23.9	23.9
Mine Safety Training	<u>6.0</u>	<u>6.0</u>
	68.7	67.7

FTE Changes: The decrease of 1.0 FTE reflects the elimination of a position in the Coal Program which has been vacant for several years due to shortfalls in federal monies received from the U.S. Office of Surface Mining.

General Fund Changes: The General Fund appropriation includes the refinancing of \$910,000 of General Fund with monies from the Operational Account of the Severance Tax Trust Fund. This change in funding methodology reflects the belief that programs which regulate mining are more equitably funded with severance taxes.

Cash Funds Changes: The cash funds appropriation includes an increase of \$910,000 cash funds from the Operation Account of the Severance Tax Trust Fund used to refinance General Fund costs of the Division. The appropriation also includes: (1) an increase of \$125,000 to perform mine site reclamation; (2) an increase of \$123,000 to offset declining federal funds received by the Coal Land Reclamation and the Mine Safety Training programs; (3) an increase of \$123,000 for salary survey and anniversary increases awarded in FY 2000-01 and for other miscellaneous personal service changes.

Federal Funds Changes: The appropriation reflects a decline of \$123,000 in federal funding for the Coal Land Reclamation and the Mine Safety Training programs. These decreases were partially

offset by an increase of \$20,000 federal funds for safeguarding of abandoned mines by the Inactive Mines program.

Geological Survey

This division includes the following three programs:

Environmental and Geological Hazards - This program is designed to lessen the impact of, and increase the awareness and understanding of, geological hazards in Colorado. This program includes three main activities: (1) providing technical assistance on geological hazards; (2) acquiring data to better understand geological conditions and hazards, and; (3) performing mandatory geological land use reviews of subdivisions and school sites, as well as other non-mandatory reviews performed upon request for local governments and state agencies. In FY 2001-02, the Survey anticipates performing 400 geological reviews of subdivisions and 35 school site reviews. Cash funds for this program are from the Operational Account of the Severance Tax Trust Fund and from fees for geological services. Cash funds exempt reflect moneys earned for performing geological work for other state agencies, including moneys from the Colorado Department of Transportation for rockfall mitigation work along state highways.

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. This program also includes the geological mapping subprogram, which provides useful information on the basic geological structures and formations in mapped areas. The Survey anticipates mapping 7 quadrangles in FY 2001-02 as well as assessing 1.4 million acres of State Land Board property.

Colorado Avalanche Information Center - This program provides avalanche forecasting services and education to back country recreation users, industry, and travelers. In addition to operating a hotline and sending avalanche forecasts via e-mail, the Center anticipates conducting 70 avalanche safety classes which will be attended by an estimated 3,200 people. The cash funds for this program are from the Operational Account of the Severance Tax Trust Fund as well as from training and publication fees. Cash funds exempt funding includes: (1) the transfer of money from the Colorado Department of Transportation to provide assistance in monitoring and mitigating avalanche dangers along State Highways, and; (2) donations from recreational user groups and other individuals/groups.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$563,957	\$1,631,586	\$1,070,183	\$547,601	\$3,813,327	37.0
HB 00-1458	(2,209)	(3,341)	(3,242)	(1,824)	(10,616)	0.0
SB 01-191	<u>692</u>	<u>2,912</u>	<u>0</u>	<u>0</u>	<u>3,604</u>	<u>0.0</u>
TOTAL	\$562,440	\$1,631,157	\$1,066,941	\$545,777	\$3,806,315	37.0

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$2,350,851	\$1,086,087	\$553,980	\$3,990,918	37.0
TOTAL	\$0	\$2,350,851	\$1,086,087	\$553,980	\$3,990,918	37.0
Change FY 01 - FY 02						
Increase/(Decrease)	(\$562,440)	\$719,694	\$19,146	\$8,203	\$184,603	0.0
Percentage Change	-100.0%	44.1%	1.8%	1.5%	4.9%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Environmental Geology and Geological Hazards	18.2	18.2
Mineral Resources and Mapping	11.5	11.5
Colorado Avalanche Information Center	<u>7.3</u>	<u>7.3</u>
	37.0	37.0

General Fund Changes: The overall reduction in General Fund reflects the refinancing of \$562,000 of General Fund with monies from the Operational Account of the Severance Tax Trust Fund. The appropriation reflects the belief that geological programs, including the production of geological reports which promote and assist in the discovery and development of mineral resources, are more equitably funded with severance taxes.

Cash Funds Changes: The increase in cash funds includes an additional \$562,000 from the Operation Account of the Severance Tax Trust Fund which were used to refinance costs of the Division. The appropriation also includes an increase of \$95,000 cash funds to develop a CD-ROM to promote oil and gas development in the Paradox Basin. Finally, the appropriation includes roughly \$63,000 in salary survey, anniversary, and operating increases awarded in FY 2000-01.

Oil and Gas Conservation Commission

The Commission is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources in a responsible fashion. To achieve these goals, the Commission promulgates regulations governing oil and gas development, issues permits, enforces laws and regulations, maintains a financial surety program to ensure proper reclamation of well sites, and provides information to the public and industry pertaining to oil and gas production. The Commission also has the authority to regulate oil and gas operations so as to protect public health, prevent significant adverse environmental impacts, prevent waste, and protect correlative rights. 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. Due to increasing oil and gas prices, the Commission anticipates that there will be roughly 24,000 active oil and gas wells operating in Colorado in FY 2001-02. The number of active wells directly drives the Commission workload. In FY 2001-02, the Commission anticipates responding to 2,360 well permit requests and performing 5,300 field inspections. Cash funds are provided by a mix of severance tax revenues and a mill levy on the value of oil and gas production. Cash funds exempt are from reserves in the Environmental Response Fund created pursuant to Section 34-60-122 (1), C.R.S. Federal funds are from the U.S. Environmental Protection Agency for regulating the underground injection of oil and gas production wastes, as well as the injection of liquids underground to enhance fuel recovery.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$3,326,145	\$0	\$112,064	\$3,438,209	35.0
HB 00-1458	0	(9,171)	0	0	(9,171)	0.0
SB 00-16	0	16,492	0	0	16,492	0.0
SB 01-191	<u>0</u>	<u>4,929</u>	<u>0</u>	<u>0</u>	<u>4,929</u>	<u>0.0</u>
TOTAL	\$0	\$3,338,395	\$0	\$112,064	\$3,450,459	35.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$2,572,430</u>	<u>\$400,000</u>	<u>\$112,612</u>	<u>\$3,085,042</u>	<u>35.0</u>
TOTAL	\$0	\$2,572,430	\$400,000	\$112,612	\$3,085,042	35.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	(\$765,965)	\$400,000	\$548	(\$365,417)	0.0
Percentage Change	N/A	-22.9%	N/A	0.5%	-10.6%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Oil and Gas Conservation Commission (State funded)	33.0	33.0
Underground Injection Control Program (federally funded)	<u>2.0</u>	<u>2.0</u>
	35.0	35.0

Cash Funds Changes: The cash fund appropriations includes a net \$766,000 decrease, reflecting: (1) the discontinuation of a \$242,000 project to convert an estimated 67,000 historical oil and gas

well logs into digital images to make such data accessible electronically; (2) the discontinuation of a \$235,000 project to study the environmental and geological conditions in the Raton Basin in Las Animas and Huerfano Counties prior to coal bed methane development; and (3) a decrease of \$400,000 cash funds for plugging and reclaiming abandoned wells, as well as performing other environmental projects. This last decrease reflects the refinancing of environmental projects and the reclaiming abandoned wells, which will now be funded from cash funds exempt reserves in the Oil and Gas Environmental Response Fund. The decreases listed above are partially offset by a net increase of \$111,000 for salary survey and anniversary increases awarded in FY 2000-01 and for other miscellaneous changes.

Cash Funds Exempt Changes: The cash funds exempt appropriation reflects an increase of \$400,000 in funding from the Oil and Gas Environmental Response Fund. This increase is for plugging and reclaiming abandoned wells, as well as performing other environmental projects.

State Board of Land Commissioners

The 5-member volunteer Board is responsible for managing 3 million surface acres and 4 million mineral acres of state lands for the benefit of eight trusts, as well as managing 300,000 acres for a Stewardship Trust designed to preserve the long-term value of designated lands. Appropriations to this division support daily management of state lands carried out by the Director and staff in the six district offices throughout the state, and minerals, real estate, finance, and operations sections. Funding includes cash funds and cash funds exempt, and reflects the approximate mix of revenue earned. Cash funds sources include leases, timber production, and interest, while cash fund exempt sources include land sales and mineral royalties and bonuses.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$1,623,781	\$1,548,780	\$0	\$3,172,561	33.0
HB 00-1458	0	(4,053)	(4,052)	0	(8,105)	0.0
SB 01-191	<u>0</u>	<u>1,539</u>	<u>1,539</u>	<u>0</u>	<u>3,078</u>	<u>0.0</u>
TOTAL	\$0	\$1,621,267	\$1,546,267	\$0	\$3,167,534	33.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$1,443,619</u>	<u>\$1,368,619</u>	<u>\$0</u>	<u>\$2,812,238</u>	<u>33.0</u>
TOTAL	\$0	\$1,443,619	\$1,368,619	\$0	\$2,812,238	33.0

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	(\$177,648)	(\$177,648)	\$0	(\$355,296)	0.0
Percentage Change	N/A	-11.0%	-11.5%	N/A	-11.2%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Director/Operations	6.0	6.0
Field Operations	12.0	12.0
Minerals Section	6.0	6.0
Real Estate Section	4.0	4.0
Financial Section	<u>5.0</u>	<u>5.0</u>
	33.0	33.0

Cash Funds and Cash Funds Exempt Changes: The decreases in both cash funds and cash funds exempt are attributable to the following decreases: (1) elimination of \$450,000 one-time funding provided in FY 2000-01; (2) \$28,000 for application of a 1.5 percent reduction to the personal services base; and (3) \$9,000 for application of a 0.5 percent reduction to the state's PERA contribution rate. These decreases are partially offset by an increase of \$112,000 for salary survey and anniversary increases awarded in FY 2000-01 and an increase of \$12,000 for indirect costs.

Parks and Outdoor Recreation

This division manages 41 established parks, six new parks, and statewide recreation programs, including the snowmobile program, off-highway vehicle program, river outfitters regulation, and the Colorado Natural Areas Program. Cash fee revenue comprises 55 percent of the total operating budget funding. The General Fund supports approximately 26 percent of the division's costs, and grants from Great Outdoors Colorado represent the bulk of cash funds exempt.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$6,342,110	\$12,125,630	\$7,211,510	\$449,958	\$26,129,208	206.5
HB 00-1458	(20,351)	(40,962)	(4,226)	0	(65,539)	0.0
SB 01-191	<u>16,952</u>	<u>28,049</u>	<u>3,808</u>	<u>0</u>	<u>48,809</u>	<u>0.0</u>
TOTAL	\$6,338,711	\$12,112,717	\$7,211,092	\$449,958	\$26,112,478	206.5
FY 2001-02 Appropriation:						
SB 01-212	<u>\$6,476,598</u>	<u>\$13,728,790</u>	<u>\$4,162,734</u>	<u>\$582,239</u>	<u>\$24,950,361</u>	<u>250.3</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$6,476,598	\$13,728,790	\$4,162,734	\$582,239	\$24,950,361	250.3
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$137,887	\$1,616,073	(\$3,048,358)	\$132,281	(\$1,162,117)	43.8
Percentage Change	2.2%	13.3%	-42.3%	29.4%	-4.5%	21.2%

FTE Detail	FY 2000-01	FY 2001-02
Director, Deputy Director	3.0	3.0
Administration	10.0	13.0
Field Services	12.0	12.0
Statewide Programs	12.0	12.0
Established Parks Field Staff	162.5	199.8
New Parks Field Staff	<u>7.0</u>	<u>10.5</u>
	206.5	250.3

FTE Changes: An increase of 43.8 FTE includes 40.3 FTE for Established State Parks and 3.5 FTE for New State Parks. Of the 40.3 FTE in Established State Parks, 37.3 FTE are field staff (4.0 FTE are park rangers, 15.0 FTE are resource technicians, 18.3 FTE are tourist assistants), and 3.0 FTE are administrative staff (1.0 FTE tourist assistant, 1.0 FTE accounting technician, and 1.0 FTE IT professional). The 3.5 FTE in New State Parks are for Brush Creek State Park, and include 1.5 FTE park managers, 1.0 FTE resource technician, and 1.0 FTE tourist assistant.

General Fund and Cash Funds Changes: The General Fund appropriation to the Division is largely determined by backfilling the unmet need between total appropriation and the amount of available cash funds. Thus, changes to these funding sources are intertwined and are considered together. An increase of \$1.3 million cash funds for personal services and operating expenses associated with 40.3 FTE in Established State Parks largely drives the cash funds increase. Other increases include the following: (1) \$540,000 for salary survey and anniversary increases awarded in FY 2000-01; (2) \$209,000 for utilities increases at all parks; and (3) \$175,000 for personal services and operating expenses associated with 3.5 FTE in New State Parks. These increases are partially offset by the following decreases: (1) \$167,000 for application of a 1.5 percent reduction to the personal services base; (2) \$66,000 for application of a 0.5 percent reduction in the state's PERA contribution rate; and (3) \$50,000 for a shift of approximately 20.0 seasonal positions in support of the increased FTE.

Cash Funds Exempt Changes: The cash funds exempt decrease reflects a shift of \$4.6 million to the capital budget, to accurately reflect the use of the grant funding, partially offset by \$1.5 million

increased grants from the Great Outdoors Colorado Board and \$275,000 from reserves in the Parks and Outdoor Recreation Cash Fund.

Federal Funds Changes: The net increase in federal funds is largely attributable to an increase of \$236,900 anticipated to be received from the U.S. Coast Guard for boat safety. This increase is partially offset by a decrease of \$103,000 from the U.S. Department of Transportation for the state trails system. This \$103,000 was transferred from the operating budget to the capital construction budget to more accurately reflect the capital uses of the grant funding.

Water Conservation Board

Under the guidance of the Board, this division is responsible for protecting, conserving, and developing the state's water resources to realize the greatest utilization for present and future water users, and to minimize the risk of flood damage and associated economic loss. The division is divided into two main functional areas: administration and special purpose programs. Since FY 1994-95, funding for the administration section has been supported by 50 percent General Fund and 50 percent cash funds exempt from reserves in the Water Conservation Board Construction Fund. Special purpose programs are generally supported by specific cash funds or cash funds exempt sources mandated or authorized in statute, and/or federal funds.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,396,424	\$592,100	\$2,070,486	\$224,921	\$4,283,931	36.5
HB 00-1419	0	0	6,473,000	0	6,473,000	0.0
HB 00-1458	(5,322)	0	(6,326)	(449)	(12,097)	0.0
SB 01-191	<u>730</u>	<u>0</u>	<u>730</u>	<u>189</u>	<u>1,649</u>	<u>0.0</u>
TOTAL	\$1,391,832	\$592,100	\$8,537,890	\$224,661	\$10,746,483	36.5
FY 2001-02 Appropriation:						
SB 01-212	\$1,264,492	\$635,850	\$2,080,270	\$230,768	\$4,211,380	36.5
SB 01-157	<u>0</u>	<u>0</u>	<u>9,571,131</u>	<u>0</u>	<u>9,571,131</u>	<u>0.0</u>
TOTAL	\$1,264,492	\$635,850	\$11,651,401	\$230,768	\$13,782,511	36.5
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$127,340)	\$43,750	\$3,113,511	\$6,107	\$3,036,028	0.0
Percentage Change	-9.1%	7.4%	36.5%	2.7%	28.3%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Director, Deputy	2.0	2.0
Administration	5.8	5.8
Water Supply Protection	5.9	5.9
Water Supply Planning and Finance	8.1	8.1
Flood Protection	4.1	4.1
Stream and Lake Protection	7.0	7.0
Water Information	<u>3.6</u>	<u>3.6</u>
	36.5	36.5

General Fund Changes: The recommended General Fund decrease is attributable to the following decreases: (1) a \$58,000 decrease in the General Fund 50 percent cost-share of the administrative expenses of the division; (2) refinancing \$44,000 General Fund with cash funds from the Operational Account of the Severance Tax Trust Fund; (3) a decrease of \$19,000 for application of a 1.5 percent personal services base reduction; and (4) a decrease of \$6,000 for application of a 0.5 percent reduction to the state's PERA contribution rate.

Cash Funds Changes: The cash funds increase reflects a refinancing of General Fund with cash funds from the Operational Account of the Severance Tax Trust Fund.

Cash Funds Exempt Changes: The cash funds exempt increase is largely attributable to: (1) \$9.6 million appropriated in S.B. 01-157 for water projects; and (2) \$74,000 for salary survey and anniversary increases awarded in FY 2000-01. These increases are partially offset by the following decreases: (1) elimination of \$6.4 million awarded in FY 2000-01 in H.B. 00-1419; (2) a reduction of \$150,000 for the Platte River Basin Cooperative Agreement; and (3) a reduction of \$24,000 for application of a 1.5 percent personal services base reduction.

Federal Funds Changes: The increased federal funds reflects \$2,500 additional funds anticipated to be received and an additional \$3,600 indirect cost assessment.

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 allocation within the state and downstream interstate compact compliance, monitoring of water supply through streamflow measurements, and groundwater regulation. The division is also responsible for ensuring public safety through regulating dam safety and groundwater well construction. Finally, the office collects, preserves, and provides current and historic water records and information. The General Fund provides approximately 92 percent of funding for the division, although various statutorily-defined cash funds support specific

programs and activities. Additionally, the Water Conservation Board Construction Fund provides the bulk of cash funds exempt.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$14,969,597	\$601,204	\$217,725	\$10,614	\$15,799,140	244.6
HB 1419	0	0	120,000	0	120,000	0.0
HB 1458	(62,629)	(1,061)	(127)	0	(63,817)	0.0
SB 01-191	<u>33,971</u>	<u>1,006</u>	<u>2,960</u>	<u>0</u>	<u>37,937</u>	<u>0.0</u>
TOTAL	\$14,940,939	\$601,149	\$340,558	\$10,614	\$15,893,260	244.6
FY 2001-02 Appropriation:						
SB 01-212	\$16,508,826	\$620,195	\$312,206	\$13,215	\$17,454,442	244.6
SB 01-157	0	0	398,000	0	398,000	0.0
HB 01-1354	<u>0</u>	<u>0</u>	<u>56,253</u>	<u>0</u>	<u>56,253</u>	<u>0.1</u>
TOTAL	\$16,508,826	\$620,195	\$766,459	\$13,215	\$17,908,695	244.7
Change FY 01 - FY 02						
Increase/(Decrease)	\$1,567,887	\$19,046	\$425,901	\$2,601	\$2,015,435	0.1
Percentage Change	10.5%	3.2%	125.1%	24.5%	12.7%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
State Engineer, Deputy, Assistants	3.0	3.0
Administration	21.0	21.0
Water Division Staff	165.3	165.3
Engineering Technology, Investigations	23.0	23.0
Water Supply, Interstate Compacts, Ground Water	<u>32.3</u>	<u>32.4</u>
	244.6	244.7

FTE Changes: House Bill 01-1354, Water Banking, appropriates 0.1 FTE for the State Engineer to promulgate rules. Additionally, a net-zero change in the number of authorized FTE includes an increase of 3.0 FTE, offset by elimination of 3.0 FTE historically not used in the Groundwater Management program. The new FTE include 1.0 FTE professional engineer for water administration

in the Clear Creek Basin and 1.0 FTE database administrator and 1.0 FTE hydrographer for the Water Decision Support Systems line item.

General Fund Changes: The General Fund increase includes: (1) \$756,000 for salary survey and anniversary increases awarded in FY 2000-01; (2) \$750,000 for the Republican River litigation and Sportsman's Ranch litigation; (3) \$206,000 for the Arkansas River litigation; and (4) \$145,000 for 3.0 new FTE. These increases are partially offset by the following decreases: (1) \$216,000 for application of a 1.5 percent reduction in the personal services base; (2) \$65,000 for application of a 0.5 percent reduction to the state's PERA contribution rate; and (3) a reduction of \$8,000 for retirement payouts.

Cash Funds Changes: The increase in cash funds includes \$16,000 for salary survey and anniversary increases awarded in FY 2000-01 and \$8,000 for increased indirect costs. These increases are partially offset by a decrease of \$8,000 for a 1.5 percent reduction in the personal services base.

Cash Funds Exempt Changes: The cash funds exempt increase reflects (1) \$398,000 appropriated in S.B. 01-157 for satellite monitoring; (2) \$56,200 appropriated in H.B. 01-1354 for a water banking pilot project; and (3) an increase of \$91,300 for 2.0 FTE added for ongoing operations and maintenance for the Rio Grande River Decision Support System. These increases are partially offset by elimination of \$120,000 provided for FY 2000-01 in H.B. 00-1419.

Federal Funds Changes: The increase in federal funds reflects \$1,800 additional funds anticipated to be received from the United States Bureau of Reclamation, and \$800 for increased indirect costs.

Division of Wildlife

This section contains appropriations for thirteen major programs, including the following:

Wildlife Habitat - This program supports habitat for the more than 900 game and non-game species in Colorado. Activities include operation and maintenance of roughly 256 State Wildlife Areas, identification of high priority wildlife habitat, conservation of high priority habitat, maintenance of instream flow, improvement of wildlife habitat (including water quality), improvement of habitat through cooperative projects on public and private lands, and providing comments to local, state, and federal agencies regarding the impact to wildlife of certain land use and permitting decisions.

Wildlife Species - This program preserves, protects, and enhances the viability of all Colorado wildlife species. This program includes: efforts to inventory wildlife species and determine their population status; projects to assess, restore, and acquire species habitat; studies to better understand species' life needs; and projects to transplant / re-introduce species to bolster population levels. For species with dangerously low population levels, the program develops and implements management plans with the intent of ensuring these species maintain viable population levels and do not become candidates for listing under the federal Endangered Species Act.

Hunting Recreation - This program funds the management of game species and their habitat, which includes habitat modification and improvement, predator control, herd inventory, development of herd objectives, and monitoring of harvest levels. This program also involves providing access to hunting on both public and private lands, managing the conflicts between big game and agricultural interests through the Habitat Partnership Program, compensating landowners for game related damage, and providing hunting information.

Fishing Recreation - This program seeks to provide fishing opportunities by expanding access to fishing waters, monitoring catch levels, studying and strategically managing fish populations, producing and stocking certain fish species, researching Whirling Disease and other fish health topics, and to protecting water habitats.

Watchable Wildlife - This program provides wildlife viewing opportunities through the development, construction, and maintenance of watchable wildlife viewing facilities at state wildlife areas, at state parks, and on other public and private lands. This program also provides viewing guides, brochures, videos, and workshops aimed at educating the public regarding wildlife viewing.

Law Enforcement - This program seeks to enforce regulations pertaining to hunting and fishing to ensure public safety. Activities under this program include maintaining a field presence to deter illegal activity and inspect licenses, checking bag and possession limits, responding to complaints of illegal activities, investigating hunting accidents, and conducting special law enforcement activities.

Licensing - This program handles the licensing of hunters and anglers in Colorado, including managing "limited" licensing draws where a random drawing is used to allocate a fixed number of licenses. This program includes working with private sales agents who sell licenses, as well as maintaining data about license holders in the Division's Colorado Outdoor Recreation Information System (CORIS) database.

Wildlife Education - This program is designed to provide public outreach and education to the citizens of Colorado on wildlife protection and recreation issues. Activities include providing the public with information on how to live in harmony with wildlife and how to enjoy wildlife recreation, as well as providing basic ecological and scientific information to interested members of the public.

Wildlife Information - This program is responsible for providing information about wildlife related recreation to the public. This information includes explanations of applicable statutes and regulations, how to apply for limited licenses, and how to enjoy wildlife related recreation safely. Information is provided through brochures, radio programs, videos, maps, magazines, the Internet, and newsletters.

Customer Service - This program maintains 16 customer service centers through the State, as well as managing a telephone call center in the Denver headquarters office. These centers respond to customer inquiries, respond to calls about nuisance wildlife, and sell licenses and other Division products to the public.

Public Policy - This program is designed to analyze public satisfaction with wildlife resource management by the Division and develop a policymaking process which includes the public. Activities under this program include establishing wildlife regulations, surveying public opinion, holding public meetings, and analyzing wildlife related policy issues

Human Resources - This program is responsible for the hiring of new Division staff, evaluating and providing staff training, overseeing basic training for new law enforcement officers, developing a diverse workforce, and working with Colorado colleges and universities to offer scholarships, internships, mentoring, volunteer experiences, and summer jobs to students.

Internal Systems - This program provides computer and professional support for all Division programs and activities. Support functions include: (1) accounting (2) supporting Division computer users, databases, telecommunications equipment, and website; (3) preparing contracts and legal documents; (4) applying for and monitoring grant expenditures; (4) procuring goods and services; (5) maintaining Division facilities, equipment, and vehicles; (6) maintaining dams on Division properties; (7) providing Division planning, budgeting and evaluation; (8) providing administrative office support of the Division; (9) providing engineering/design support for proposed construction projects, and; (10) managing construction projects.

Cash funds in the Division are from hunting and fishing license revenue deposited into the Wildlife Cash Fund. Additional cash funds are generated from the sale of Colorado Outdoor magazine and the sale of duck stamps. Cash funds exempt funding reflects both GOCO Board grant awards as well as voluntary nongame wildlife income tax checkoff contributions. Federal funding is predominantly from the federal Aid in Wildlife Restoration ("Pittman-Robertson") funds and from Sportfish Restoration Act ("Dingell-Johnson") funds.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$52,469,210	\$8,873,087	\$8,754,587	\$70,096,884	752.5
HB 00-1071	0	49,520	0	0	49,520	0.0
H.B. 00-1255	0	17,600	0	0	17,600	0.0
H.B. 00-1458	0	(136,205)	(1,257)	(24,957)	(162,419)	0.0
H.B 00-1483	0	150,000	0	0	150,000	0.0
SB 01-191	0	154,909	0	0	154,909	0.0
TOTAL	\$0	\$52,705,034	\$8,871,830	\$8,729,630	\$70,306,494	752.5
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$54,320,750	\$8,967,391	\$9,325,325	\$72,613,466	752.5

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$0	\$54,320,750	\$8,967,391	\$9,325,325	\$72,613,466	752.5
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$1,615,716	\$95,561	\$595,695	\$2,306,972	0.0
Percentage Change	N/A	3.1%	1.1%	6.8%	3.3%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Wildlife Habitat	137.5	134.2
Wildlife Species	59.5	59.5
Hunting Recreation	66.9	65.9
Fishing Recreation	125.8	122.1
Watchable Wildlife	5.1	5.1
Law Enforcement	42.7	46.5
Licensing	19.3	19.3
Wildlife Education	37.3	37.2
Wildlife Information	21.3	19.6
Customer Service	71.1	74.4
Public Policy	13.9	13.9
Human Resources	47.4	56.3
Internal Systems	<u>104.7</u>	<u>98.5</u>
	752.5	752.5

FTE Changes: While the appropriation to the Division of Wildlife does not include a net change in FTE, it does include the elimination of positions which are currently vacant and the reallocation of those resources to create 17.0 new field positions. The new positions will be spread across the State and will perform a variety of functions according to the needs of the local region. In general, the new field staff will be performing functions such as law enforcement, responding to nuisance wildlife, managing Division properties, processing game damage claims, providing wildlife education to school children, assisting hunters and anglers, performing habitat improvement projects, and participating in local partnerships such as the Habitat Partnership Program.

Cash Funds Changes: The cash funds appropriation includes: (1) a net increase of \$694,000 for personal services and operating increases awarded in FY 2000-01; (2) an increase of \$322,000 in the

indirect cost assessment charged to the Division; (3) an increase of \$300,000 to increase the purchase of whirling disease negative trout from private hatcheries, offsetting the decreased production of whirling disease negative trout by Division fish hatcheries; and (4) an increase of \$300,000 for a "walk-in" pheasant hunting program that will lease an estimated 100,000 acres of private land to provide hunting access.

While not showing as a net increase in resources, the appropriation also provides the Division with \$642,000 cash funds to implement a new computerized system for issuing hunting and fishing licenses. By reprioritizing existing resources, the appropriation provides funding for: (1) a contractor to manage the new licensing system project; (2) acquisition of interactive voice response equipment so that license applicants and sales agents could get automated information about their licensing accounts; and (3) for computer programming to interface the Division of Wildlife's customer database with licensing terminals located at stores where licenses are sold. Similarly, the appropriation reprioritizes existing resources to provide \$275,000 cash funds to conduct additional big game inventories, to experiment with different methods of inventory, to research chronic wasting disease, and to perform other research related to big game management.

Cash Funds Exempt Changes: The cash funds exempt appropriation reflects a \$110,000 increase in funding anticipated from Great Outdoors Colorado (GOCO). This increase is somewhat offset by a projected decline of \$13,000 from nongame voluntary income tax checkoff donations.

Federal Funds Changes: The federal funds appropriation includes: (1) an increase of \$282,000 to manage properties given to the Division by the federal government, including the Russell Lakes Property, Horsethief State Wildlife Area, Lone Dome State Wildlife Area, and the Square S State Wildlife Area; (2) an increase of \$177,000 from various federal grants to help offset the cost of various Division programs; (3) an increase of \$100,000 from the Bureau of Reclamation for implementation of endangered fish recovery plans on the Colorado River; (4) an increase of \$30,000 from the U.S. Fish and Wildlife Service to conduct a deer management study on the Rocky Mountain Arsenal; and, (5) an increase of \$12,000 from the U.S. Forest Services for greenback trout recovery work in the Pike and San Isabel National Forests.

Recent Legislation

2000 Session Bills

H.B. 00-1065: Revises statutory provisions regarding the state severance tax on oil and gas, including: (1) increasing the exemption for oil wells from 10 barrels or less per day of crude oil to 15 barrels or less per day; (2) creates an exemption for gas produced from wells that produce 90,000 cubic feet or less of gas per day; and (3) reduces the amount of gross income a producer must withhold from the amount owed to persons with a working or royalty interest in an oil and gas well

from two percent to one percent. These statutory revisions are estimated to reduce severance tax revenues by about \$460,000 per year

H.B. 00-1071: Authorizes the Division of Wildlife to purchase two parcels of property in Larimer County, including a parcel commonly known as Circle Ranch. Appropriates \$6,670,000 cash funds from the Wildlife Cash Fund to the Division for such acquisitions. Appropriates an additional \$49,520 cash funds, from the Wildlife Cash Fund, to the Division for property development and operating costs.

H.B. 00-1215: Increases the state contribution for state employee health benefits.

H.B. 00-1255: Authorizes the Division of Wildlife to issue up to four male or female deer, elk, and antelope hunting licenses each year through a competitive auction or raffle. Allows certain nonprofit organizations to conduct the auction or raffle and retain up to eighty percent of the proceeds for the benefit of deer, elk, or antelope research; for habitat development; or for educational purposes. Appropriates \$17,600 cash funds to the Division of Wildlife to expend anticipated revenues from auctions/raffles for research, habitat development, and education purposes.

H.B. 00-1261: Eliminates the requirement that separate legislation be passed to effectuate various fee increases set by the Parks Board. Authorizes the Parks Board to increase any fee by the allowable TABOR increase, compounded annually since FY 1997-98.

H.B. 00-1417: Increases certain permit fees paid by mining operations in the State of Colorado and credited to the Mined Land Reclamation Cash Fund. The bill is estimated to generate \$194,709 cash funds annually, which will be used to help fund the Minerals Program in the Department of Natural Resources' Division of Minerals and Geology.

H.B. 00-1419: Authorizes new loans for six projects totaling \$3.1 million, and increases to prior water project loan authorizations for one project totaling \$10.0 million, from the Severance Tax Trust Fund Perpetual Base Account. Authorizes increases to prior water project loan authorizations for four projects totaling \$7.5 million, and decreases to prior water project loan authorizations for four projects totaling \$1.5 million, from the Colorado Water Conservation Board Construction Fund (Construction Fund).

Appropriates \$0.7 million cash funds exempt from the Construction Fund to the Colorado Water Conservation Board for seven specific projects. Appropriates \$0.9 million cash funds exempt from the Construction Fund to the Water Conservation Board for allocation to other entities for six water projects. Transfers \$1.5 million from the Construction Fund to the emergency infrastructure repair loan account, and appropriates \$5.0 million from the Construction Fund to the Colorado river recovery program loan account. Creates the Severance Tax Trust Fund statewide water planning account within the Construction Fund. For additional information on the projects funded by the bill,

please refer to the Department of Natural Resources section of the FY 2000-01 Appropriations Report.

H.B. 00-1429: Transfers \$5.0 million from the operational account of the Severance Tax Trust Fund to the Species Conservation Trust Fund (created by H.B. 98-1006).

H.B. 00-1448: Authorizes the Division of Wildlife to increase fees for non-resident hunting licenses and requires those fees to be annually adjusted according to changes in the Denver-Boulder consumer price index. Requires the Joint Budget Committee be notified of the adjustment in order for the adjustment to be effective. The bill is estimated to generate an additional \$3.8 million in Wildlife Cash Fund revenues in FY 2000-01.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Reduces the state contribution for state employees' retirement (PERA) by 0.5 percent.

H.B. 00-1460: Creates the Division of Forestry and the Forestry Advisory Board in the Department of Natural Resources as Type 2 agencies. Effective July 1, 2000, transfers all employees, assets, contracts, rules, and regulations of the State Soil Conservation Board from the Department of Natural Resources to the Department of Agriculture. In this regard, the bill transfers an appropriation of \$2,286,812, including \$1,591,958 General Fund, from the Department of Natural Resources to the Department of Agriculture.

H.B. 00-1483: Requires the Division of Wildlife to develop and adopt a predator management plan by July 1, 2001. Creates a five member Predator Management Advisory Committee to assist the Division in the develop of a predator management plan. Appropriates \$150,000 cash funds, from the Wildlife Cash Fund, to the Division for development of the plan.

S.B. 00-16: Eliminates the requirement that at least one member of the Colorado Oil and Gas Conservation Commission be appointed from each congressional district in the state. Requires that two of the seven appointed members be from west of the continental divide, and that the remaining members geographically represent high levels of oil and gas activity or employment in the state. Authorizes a \$50.00 per diem for attendance at meetings, and appropriates \$16,492 for this purpose.

S.B. 00-230: Transfers \$5.0 million from the Wildlife Cash Fund to the Wildlife Habitat Account of the Wildlife for Future Generations Trust Fund. Continuously appropriates interest income on the account to the Division of Wildlife for operation and maintenance of properties, leases, and easements owned by the Division. The \$5.0 million deposited into the Wildlife Habitat Account will generate an estimated \$275,000 cash funds in interest income in FY 2000-01.

2001 Session Bills

S.B. 01-6: Creates the habitat partnership program in the Division of Wildlife to reduce wildlife conflicts. Directs local habitat partnership committees to work to reduce wildlife and land conflicts as they relate to big game forage and fence issues and other management objectives. Funds the habitat partnership cash fund by transferring moneys annually from the wildlife cash fund in an amount equal to 5% of net sales of big game licenses in the geographic area represented by each local habitat partnership committee. This will increase spending on the Habitat Partnership Program from \$1.19 million in FY 2000-01 to an estimated \$1.85 million in FY 2002-03 (an increase of \$664,000 or 56 percent). Makes appropriations to the fund continuous until the funding is repealed on July 1, 2007.

S.B. 01-54: Repeals the State's liability for damages to real and personal property by bear and mountain lions. Creates a state liability for damage to livestock caused by big game. Limits the state liability for damage to livestock at \$5,000 per head of livestock.

S.B. 01-157: Authorizes new loans for three projects totaling \$11.0 million from the Water Conservation Board Construction Fund (Construction Fund), and for three projects totaling \$2.8 million from the Severance Tax Trust Fund Perpetual Base Account. Authorizes increases to prior water project loan authorizations from the Construction Fund for one project totaling \$0.4 million, and decreases to prior water project loan authorizations for four projects totaling \$2.2 million.

Appropriates \$5.0 million from the Construction Fund to the Colorado River Recovery Program loan account. Authorizes a \$5.5 million loan from the Colorado River Recovery Program loan fund for one project.

Appropriates \$4.1 million cash funds exempt from the Construction Fund to the Colorado Water Conservation Board. Specific projects include: (a) \$175,000 for satellite monitoring; (b) \$2.0 million for design and data collection of a decision support system for the South Platte River; (c) \$0.5 million contract funds for a Lower South Platte water management and storage feasibility study; (d) \$60,000 for continuation of the consolidated water resources information center; (e) \$0.5 million for environmental studies regarding water development of Elkhead Reservoir; (f) \$350,000 contract funds for a statewide drought planning survey; (g) \$250,000 contract funds for floodplain mapping; (h) \$75,000 for continuation of the Cherry Creek reservoir flood safety investigation; (i) \$150,000 for continuation of the Alamosa River watershed restoration project; (j) \$50,000 for continuation of the Arkansas River well measurement program.

Appropriates \$0.9 million cash funds exempt from the Construction Fund to the Water Conservation Board for allocation to other entities, including: (a) \$398,000 to the Division of Water Resources for satellite monitoring system maintenance; (b) \$136,000 for the Colorado institute for irrigation management at Colorado State University to evaluate raw water delivery systems in northern Colorado; (c) \$1,500,000 to the South Platte Lower River Group for developing a managed groundwater recharge demonstration project; (d) \$100,000 to the Southeastern Colorado Water

Conservancy District Water Activity Enterprise to conduct a reconnaissance and feasibility study of the Arkansas Valley Pipeline Project; (e) \$25,000 for the City of Holyoke to complete the Frenchman Creek flood mitigation feasibility study; and (f) \$50,000 for Larimer County to complete the Dry Creek flood mitigation project feasibility study.

Transfers \$1.6 million from the Construction Fund to the emergency infrastructure repair loan account. Creates the Loan Foreclosure Fund, and transfers \$100,000 from the Construction Fund to the Foreclosure Fund. Creates the Flood Response Fund, and transfers \$150,000 from the Construction Fund to the Response Fund. Repeals the Severance Tax Trust Fund Statewide Water Planning Account.

Creates individual cash funds where various accounts within the Construction Fund have previously been established in statute.

S.B. 01-191: Supplemental appropriation to the Department of Natural Resources to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1012: Designates the division of wildlife and the wildlife commission as an enterprise for purposes of section 20 of article X of the state constitution (TABOR), so long as the commission retains the authority to issue revenue bonds and the division receives less than 10% of its total annual revenues in grants. Specifies that, for purposes of the limits of TABOR, the term "grant" does not include moneys from the great outdoors Colorado trust fund.

Clarifies that the division is authorized to continue to expend its revenues consistent with current law. Authorizes the commission to issue revenue bonds in an amount not to exceed \$10,000,000 in the aggregate for expenses of the division. Requires approval from both houses of the general assembly and the governor before the commission may issue revenue bonds. Sets the requirements for the issuance of revenue bonds.

H.B. 01-1249: Allows the Division of Wildlife to utilize out-of-state agents to sell hunting and fishing licenses. Deletes the existing requirement that agents have and use only a permanent location for license sales. Authorizes the wildlife commission to establish by rule the rate of compensation that the division's agents earn on each license sold. These statutory changes are necessary for the Division to implement the proposed new hunting and fishing license system, often referred to as the "Total Licensing Project".

H.B. 01-1354: Creates the Arkansas River Water Bank Pilot Program, authorizing the State Engineer to promulgate rules and report to the General Assembly on or before November 1, 2005 regarding proposed operation of the Bank. Appropriates \$56,253 cash funds exempt from the Water

Conservation Board Construction Fund and 0.1 FTE to the State Engineer for rule promulgation and report preparation and \$19,534 for accompanying legal services.

H.B. 01-1375: Authorizes the Board of the Great Outdoors Colorado (GOCO) trust fund to issue bonds to finance expenditures to address urgent and permanent land acquisition priorities, including the acquisition of perpetual conservation easements. Specifies that bonds may be issued only if voters approve the issuance of the bonds at the November, 2001 statewide election. Specifies that the maximum amount of debt that may be issued is \$115 million, with a maximum repayment cost of \$180 million. Specifies that earnings on the proceeds of the bonds shall constitute a voter-approved revenue change pursuant to the taxpayer's bill of rights (TABOR).

DEPARTMENT OF PERSONNEL

The Department of Personnel is responsible for administering the state personnel system, which includes approximately 27,000 classified employees, excluding the Department of Higher Education. This includes development of the annual employee compensation plan; maintenance of the classification system; maintenance of the information system for classified employees; provision of recruiting, testing, and selection services to state agencies; review of services performed by agencies with delegated personnel authority; and provision of technical services such as training, career development, affirmative action, and disability assistance. The Department also provides administration of all classified employee benefits programs, except the Public Employees Retirement Association. These benefit programs include group health, life, and dental insurance, short-term disability insurance, and deferred and defined compensation retirement plans. It also provides support to the State Personnel Board, which is responsible for ensuring conformance to the state personnel system as authorized in Article XII, Sections 13 through 15 of the Colorado Constitution.

In addition, the Department provides general support services for state agencies. These functions include: control of the State's purchasing activities; maintenance of the State's financial activities; maintenance of the State's archives and public records; maintenance of the buildings in the Capitol Complex; provision of central services to agencies in the Denver metropolitan area, including mail, printing, copying and motor pool services; maintenance of the State's telecommunications system; provision of centralized computer services; 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; and oversight of the State's liability, property, and workers' compensation insurance program.

The Department is comprised of the following divisions: (1) Executive Director's Office, (2) Human Resources Services, (3) Personnel Board, (4) Central Services, (5) Finance and Procurement, (6) Colorado Information Technology Services, and (7) Administrative Hearings.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$15,813,478	\$15,017,910	\$15,433,835	\$15,337,418
Cash Fund	7,135,660	7,545,645	10,394,687	8,645,265
Cash Funds Exempt	102,515,478	102,337,891	119,441,862	124,909,019
Federal Funds	<u>8,518</u>	<u>21,113</u>	<u>51,838</u>	<u>21,838</u>
TOTAL	\$125,473,134	\$124,922,559	\$145,322,222	\$148,913,540
Full Time Equiv. Staff	565.9	558.8	586.8	596.9

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- An increase of \$800,000 cash funds exempt for vehicle purchases statewide, which is partially offset by a reduction of \$300,000 for the Treasury loan for vehicles purchased prior to 1994;
- An increase of \$750,000 cash funds exempt spending authority for carpet and paint improvements for Capitol Complex buildings;
- An increase of \$600,000 for an increase in property premiums statewide;
- An increase of \$535,000 cash funds exempt for Capitol Complex maintenance due to a transfer of duties from the Department of Revenue;
- An increase of \$500,000 cash funds exempt for increases in imaging and microfilm projects;
- An increase of \$350,000 cash funds exempt for a new telephone switch for the Capitol Complex;
- An increase of \$220,000 cash funds exempt for renewal and upgrade of the State's Computer Center Disaster Recovery Plan;
- A reduction of \$2.1 million cash funds exempt for liability and workers' compensation premiums;
- A reduction of \$500,000 cash funds for payments to administer the Deferred Compensation Program. In FY 2001-02, the vendor responsible for administration of this program will receive transfer payments directly from the plan participants;
- An increase of \$1.7 million, including \$774,000 General Fund, for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. This amount reflects an 5.3 percent increase over the FY 2000-01 base;
- A \$198,000 increase, including \$87,000 General Fund, to annualize anniversary increases awarded in FY 2000-01; and
- A decrease of \$487,000, including \$161,000 General Fund, for a 1.5 percent personal services reduction.

General Factors Driving the Budget

Funding for this department consists of 10.3 percent General Fund, 5.8 percent cash funds, and 83.9 percent cash funds exempt. The Department is primarily funded through transfers received from other governmental entities for the provision of centralized services or products. All of these transfers from other State agencies are exempt from revenue limitations, except transfers received from entities, such as authorities or enterprises, that are considered non-state agencies for the purposes of complying with the TABOR amendment, Article X, Section (20) (1) of the Colorado Constitution. Such transfers are classified as cash funds when used to purchase services or products from this department. Some of the most important factors driving the budget are reviewed below.

Number of State Employees

The Department administers and oversees the State's workforce. The number of state employees affects other areas of the budget (such as the State's contributions for benefit and retirement programs). Presently, there is not a central database that tracks and monitors statewide human resources. Consequently, it is difficult to reconcile full-time equivalent positions (FTE) appropriated by the General Assembly with the actual number of state employees. The following chart provides a comparison of the number of paychecks issued to the number of FTE appropriated statewide. (This chart *excludes* all employees in the Department of Higher Education.)

State Employees	FY 96-97	FY 97-98	FY 98-99	FY 99-00	FY 00-01
Number of Paychecks for Classified Employees	20,669	21,382	21,973	22,068	22,068
Number of Paychecks for Non-Classified Employees	4,610	4,712	4,830	4,772	4,772
Total Number of Paychecks ⁽¹⁾	25,279	26,094	26,803	26,840	26,840
Total Number of FTE Appropriated by the General Assembly ⁽²⁾	27,556.6	25,311.4	26,288.8	27,063.6	27,542.9

⁽¹⁾ Pursuant to the *Consolidated Paycheck Report* submitted by the State Controller's Office.

⁽²⁾ As of July 1st of each fiscal year pursuant to the annual *Appropriations Report* produced by the JBC

State Fleet Program

This section provides light duty vehicles to all state agencies on a long-term basis, establishes a statewide network of service providers (including maintenance, repairs, and fuel) and manages a self-insured accident fund for comprehensive/collision damages. Since the mid 1990s, the program has acquired private-sector funding for additional and replacement vehicle rather than using treasury loans. It also manages a centralized information system for state fleet assets. The central coordination of statewide vehicles began on January 1, 1993.

Fiscal Year	Actual FY 97-98	Actual FY 98-99	Actual FY 99-00	Appropriated FY 00-01	Appropriated FY 01-02
Number of Fleet Vehicles	5,341	5,438	5,481	5,534	5,559
Total Cost of Fleet Management (Includes Vehicles, Maintenance, and Fuel)	\$18,922,390	\$21,248,575	\$24,945,472	\$26,902,483	\$30,324,976
<i>Staff Estimated Net General Fund Share of Vehicle Costs</i>	\$8,161,984	\$8,737,308	\$10,257,453	\$11,062,166	\$12,469,479

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$15,433,835	\$10,394,687	\$119,441,862	\$51,838	\$145,322,222	586.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	2,955,075	155,416	4,703,429	0	7,813,920	18.0
Human Resource Services	1,350,439	7,275,026	35,971,224	0	44,596,689	77.0
Personnel Board	368,574	1,200	800	0	370,574	5.0
Central Services	459,551	2,329,868	45,309,033	0	48,098,452	180.8
Finance & Procurement	1,380,795	248,939	1,260,437	0	2,890,171	41.0
Colorado Information Technology Services	8,919,401	384,238	29,494,935	51,838	38,850,412	226.5
Administrative Hearings	0	0	2,702,004	0	2,702,004	38.5
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	15,327,549	10,395,865	117,633,014	51,838	143,408,266	586.8
HB 00-1215	42,028	249	54,813	0	97,090	0.0
HB 00-1294	0	0	2,492	0	2,492	0.0
HB 00-1458	(92,113)	(1,427)	(180,247)	0	(273,787)	0.0

	GF	CF	CFE	FF	Total	FTE
SB 01-192	(18,000)	0	2,142,454	0	2,124,454	0.0
SB 01-212	174,371	0	(210,664)	0	(36,293)	0.0
FY 2001-02 Total Appropriation:	\$15,337,418	\$8,645,265	\$124,909,019	\$21,838	\$148,913,540	596.9
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	3,064,662	175,464	4,841,307	0	8,081,433	18.0
Human Resource Services	1,027,267	5,400,881	35,926,508	0	42,354,656	70.5
Personnel Board	375,513	1,200	800	0	377,513	5.0
Central Services	517,493	2,103,846	48,922,090	0	51,543,429	187.7
Finance & Procurement	1,353,216	221,597	1,586,693	0	3,161,506	45.2
Colorado Information Technology Services	8,999,267	742,277	30,413,800	21,838	40,177,182	226.5
Administrative Hearings	0	0	3,217,821	0	3,217,821	44.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	15,337,418	8,645,265	124,909,019	21,838	148,913,540	596.9
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$96,417)	(\$1,749,422)	\$5,467,157	(\$30,000)	\$3,591,318	10.1
Percentage Change	-0.6%	-16.8%	4.6%	-57.9%	2.5%	1.7%

Detail of Appropriation by Administrative Section

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. It provides centralized accounting, personnel, and budgeting services for the Department. The Executive Director (also known as the State Personnel Director) has administrative responsibility for the Total Compensation Advisory Council, the Deferred Compensation Committee, and the Short-term Disability Fund. The primary source of funding, cash funds exempt (60 percent) is from indirect cost recoveries from other divisions throughout the Department and from user fees from other state agencies. General Fund accounts for 38 percent of the Division's funding.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$2,739,214	\$155,167	\$4,648,616	\$0	\$7,542,997	18.0
HB 00-1215	42,028	249	54,813	0	97,090	0.0
HB 00-1458	(7,167)	0	0	0	(7,167)	0.0
SB 01-192	<u>181,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>181,000</u>	<u>0.0</u>
TOTAL	\$2,955,075	\$155,416	\$4,703,429	\$0	\$7,813,920	18.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$3,064,662</u>	<u>\$175,464</u>	<u>\$4,841,307</u>	<u>\$0</u>	<u>\$8,081,433</u>	<u>18.0</u>
TOTAL	\$3,064,662	\$175,464	\$4,841,307	\$0	\$8,081,433	18.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$109,587	\$20,048	\$137,878	\$0	\$267,513	0.0
Percentage Change	3.7%	12.9%	2.9%	0.0%	3.4%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Director and Administrative Staff	5.0	5.0
Accounting Staff	7.0	7.0
Clerical Support	<u>6.0</u>	<u>6.0</u>
	18.0	18.0

General Fund Changes: The \$110,000 General Fund increase reflects the following changes: (1) an additional \$113,000 for salary survey and anniversary awards for the Department; (2) an additional \$66,000 for salary survey and anniversary payments awarded in FY 2000-01; (3) an additional \$43,000 for leased space; (4) a \$33,000 increase to upgrade the wiring of the State Services Building; (5) a reduction of \$40,000 for higher indirect cost recoveries from cash funds and cash funds exempt sources; (6) a reduction of \$39,000 for lower health, life, and dental costs; (7) a \$19,000 reduction for a 1.5 percent reduction to personal services; (8) a reduction of \$5,000 for a change in the PERA contribution rate; and (9) other miscellaneous reductions.

Cash Funds Changes: The increase in cash funds reflects higher indirect cost recoveries and payments from other state agencies to reduce the need for General Fund.

Cash Funds Exempt Changes: The increase in cash funds exempt reflects higher indirect cost recoveries and payments from other state agencies to reduce the need for General Fund.

Human Resource Services

This division is responsible for administration of the State's selection, classification, and compensation programs and administration of the State's employee benefit programs (including health, life, dental, and disability benefits and the deferred and defined compensation 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. The majority of funding for this division comes from user fees from state agencies.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,368,651	\$7,275,930	\$35,986,886	\$0	\$44,631,467	77.0
HB 00-1458	<u>(18,212)</u>	<u>(904)</u>	<u>(15,662)</u>	<u>0</u>	<u>(34,778)</u>	<u>0.0</u>
TOTAL	\$1,350,439	\$7,275,026	\$35,971,224	\$0	\$44,596,689	77.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$1,027,267</u>	<u>\$5,400,881</u>	<u>\$35,926,508</u>	<u>\$0</u>	<u>\$42,354,656</u>	<u>70.5</u>
TOTAL	\$1,027,267	\$5,400,881	\$35,926,508	\$0	\$42,354,656	70.5
Change FY 01 - FY 02						
Increase/(Decrease)	(\$323,172)	(\$1,874,145)	(\$44,716)	\$0	(\$2,242,033)	(6.5)
Percentage Change	-23.9%	-25.8%	-0.1%	N/A	-5.0%	-8.4%

FTE Detail	FY 2000-01	FY 2001-02
State Agency Services	49.0	43.0
Training Services	3.5	3.0
Colorado State Employee Assistance Program	4.5	4.5
Employee Benefits Services	11.0	11.0
Risk Management Services	<u>9.0</u>	<u>9.0</u>
	77.0	70.5

FTE Changes: The net reduction of 6.5 FTE includes: (1) a reduction of 5.0 FTE from the payroll section who were transferred to the Finance and Procurement Division; (2) a reduction of 1.0 FTE that was a one-time appropriation in FY 2000-01 to develop the performance-based pay plan, and (3) a reduction of 0.5 FTE from the Training Section to reflect historical workload.

General Fund Changes: The \$323,000 General Fund reduction is attributable to a reduction of higher statewide indirect cost recoveries, which are used to offset General Fund appropriations. This amount is partially offset by increases associated with salary survey and anniversary payments awarded in FY 2000-01.

Cash Funds Changes: The \$1.9 million reduction in cash funds includes the following transfer payments to the Department of Personnel from enterprises, such as Correctional Industries, programs in the Department of Higher Education, and the State Lottery Division: (1) a \$1.5 million reduction for workers' compensation premiums statewide; (2) a \$550,000 reduction for the liability premiums statewide; (3) a \$500,000 reduction for payments to administer the Deferred Compensation Program. In FY 2001-02, the vendor responsible for administration of this program will receive transfer payments directly from the plan participants. These cash fund reductions are partially offset by a \$617,000 increase for property premiums statewide and other miscellaneous changes.

Cash Funds Exempt Changes: The cash funds exempt change reflects miscellaneous changes.

Personnel Board

This division provides staff support for the five-member State Personnel Board authorized in Article XII, Sections 13 through 15, of the Colorado Constitution. Pursuant to Section 24-50-103, C.R.S., the Board has the authority to adopt by rule a uniform grievance procedure to be used by all departments and 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. The Board conducts administrative hearings, promulgates rules under the authority of the State Administrative Procedures Act, and facilitates dispute resolution. The Board processes approximately 300 cases per year. Because employees trigger the adjudicatory process, the Board cannot directly control the number of cases filed. The Board also provides guidance in achieving and maintaining a sound, comprehensive, and uniform system of human resource management. The majority of the funding for this division is General Fund. The source of cash funds is from fees, and the source of exempt cash funds is from user fees from state agencies.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$370,705	\$1,200	\$800	\$0	\$372,705	5.0
HB 00-1458	(2,131)	0	0	0	(2,131)	0.0

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$368,574	\$1,200	\$800	\$0	\$370,574	5.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$375,513</u>	<u>\$1,200</u>	<u>\$800</u>	<u>\$0</u>	<u>\$377,513</u>	<u>5.0</u>
TOTAL	\$375,513	\$1,200	\$800	\$0	\$377,513	5.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$6,939	\$0	\$0	\$0	\$6,939	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	1.9%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Director	1.0	1.0
Administrative Law Judge	2.0	2.0
Legal Assistant	1.0	1.0
Support / Clerical	<u>1.0</u>	<u>1.0</u>
	5.0	5.0

General Fund Changes: The increase in General Fund reflects \$17,000 for salary survey and anniversary increases awarded in FY 2000-01. This amount is partially offset by the following reductions: (1) a \$5,500 reduction associated with a 1.5 percent reduction to the personal services line item; (2) a \$3,000 reduction in operating expenses; and (3) a \$1,500 reduction because of the change in the PERA contribution rate.

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; collection of overdue accounts; and, operation and maintenance of buildings in the capitol Complex and other various state-owned facilities. It is funded primarily from fees paid by state agencies.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$462,505	\$2,329,868	\$43,575,505	\$0	\$46,367,878	180.8
HB 00-1458	(2,954)	0	(71,426)	0	(74,380)	0.0
SB 01-192	<u>0</u>	<u>0</u>	<u>1,804,954</u>	<u>0</u>	<u>1,804,954</u>	<u>0.0</u>
TOTAL	\$459,551	\$2,329,868	\$45,309,033	\$0	\$48,098,452	180.8
FY 2001-02 Appropriation:						
SB 01-212	<u>\$517,493</u>	<u>\$2,103,846</u>	<u>\$48,922,090</u>	<u>\$0</u>	<u>\$51,543,429</u>	<u>187.7</u>
TOTAL	\$517,493	\$2,103,846	\$48,922,090	\$0	\$51,543,429	187.7
Change FY 01 - FY 02						
Increase/(Decrease)	\$57,942	(\$226,022)	\$3,613,057	\$0	\$3,444,977	6.9
Percentage Change	0.0%	-9.7%	0.0%	0.0%	7.2%	3.8%

FTE Detail	FY 2000-01	FY 2001-02
Administrative	10.0	10.0
Reprographics	30.1	30.1
Imaging and Microfilm Services	11.0	15.0
Mail Services	32.7	32.0
Fleet Management Program and Motor Pool Services	17.0	17.0
Collection Services	18.0	18.0
Facilities Maintenance and Planning	<u>62.0</u>	<u>65.6</u>
	180.8	187.7

FTE Changes: The increase of 6.9 FTE is attributed as follows: (1) an additional 4.0 FTE for a Department of Natural Resources imaging project; (2) an additional 2.6 FTE transferred from the Department of Revenue for the Pierce Street Building maintenance; (3) an additional 1.0 FTE for maintenance of the Executive Residence common areas; and (4) a reduction of 0.7 FTE for mail services due to generated efficiencies.

General Fund Changes: The \$58,000 net General Fund increase is primarily attributable to a \$51,000 increase of maintenance for common areas of the Executive Residence. The balance is salary survey and anniversary increases for facilities maintenance and planning staff.

Cash Funds Changes: The \$226,000 decrease in cash funds includes a reduction of \$350,000 net cash funds reduction in fleet management fees from non-state agencies, and a reduction of \$60,000 for mail services due to generated efficiencies. This is partially offset by a \$200,000 increase in collection fees assessed to individuals for debts owed to the State.

Cash Funds Exempt Changes: The \$3.6 million increase in cash funds exempt includes the following changes: (1) an additional \$1.45 million for increased fleet fuel costs; (2) an additional \$800,000 for statewide vehicle purchases; (3) an increase of \$745,000 spending authority for carpet and paint improvements for capitol complex buildings; (4) an increase of \$535,000 for capitol complex maintenance due to a transfer of duties from the Department of Revenue; (5) an additional \$500,000 for statewide increases in imaging and microfilm services; (6) an increase of \$350,000 net cash funds exempt in fleet management fees from state agencies; and (7) an additional \$177,000 for salary survey and anniversary increases awarded in FY 2000-01. These increases are partially offset by (1) a decrease of \$420,000 for indirect cost assessments; (2) a reduction of \$300,000 for the Treasury loan payment for vehicle purchases made prior to 1994; and (3) a reduction of \$270,000 in mail services due to generated efficiencies.

Finance and Procurement

This division administers a statewide procurement program through 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 maximize the purchasing power of the State. This division manages the financial affairs of all department through the State Controller's Office by using the Colorado Financial Reporting Systems (COFRS). This includes statewide financial reporting, policy and procedural guidance, contract management, and the development of a statewide indirect cost allocation plan. Prior to FY 2000-01, the Division managed the State's Privatization Program, but recently transferred these responsibilities to the Human Resource Services Division.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,596,807	\$249,462	\$1,061,437	\$0	\$2,907,706	41.0
HB 00-1458	(17,012)	(523)	0	0	(17,535)	0.0
SB 01-192	<u>(199,000)</u>	<u>0</u>	<u>199,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,380,795	\$248,939	\$1,260,437	\$0	\$2,890,171	41.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$1,353,216</u>	<u>\$221,597</u>	<u>\$1,586,693</u>	<u>\$0</u>	<u>\$3,161,506</u>	<u>45.2</u>
TOTAL	\$1,353,216	\$221,597	\$1,586,693	\$0	\$3,161,506	45.2

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$27,579)	(\$27,342)	\$326,256	\$0	\$271,335	4.2
Percentage Change	0.0%	-11.0%	25.9%	0.0%	9.4%	10.2%

FTE Detail	FY 2000-01	FY 2001-02
State Controller's Office	38.5	42.7
Supplier Database	<u>2.5</u>	<u>2.5</u>
	41.0	45.2

FTE Changes: The net increase of 4.2 FTE includes 5.0 FTE attributable to the transfer of statewide payroll section from the Human Resource Services Division to the Finance and Procurement Division. This amount is offset by a reduction of 0.8 FTE associated with transferring the Privatization Program to the Human Resource Services Division.

General Fund Changes: The \$28,000 General Fund reduction reflects the following changes: (1) a \$326,000 reduction for higher indirect cost recoveries from cash funds and cash funds exempt sources; (2) a \$40,000 reduction associated with transferring the Privatization Program to the Human Resource Services Division; (3) a \$39,000 reduction for a 1.5 percent reduction in personal services; and (4) a \$12,000 reduction for the change in the PERA contribution rate. These reductions are partially offset by the following increases: (1) a \$276,000 increase associated with transferring the payroll section from the Human Resource Services Division to the Finance and Procurement Division; and (2) a \$112,000 increase associated with salary survey and anniversary payments awarded in FY 2000-01.

Cash Funds Changes: The reduction in cash funds was made to reflect historical expenditures for the Supplier Database Program.

Cash Funds Exempt Changes: The cash funds exempt increase is because of higher indirect cost recoveries from the Department of Transportation, the State Procurement Card Program, and the Department of State.

Colorado Information Technology Services

This division integrates the State's information services into one group. Its responsibilities include: planning, coordinating, and integrating communication capabilities for data, voice, radio, and wireless technologies; planning, managing, operating, and delivering the State's computer infrastructure (such as desktop micro-computers, mainframe resources, and data-entry services); developing data sharing technologies; archiving historical records; and supporting all statewide applications (including payroll, personnel, financial, and purchasing systems). The majority of funding for this section is cash funds exempt (77 percent) from fees paid by state agencies. General Fund accounts for 21 percent of the Division's funding.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$8,789,667	\$384,238	\$29,632,718	\$51,838	\$38,858,461	226.5
HB 00-1458	(44,637)	0	(65,619)	0	(110,256)	0.0
SB 01-192	0	0	138,500	0	138,500	0.0
SB 01-212	<u>174,371</u>	<u>0</u>	<u>(210,664)</u>	<u>0</u>	<u>(36,293)</u>	<u>0.0</u>
TOTAL	\$8,919,401	\$384,238	\$29,494,935	\$51,838	\$38,850,412	226.5
FY 2001-02 Appropriation:						
SB 01-212	<u>\$8,999,267</u>	<u>\$742,277</u>	<u>\$30,413,800</u>	<u>\$21,838</u>	<u>\$40,177,182</u>	<u>226.5</u>
TOTAL	\$8,999,267	\$742,277	\$30,413,800	\$21,838	\$40,177,182	226.5
Change FY 01 - FY 02						
Increase/(Decrease)	\$79,866	\$358,039	\$918,865	(\$30,000)	\$1,326,770	0.0
Percentage Change	0.0%	93.2%	0.0%	0.0%	3.4%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Business Services	8.0	8.0
Communications Services	45.0	45.0
Network Services	18.0	18.0
Computer Services	97.0	97.0
Information and Archival Services	15.0	15.0
Application Services	<u>43.5</u>	<u>43.5</u>
	226.5	226.5

General Fund Changes: The \$80,000 General Fund increase is primarily attributable to salary survey and anniversary increases awarded in FY 2000-01.

Cash Funds Changes: The \$358,000 increase in cash funds is primarily attributable to an increase in telecommunications costs for the Colorado State Lottery based on historical billings for telecommunications services.

Cash Funds Exempt Changes: The \$919,000 increase in cash funds exempt includes the following changes: (1) an increase of \$465,000 for indirect cost assessments; (2) an additional \$345,000 for a

new telephone switch for the capitol complex; (3) an increase of \$220,000 for renewal and upgrade of the State's computer center disaster recovery plan; (4) an additional \$200,000 for salary survey and anniversary increases awarded in FY 2000-01; and (5) an increase of \$178,000 in operating expenses for the General Government Computer Center. These increases are partially offset by the following: (1) a decrease of \$356,000 for telecommunications costs for state agencies based on historical billings for telecommunications services; (2) a reduction of \$97,500 due to the elimination of the reinvestment reserve account; and (3) a reduction of \$50,000 for the lease of the central processing unit based on historical actual expenditures.

Federal Funds Changes: The \$30,000 decrease in federal funds is attributable to a reduction in local systems development to reflect actual historical usage.

Administrative Hearings

This division is required by statute (Section 24-30-1001, C.R.S.) to provide administrative law judge services to hear cases upon request by agencies of state government. Departments utilizing these services include: Corrections, Education, Human Services, Labor and Employment, Public Health and Environment, and Regulatory Agencies. Approximately one half of all hearings are related to workers' compensation cases. The funding for this Division is 100 percent cash funds exempt transfers from agencies using Administrative Hearings services.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$0	\$2,727,052	\$0	\$2,727,052	38.5
HB 00-1294	0	0	2,492	0	2,492	0.0
HB 00-1458	0	0	(27,540)	0	(27,540)	0.0
TOTAL	\$0	\$0	\$2,702,004	\$0	\$2,702,004	38.5
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$0	\$3,217,821	\$0	\$3,217,821	44.0
TOTAL	\$0	\$0	\$3,217,821	\$0	\$3,217,821	44.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$0	\$515,817	\$0	\$515,817	5.5
Percentage Change	0.0%	0.0%	19.1%	0.0%	19.1%	14.3%

FTE Detail	FY 2000-01	FY 2001-02
Administrative Law Judges	16.0	20.0
Hearings Reporters	5.3	5.3
Paralegals	3.2	3.2
Administration and Support Staff	<u>14.0</u>	<u>15.5</u>
	38.5	44.0

FTE Changes: The increase of 5.5 FTE (4.0 FTE for Administrative Law Judges and 1.5 FTE for administrative support) is to conduct appeals of disability determinations for the Department of Human Services, Office of Self Sufficiency, Disability Determination Services, which determines eligibility for Medicare services.

Cash Funds Exempt Changes: The increase in cash funds exempt spending authority is attributable to a transfer of \$341,000 from the Office of Self Sufficiency, Disability Determination Services, an additional \$145,000 for indirect cost assessments, an increase of \$51,000 for salary survey and anniversary increases awarded in FY 2000-01, and decrease of \$21,000 for training.

Recent Legislation

2000 Session Bills

H.B. 00-1215: Increases the amount of state contributions for employees in group benefit plans in selected areas.

H.B. 00-1294: Creates the "Respiratory Therapy Practice Act". Appropriates \$78,119 and 0.8 FTE from the Division of Registrations Cash Fund to the Department of Regulatory Agencies for allocation to the Division of Registrations for the implementation of the act. From such appropriation, appropriates \$24,585 and 0.3 FTE to the Department of Law and \$2,492 to the Department of Personnel for allocation to the Division of Administrative Hearings.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Reduces the State's contribution to the Public Employees' Retirement Association (PERA) by 0.5 percent as well as other changes.

2001 Session Bills

S.B. 01-212: General appropriations act for FY 2001-02.

S.B. 01-192: Supplemental appropriation to the Department of Personnel to modify the appropriation included in the FY 2000-01 Long Bill.

H.B. 01-1010: Directs the Department to review and assess the amount of space needed for the storage of state archives and public records.

H.B. 01-1138: Eliminates certain overlapping responsibilities related to the development of policies and standards between the Office of Information and Technology and the Department of Personnel, and makes management structure changes in the Office of Information and Technology.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Department of Public Health and Environment is responsible for: improving and protecting the health of the people of Colorado; maintaining and protecting the quality of Colorado's environment; and assuring the availability of health and medical care services to individuals and families.

The Department is organized into three sections: Administration, Environmental Programs, and Health Programs. Administration includes all central administrative, information technology, support services, and laboratory services. Environmental program areas include air and water quality control, hazardous materials, waste management, and consumer protection. Health program areas include disease control, local health services, inspection of health facilities, emergency medical services, and prevention services for children.

The Department is comprised of the following divisions:

1. Administration and Support
2. Center for Health and Environmental Information
3. Laboratory and Radiation Services
4. Local Health Services
5. Air Quality Control Division
6. Water Quality Control Division
7. Hazardous Materials and Waste Management Division
8. Consumer Protection
9. Disease Control and Environmental Epidemiology Division
10. Family and Community Health Services Division
11. Health Facilities Division
12. Emergency Medical Services and Prevention Division
13. Prevention and Intervention Services for Children and Youth

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$22,571,377	\$23,668,797	\$32,377,354	\$34,510,528
Cash Fund	18,272,974	18,852,669	22,698,871	23,965,669
Cash Funds Exempt	31,524,557	32,316,150	50,441,437	54,296,288
Federal Funds	<u>145,610,506</u>	<u>150,527,022</u>	<u>150,271,481</u>	<u>150,003,418</u>
TOTAL	\$217,979,414	\$225,364,638	\$255,789,143	\$262,775,903
Full Time Equiv. Staff	1,026.1	1,019.4	1,077.3	1,092.0

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- A reduction of \$1.0 million federal funds and 9.8 FTE from the Migrant Health Program due to the elimination of federal funding;
- An increase of \$350,000 cash funds exempt for the Department to replace the vital records technology system;
- An increase of \$313,000 federal funds and 11.1 FTE for inspections and monitoring of nursing homes;
- A reduction of \$250,000 cash funds and \$975,000 federal funds to reflect the transfer of funding for brownfield redevelopment from the Hazardous Materials and Waste Management Division to the Capital Construction section of the Long Bill;
- An increase of \$213,000 General Fund for local health services;
- An increase of \$150,000 General Fund for the Suicide Prevention Program;
- An increase of \$144,000 cash funds for the replacement of air quality data collection equipment;
- A \$2.4 million increase, including \$350,000 General Fund, for salary survey and anniversary increases awarded in FY 2000-01;
- A decrease of \$968,000, including \$143,000 General Fund, for a 1.5 percent personal services reduction; and
- A \$422,000 increase, including \$284,000 General Fund, for inflationary adjustments for food and medical expenses.

General Factors Driving the Budget

Funding for this department consists of 13.1 percent General Fund, 9.1 percent cash funds, 20.7 percent cash funds exempt, and 57.1 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Providing Access to Health Care Services for Low-Income Persons

Many programs within the health divisions serve people whose income is at or below 185 percent of the federal poverty level. Many of the programs are directed at women and children or Medicaid recipients. Services are often carried out through contracts with local health providers. The following table shows those programs directly targeted at low-income individuals. Other programs within the Department may indirectly serve this same population.

	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
Low-Income Programs	\$94,787,238	\$98,478,946	\$97,278,046	\$97,020,744

Federal Programs

Federal funds are the largest funding source for programs in the health divisions. The federal funds percentage of the budget has historically been over 80 percent; although it decreased in FY 2000-01 due to the passage of S.B. 00-71, which dramatically increased the amount of overall funds to the Department from the tobacco settlement. The bulk of the federal funds represent "pure" federal programs, such as the Women, Infants and Children (WIC) Grant; although some programs are linked to state funds through a required match, such as the Maternal and Child Health (MCH) Block Grant.

Health Divisions	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
Total Federal Funds - Health Divisions	\$123,115,277	\$125,718,160	\$127,079,083	\$126,932,434
As a Percent of the Total Health Divisions Budget	84.2%	83.7%	71.7%	69.8%

Over 40 percent of the budget for environmental programs is funded by federal dollars, some of which require a state matching contribution or maintenance of effort. The environmental divisions manage 109 active federal grants, including sub-awards of the Performance Partnership Block Grant and the Superfund Block Grant from the U.S. Environmental Protection Agency (EPA).

Environmental Divisions	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Appropriated	FY 01-02 Appropriated
Total Federal Funds - Environmental Divisions	\$18,152,495	\$19,902,914	\$18,284,180	\$17,661,006
As a Percent of the Total Environmental Divisions Budget	46.4%	49.1%	45.1%	43.6%

Number of Permits and Inspections

The environmental divisions use permits and inspections to enforce compliance with applicable state and federal regulations. Permits range from construction permits for expanding a factory to discharge permits at hazardous waste generators. Inspections responsibilities include regulating sanitary conditions at dairy farms, ensuring that contaminated sites are properly remediated, and monitoring wastewater treatment facilities for compliance with permit requirements.

Environmental Divisions	FY 96-97 Actual	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Estimate
Permits and Applications Processed					
Air Quality Control Division	5,434	6,194	6,184	6,688	6,835
Water Quality Control Division	3,862	3,785	3,849	3,949	4,168
Hazardous Waste Division	111	174	158	234	160
Consumer Protection Division	<u>1,531</u>	<u>1,600</u>	<u>1,541</u>	<u>1,639</u>	<u>1,692</u>
Total Permits & Applications	10,938	11,753	11,732	12,510	12,855
Inspections Conducted					
Air Quality Control Division	5,263	4,738	4,783	4,886	4,505
Water Quality Control Division	80	56	71	371	358
Hazardous Waste Division	417	475	455	562	520
Consumer Protection Division	<u>2,344</u>	<u>2,272</u>	<u>2,412</u>	<u>2,657</u>	<u>2,462</u>
Total Inspections	8,104	7,541	7,721	8,476	7,845

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$32,377,354	\$22,698,871	\$50,441,437	\$150,271,481	\$255,789,143	1,077.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration and Support	1,371,730	1,319,708	13,103,586	1,410,979	17,206,003	69.0

	GF	CF	CFE	FF	Total	FTE
Center for Health and Environmental Information Division	643,196	1,925,394	1,398,256	1,498,546	5,465,392	73.9
Laboratory and Radiation Services	1,362,633	5,068,184	676,539	1,998,040	9,105,396	101.6
Local Health Services	5,650,246	0	602,304	0	6,252,550	0.0
Air Quality Control Division	0	5,446,811	4,894,556	2,855,638	13,197,005	149.0
Water Quality Control Division	2,186,114	1,819,318	393,956	4,791,636	9,191,024	102.9
Hazardous Materials and Waste Management Division	761,108	4,716,973	315,838	10,364,293	16,158,212	132.4
Consumer Protection	1,394,451	351,372	68,263	272,613	2,086,699	27.7
Disease Control and Environmental Epidemiology Division	3,906,153	5,585	418,700	24,297,552	28,627,990	122.7
Family and Community Health Services Division	5,295,685	954,304	6,780,911	91,134,777	104,165,677	118.4
Health Facilities Division	198,033	458,714	3,487,994	2,973,799	7,118,540	90.9
Emergency Medical Services and Prevention Division	507,496	416,508	16,646,588	7,580,864	25,151,456	79.8
Prevention and Intervention Services for Children and Youth	9,100,509	216,000	1,653,946	1,092,744	12,063,199	9.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	24,247,727	22,213,981	33,111,070	148,156,968	227,729,746	1,057.3
HB 00-1025	0	216,000	238,000	100,000	554,000	2.5
HB 00-1215	29,287	38,825	43,517	37,723	149,352	0.0
HB 00-1306	0	250,000	0	975,000	1,225,000	0.0
HB 00-1342	9,109,480	0	1,415,946	0	10,525,426	9.0
HB 00-1432	157,846	0	0	0	157,846	2.0
HB 00-1458	(34,764)	(62,594)	(53,063)	(89,746)	(240,167)	0.0
SB 00-71	0	0	13,805,887	0	13,805,887	8.7
SB 00-180	0	0	15,000	0	15,000	0.0

	GF	CF	CFE	FF	Total	FTE
SB 01-193	(552,109)	3,790	898,022	997,242	1,346,945	(2.2)
SB 01-212	(580,113)	38,869	967,058	94,294	520,108	0.0
FY 2001-02 Total Appropriation:	\$34,510,528	\$23,965,669	\$54,296,288	\$150,003,418	\$262,775,903	1,092.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration and Support	1,307,073	1,589,251	13,124,251	1,793,321	17,813,896	69.4
Center for Health and Environmental Information Division	884,345	2,085,464	1,412,489	1,538,366	5,920,664	77.0
Laboratory and Radiation Services	1,461,055	5,268,234	568,749	2,078,291	9,376,329	101.6
Local Health Services	6,465,137	0	0	0	6,465,137	0.0
Air Quality Control Division	0	5,696,802	5,220,518	3,023,845	13,941,165	149.7
Water Quality Control Division	2,221,745	1,870,828	397,005	4,949,575	9,439,153	102.9
Hazardous Materials and Waste Management Division	679,625	4,927,279	355,546	9,412,750	15,375,200	131.9
Consumer Protection	1,413,546	403,576	67,990	274,836	2,159,948	ERR
Disease Control and Environmental Epidemiology Division	4,076,500	7,232	489,644	24,183,263	28,756,639	122.7
Family and Community Health Services Division	5,497,615	991,917	9,222,153	90,080,290	105,791,975	108.9
Health Facilities Division	230,749	473,688	3,630,948	3,275,247	7,610,632	102.7
Emergency Medical Services and Prevention Division	651,540	411,266	18,069,727	7,685,584	26,818,117	81.5
Prevention and Intervention Services for Children and Youth	9,621,598	240,132	1,737,268	1,708,050	13,307,048	16.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	34,474,485	22,641,360	53,858,595	150,003,418	260,977,858	1,081.9
SB 01-78	36,043	0	0	0	36,043	0.7
SB 01-121	0	512,761	0	0	512,761	8.6

	GF	CF	CFE	FF	Total	FTE
SB 01-164	0	0	400,000	0	400,000	0.4
SB 01-214	0	50,868	0	0	50,868	0.4
HB 01-1106	0	0	37,693	0	37,693	0.0
HB 01-1326	0	510,680	0	0	510,680	0.0
HB 01-1387	0	250,000	0	0	250,000	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$2,133,174	\$1,266,798	\$3,854,851	(\$268,063)	\$6,986,760	14.7
Percentage Change	6.6%	5.6%	7.6%	-0.2%	2.7%	1.4%

Detail of Appropriation by Administrative Section

Administration and Support

This division includes the executive director's office, support services, business services, and human resources. Under the purview of the executive director is the chief medical officer, the Office of Policy and Public/Private Initiatives, customer services, and communications. Support services include building operations, telecommunications, internal audit and management analysis. Business services include accounting, budgeting, contracts, payroll, and purchasing. The primary cash funds and cash funds exempt sources include the Pollution Prevention Fund and the Automobile Inspection and Readjustment Account.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,390,011	\$1,277,497	\$12,810,643	\$1,369,361	\$16,847,512	69.0
HB 00-1215	29,287	38,825	43,517	37,723	149,352	0.0
HB 00-1458	(1,617)	(404)	0	(603)	(2,624)	0.0
SB 01-193	<u>(45,951)</u>	<u>3,790</u>	<u>249,426</u>	<u>4,498</u>	<u>211,763</u>	<u>0.0</u>
TOTAL	\$1,371,730	\$1,319,708	\$13,103,586	\$1,410,979	\$17,206,003	69.0
FY 2001-02 Appropriation:						
SB 01-212	\$1,307,073	\$1,532,209	\$13,124,251	\$1,793,321	\$17,756,854	69.0
SB 01-214	0	50,868	0	0	50,868	0.4
HB 01-1326	<u>0</u>	<u>6,174</u>	<u>0</u>	<u>0</u>	<u>6,174</u>	<u>0.0</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$1,307,073	1,589,251	13,124,251	1,793,321	17,813,896	69.4
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$64,657)	\$269,543	\$20,665	\$382,342	\$607,893	0.4
Percentage Change	-4.7%	20.4%	0.2%	27.1%	3.5%	0.6%

FTE Detail	FY 2000-01	FY 2001-02
Executive Director and Staff	67.0	67.4
Environmental Leadership and Pollution Prevention	<u>2.0</u>	<u>2.0</u>
	69.0	69.4

FTE Changes: The 0.4 FTE increase is a result of S.B. 01-214, which requires 0.4 FTE environmental protection specialist to support the Air Quality Control Commission in establishing a fee structure, promulgating regulations for "significant users of prescribed fire", assisting in public hearings of the smoke management program, and reviewing documents.

General Fund Changes: The General Fund appropriation includes the following decreases: (1) \$243,000 due to an increase in indirect cost recoveries used to offset General Fund in the Department; (2) \$18,000 as a result reduction in employee benefits; (3) \$6,000 for a 1.5 percent personal services base reduction; (4) \$3,000 attributable to decreases in utility expenses; and (5) \$2,000 in PERA contribution reductions for FY 2001-02. These decreases are partially offset by the following increases: (1) \$145,000 for salary survey and anniversary increases to be awarded in FY 2001-02; (2) \$69,000 due to elimination of a one-time expenditure in FY 2000-01 for the purchase of laboratory services; and (3) \$16,000 for salary survey and anniversary increases awarded in FY 2000-01.

Cash Funds Changes: The increase in the cash funds appropriation is primarily due to the following: (1) \$175,000 for salary survey and anniversary increases to be awarded in FY 2001-02; (2) \$51,000 appropriated by S.B. 01-214; (3) \$44,000 to provide additional pollution prevention grants; (4) \$6,000 appropriated by H.B. 01-1326; and (5) \$5,000 for salary survey and anniversary increases awarded in FY 2000-01. These increases are partially offset by the following decreases: (1) \$19,000 in reduced indirect cost assessments; (2) \$6,000 for employee benefits; and (3) \$2,000 for a 1.5 percent personal services base reduction.

Cash Funds Exempt Changes: The cash funds exempt appropriation reflects the following: (1) an increase of \$243,000 in indirect cost recoveries; (2) an increase of \$170,000 in salary survey and anniversary increases awarded in FY 2000-01; (3) an additional \$116,800 for salary survey and anniversary to be awarded in FY 2001-02; and (4) an increase of \$6,000 in indirect cost assessments

on cash funds exempt sources. These increases are partially offset by the following decreases: (1) \$350,000 for a one-time expenditure in FY 2000-01; (2) \$57,000 for a 1.5 percent personal services base reduction; (3) \$53,000 for reduced lease space; (4) \$25,000 for lower utility expenses; (5) \$16,000 for lower employee benefits; and (6) \$16,000 for a change in the PERA contribution rate for FY 2001-02.

Federal Funds Changes: The increase in federal funds reflects additional funds for salary survey and anniversary increases awarded in FY 2000-01.

Center for Health and Environmental Information

The Center for Health and Environmental Information Division is divided into two subdivisions: (1) Health Statistics and Vital Records, and (2) Information Technology Services. Health Statistics and Vital Records is divided into three areas: registration, certification, and health statistics. Activities under the registration section include administration of birth, death, marriage, divorce, fetal death, and induced pregnancy termination records. This section also provides training and education on vital records rules, regulations, and statutes to individuals and local agencies as needed. The certification area issues certified copies of birth and death certificates, corrects and updates records, and administers the Voluntary Adoption Registry. The health statistics area provides statistical analysis for vital records collected by the Department and provides information internally as well as to outside agencies. The primary cash funds and cash funds exempt sources include the following: Vital Records Cash Fund, laboratory fees, Stationary Sources Control Fund and indirect cost recoveries.

The Information Technology Services section is responsible for all departmental technology planning, network installation, operation and maintenance, end-user and personal computer support, applications development and maintenance, and internet support.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,212,963	\$1,892,265	\$887,121	\$1,404,869	\$5,397,218	73.6
HB 00-1458	(2,943)	(5,740)	(7,347)	(617)	(16,647)	0.0
SB 01-193	13,289	0	0	0	13,289	0.3
SB 01-212	<u>(580,113)</u>	<u>38,869</u>	<u>518,482</u>	<u>94,294</u>	<u>71,532</u>	<u>0.0</u>
TOTAL	\$643,196	\$1,925,394	\$1,398,256	\$1,498,546	\$5,465,392	73.9
FY 2001-02 Appropriation:						
SB 01-212	<u>\$884,345</u>	<u>\$2,085,464</u>	<u>\$1,412,489</u>	<u>\$1,538,366</u>	<u>\$5,920,664</u>	<u>77.0</u>
TOTAL	\$884,345	\$2,085,464	\$1,412,489	\$1,538,366	\$5,920,664	77.0

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$241,149	\$160,070	\$14,233	\$39,820	\$455,272	3.1
Percentage Change	37.5%	n/a	n/a	n/a	8.3%	4.2%

FTE Detail	FY 2000-01	FY 2001-02
Health Statistics and Vital Records	45.4	47.1
Information Technology Services	<u>28.5</u>	<u>29.9</u>
	73.9	77.0

FTE Changes: The increase of 3.1 FTE reflects the following: (1) an additional 1.7 FTE for the development and implementation of a medical marijuana program, pursuant to Amendment 20; and (2) an additional 1.4 FTE for the development of a computer system for the Prenatal Plus Program.

General Fund Changes: The increase in General Fund includes: (1) \$415,000 related to elimination of a one-time FY 2000-01 General Fund reduction which offset indirect cost recoveries collected in previous years; and (2) \$7,000 for payments to the General Government Computing Center. These increases are offset by the following decreases: (1) \$107,000 due to the end of one-time expenditures in FY 2000-01; and (2) \$70,000 due to higher indirect cost recoveries from cash funds exempt sources.

Cash Funds Changes: The increase in cash funds is due to the following increases: (1) \$87,000 for the implementation of Amendment 20; (2) \$52,000 for salary survey and anniversary increases awarded in FY 2000-01; and (3) \$22,000 in indirect costs assessments.

Cash Funds Exempt Changes: The increase in the cash funds exempt appropriation reflects the following: (1) an additional \$350,000 to begin to replace the vital records information technology system; (2) an increase of \$104,000 to reflect anticipated cash fund exempt revenues; (3) \$84,000 in salary survey and anniversary increases awarded in FY 2000-01; (4) \$70,000 for the development of a computer system for the Prenatal Plus program; and (5) \$42,000 in indirect costs assessments. These increases are partially offset by the following decreases: (1) \$415,000 related to the one-time FY 2000-01 offset of General Fund to reflect indirect cost recoveries collected in previous years; (2) \$200,000 for the end of a one-time expenditure in FY 2000-01; and (3) \$21,000 less to finance nursing home inspections in the Health Facilities Division.

Federal Funds Changes: The federal funds level includes the following: (1) \$45,000 of additional indirect costs assessments on sources of federal funds; and (2) an additional \$15,000 in salary survey and anniversary increases awarded in FY 2000-01. These increases are partially offset by the following decreases: (1) \$14,000 to reflect lower anticipated levels of federal funds; and (2) a \$5,000 PERA reduction for FY 2001-02.

Laboratory and Radiation Services

This division has four subdivisions: (1) director's office; (2) laboratory services; (3) radioactive materials and certification; and (4) emergency management. Laboratory services include clinical and environmental testing, as well as certification of laboratories, breath alcohol testing equipment, x-ray instruments, and facilities used for mammography. The radioactive materials and certification subdivision regulates radioactive materials through inspection, certification, and technical consultation. The emergency management subdivision is available to work with other agencies in response to emergency incidents impacting the environment and/or public health. The primary cash funds and cash funds exempt sources include the following: Newborn Screening and Genetic Counseling Fund, Radiation Control Fund, Law Enforcement Assistance Fund, funds appropriated to the Water Quality Control Division, and indirect cost recoveries.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,275,561	\$5,082,148	\$678,219	\$2,004,518	\$9,040,446	101.6
HB 00-1458	(4,756)	(13,964)	(1,680)	(6,478)	(26,878)	0.0
SB 01-193	<u>91,828</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>91,828</u>	<u>0.0</u>
TOTAL	\$1,362,633	\$5,068,184	\$676,539	\$1,998,040	\$9,105,396	101.6
FY 2001-02 Appropriation:						
SB 01-212	\$1,461,055	\$5,263,379	\$568,749	\$2,078,291	\$9,371,474	101.6
HB 01-1326	<u>0</u>	<u>4,855</u>	<u>0</u>	<u>0</u>	<u>4,855</u>	<u>0.0</u>
TOTAL	\$1,461,055	\$5,268,234	\$568,749	\$2,078,291	\$9,376,329	101.6
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$98,422	\$200,050	(\$107,790)	\$80,251	\$270,933	0.0
Percentage Change	7.2%	3.9%	-15.9%	4.0%	3.0%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Director's Office	26.0	26.0
Laboratory Services - Chemistry and Microbiology	39.7	39.7
Radioactive Materials and Certification	29.7	29.7
Emergency Management	<u>6.2</u>	<u>6.2</u>
	101.6	101.6

General Fund Changes: The increase in the General Fund appropriation reflects the following: (1) an increase of \$112,000 to offset a reduction in indirect cost assessments; (2) an additional \$56,000 for salary survey and anniversary increases awarded in FY 2000-01; and (3) a \$15,000 increase to enable the Department to replace laboratory equipment. These increases are partially offset by the following decreases: (1) \$65,000 reflecting a shift towards other funding sources in personal services; (2) \$17,000 for a 1.5 percent personal services base reduction; and (3) a \$5,000 PERA reduction for FY 2001-02.

Cash Funds Changes: The cash funds increase is due to the following: (1) an additional \$116,000 for salary survey and anniversary increases awarded in FY 2000-01; (2) an increase of \$65,100 to enable the Department to begin replacing some laboratory equipment; (3) an additional \$41,100 for medical inflation; (4) \$30,000 to offset General Fund using anticipated cash fund revenues; and (5) \$5,000 appropriated by H.B. 01-1326. These increases are partially offset by the following decreases: (1) \$49,000 for a 1.5 percent personal services base reduction; and (2) \$14,000 for a PERA reduction for FY 2000-01-02.

Cash Funds Exempt Changes: The reduced cash funds exempt appropriation is the result of the following: (1) a reduction of \$112,000 to reflect a lower level of indirect cost recoveries; (2) a \$6,000 decrease due to a 1.5 percent personal services base reduction; and (3) a \$1,000 PERA reduction for FY 2001-02. These decreases are partially offset by the following increases: (1) \$12,000 for salary survey increases awarded in FY 2000-01; and (2) \$9,000 for medical inflation.

Federal Funds Changes: The increased level of federal funds is the result of the following: (1) an additional \$67,000 for salary survey and anniversary increases awarded during FY 2000-01 and (2) an additional \$44,000 federal funds anticipated to be received. These increases are partially offset by the following decreases: (1) \$21,000 for a 1.5 percent base reduction; and (2) \$6,000 for a reduction in PERA contribution for FY 2001-02.

Local Health Services

This division provides funding for local and regional health services. Funding in this division is provided to 14 local health departments and 38 county nursing and environmental health agencies in all 63 counties of the state. Although local agencies have discretion over how funds are spent, appropriations to this division are intended to support seven primary services, including: (1) disease prevention; (2) environmental hazard protection; (3) community health assessments and evaluation; (4) illness and injury prevention; (5) promotion of healthy behavior; (6) responding to disasters and assisting communities in recovery; and (7) health services quality assurance and accessibility. Specific services, such as family planning and teen pregnancy prevention, are supported by contract funds through other divisions. Funding for this division is provided through Section 25-1-516, C.R.S., requiring the state to provide support for local and regional health services on a per-capita basis.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$6,252,550	\$0	\$0	\$0	\$6,252,550	0.0
SB 01-193	(602,304)	0	602,304	0	0	0.0
TOTAL	\$5,650,246	\$0	\$602,304	\$0	\$6,252,550	0.0
FY 2001-02 Appropriation:						
SB 01-212	\$6,465,137	\$0	\$0	\$0	\$6,465,137	0.0
TOTAL	\$6,465,137	\$0	\$0	\$0	\$6,465,137	0.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$814,891	\$0	(\$602,304)	\$0	\$212,587	0.0
Percentage Change	14.4%	n/a	n/a	n/a	3.4%	n/a

The appropriation includes a 3.4 percent increase over FY 2000-01 levels for all local health agencies. In FY 2000-01, \$602,300 General Fund was reduced to provide for a one-time expenditure in the Medicaid Disproportionate Share Program in the Department of Health Care Policy and Financing. This resulted in a corresponding increase of \$602,300 in cash funds exempt to reflect local payments made from Denver Health and Hospitals, in lieu of General Fund.

General Fund Changes: The increase in the General Fund appropriation for FY 2001-02 reflects a restoration of the \$602,300 General Fund to bring the appropriation to prior year levels. The FY 2001-02 increase also includes \$168,400 for local public health agencies, \$35,300 for public health nurses, and \$8,900 for environmental health specialists.

Cash Funds Exempt Changes: The decrease in cash funds exempt reflects the discontinuation of the one-time appropriation from FY 2000-01.

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. Administration provides policy and regulatory recommendations to the Air Quality Control Commission, and coordinates all air programs. Technical Services performs statewide air monitoring, pollutant analysis, and emission modeling, forming the technical basis for state implementation plans and for attainment redesignation requests. Mobile Sources conducts research relating to the causes and effects of pollution from mobile sources

(e.g., motor vehicles) and investigates, implements, and evaluates strategies aimed at reducing vehicular emissions. Stationary Sources permits, monitors, and inspects stationary source air pollution emitters (e.g., factories and power plants) and analyzes data to determine compliance with state implementation plans. The primary source of cash funds is the Stationary Sources Control Fund. The primary source of cash funds exempt is the Automobile Inspection and Readjustment Account of the Highway Users Tax Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$5,464,278	\$4,909,400	\$2,865,687	\$13,239,365	149.0
HB 00-1458	0	(17,467)	(14,844)	(10,049)	(42,360)	0.0
TOTAL	\$0	\$5,446,811	\$4,894,556	\$2,855,638	\$13,197,005	149.0
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$4,684,390	\$5,220,518	\$3,023,845	\$12,928,753	141.1
SB 01-121	0	512,761	0	0	512,761	8.6
HB 01-1326	0	499,651	0	0	499,651	0.0
TOTAL	\$0	\$5,696,802	\$5,220,518	\$3,023,845	\$13,941,165	149.7
Change FY 01 - FY 02						
Increase/(Decrease)	\$0	\$249,991	\$325,962	\$168,207	\$744,160	0.7
Percentage Change	n/a	4.6%	6.7%	5.9%	5.6%	0.5%

FTE Detail	FY 2000-01	FY 2001-02
Administration	4.5	4.5
Technical Services	33.4	33.4
Mobile Sources	38.4	38.4
Stationary Sources	<u>72.7</u>	<u>73.4</u>
	149.0	149.7

FTE Changes: An increase of 0.7 FTE is related to expanded duties of the Asbestos Control Program. Re-authorizing legislation for the Asbestos Control Program (S.B. 01-121) included a continuation level of 7.9 FTE, and an additional 0.7 FTE related to expanded duties of the Asbestos Control Program.

Cash Funds Changes: The increase of \$250,000 cash funds includes \$380,000 in personal services increases awarded in FY 2000-01, offset by reductions of \$40,000 to reflect a change in the PERA contribution rate, and \$140,000 to reflect a 1.5 percent personal services reduction.

Cash Funds Exempt Changes: The increase of \$326,000 cash funds exempt includes \$144,000 awarded pursuant to a decision item for new air quality data collection equipment and \$240,000 in personal services increases awarded in FY 2000-01. These increases are offset by reductions of \$21,000 to reflect a change in the PERA contribution rate and \$70,000 to reflect a 1.5 percent personal services reduction.

Federal Funds Changes: The \$168,000 increase in federal funds anticipated to be received is associated with the revised Performance Partnership Grant negotiated with the U.S. Environmental Protection Agency.

Water Quality Control Division

The Water Quality Control Division enforces the water quality regulations of the Water Quality Control Commission and the State Board of Health. This includes developing stream classifications and standards, issuing permits to ensure that discharges are in compliance 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 the enforcement of the provisions of Amendment 14 (Regulation of Commercial Hog Facilities) approved by the voters in the 1998 statewide election. Sources of cash funds include the Water Quality Control Fund and the Sludge Management Program Fund. Sources of cash funds exempt include the Groundwater Protection Fund and commercial hog facility regulation fees pursuant to Amendment 14, approved by voters at the 1998 general election.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$2,193,615	\$1,825,490	\$348,283	\$4,805,316	\$9,172,704	102.9
HB 00-1458	(7,501)	(6,172)	(619)	(13,680)	(27,972)	0.0
SB 01-193	<u>0</u>	<u>0</u>	<u>46,292</u>	<u>0</u>	<u>46,292</u>	<u>0.0</u>
TOTAL	\$2,186,114	\$1,819,318	\$393,956	\$4,791,636	\$9,191,024	102.9
FY 2001-02 Appropriation:						
SB 01-212	<u>\$2,221,745</u>	<u>\$1,870,828</u>	<u>\$397,005</u>	<u>\$4,949,575</u>	<u>\$9,439,153</u>	<u>102.9</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$2,221,745	\$1,870,828	\$397,005	\$4,949,575	\$9,439,153	102.9
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$35,631	\$51,510	\$3,049	\$157,939	\$248,129	0.0
Percentage Change	1.6%	2.8%	0.8%	3.3%	2.7%	0.0%

FTE Detail	FY 00-01	FY 01-02
Administration	12.5	12.5
Watershed Assessment, Outreach, and Assistance	28.8	28.8
Permitting and Compliance Assurance	33.2	33.2
Drinking Water Program	<u>28.4</u>	<u>28.4</u>
	102.9	102.9

General Fund Changes: The \$36,000 increase in General Fund includes an additional \$70,000 for salary survey and anniversary increases awarded in FY 2000-01, partially offset by a decrease of approximately \$33,000 to reflect both the change in the PERA contribution rate and a 1.5 percent personal services reduction.

Cash Funds Changes: The \$52,000 increase in cash funds includes an increase of \$63,000 in the indirect cost assessment line and an increase of \$47,000 in personal services increases, offset by a decrease of \$59,000 related to increased cash exempt and federal fund sources.

Cash Funds Exempt Changes: The \$3,049 increase in cash funds exempt includes a \$30,000 increase associated with indirect costs and a net increase of approximately \$68,000 to reflect cash exempt revenues, partially offset by a reduction of \$95,000 pursuant to the end of a two-year study on the groundwater impact of agricultural chemicals sprayed on land. In FY 2000-01, the \$95,000 cash funds exempt, which was received through a transfer from the Department of Agriculture, covered the sub-contracting of data collection and analysis to the Colorado School of Mines.

Federal Funds Changes: The \$157,939 increase in federal funds anticipated to be received is associated with the revised Performance Partnership Grant negotiated with the U.S. Environmental Protection Agency.

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 permitted solid waste facilities; overseeing large- and small-quantity hazardous waste generators, transporters,

and storage facilities; enforcing regulations promulgated by the Hazardous Waste Commission; responding to public complaints about such facilities, implementing remediation efforts at federal Superfund sites; reviewing corrective action plans for technical compliance with applicable state environmental regulations; providing technical services to local governments facing potential contamination from uranium mill tailings; and regulating of commercial radioactive materials in Colorado. Sources of cash funds include the Hazardous Waste Service Fund, the Hazardous Substance Response Fund, the Hazardous Waste Commission Fund, and the Solid Waste Management Fund. The source of cash funds exempt is the Local Government Severance Tax Fund. Sources of federal funds include funds received from the U.S. Environmental Protection Agency, the U.S. Department of Defense, the Agency for Toxic Substances and Disease Registry, and the U.S. Department of Energy.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$761,108	\$4,481,521	\$316,796	\$9,390,338	\$14,949,763	132.4
HB 00-1306	0	250,000	0	975,000	1,225,000	0.0
HB 00-1458	0	(14,548)	(958)	(1,045)	(16,551)	0.0
TOTAL	\$761,108	\$4,716,973	\$315,838	\$10,364,293	\$16,158,212	132.4
FY 2001-02 Appropriation:						
SB 01-212	\$679,625	\$4,677,279	\$317,853	\$9,412,750	\$15,087,507	131.9
HB 01-1106	0	0	37,693	0	37,693	0.0
HB 01-1387	0	250,000	0	0	250,000	0
TOTAL	\$679,625	\$4,927,279	\$355,546	\$9,412,750	\$15,375,200	131.9
Change FY 01 - FY 02						
Increase/(Decrease)	(\$81,483)	\$210,306	\$39,708	(\$951,543)	(\$783,012)	(0.5)
Percentage Change	-10.7%	4.5%	12.6%	-9.2%	-4.8%	-0.4%

FTE Detail	FY 2000-01	FY 2001-02
Division Director's Office	5.5	5.0
Hazardous Waste Control Program	34.6	34.6
Solid Waste Control Program	13.2	13.2
Uranium Mill Tailings Remedial Action Program	3.6	3.6

FTE Detail	FY 2000-01	FY 2001-02
Contaminated Site Cleanups	45.2	45.2
Rocky Flats Agreement	<u>30.3</u>	<u>30.3</u>
	132.4	131.9

FTE Changes: A decrease of 0.5 FTE is related to a budget reduction item within the Division Director's Office. The decrease is 0.5 FTE for an Administrative Assistant II position and was permitted by new records management software.

General Fund Changes: The \$81,483 decrease in General Fund includes \$64,000 related to a budget reduction item within the Division Director's Office and \$18,000 related to a decrease in requested General Fund for the Contaminated Site Cleanups line item that reflects the availability of additional cash funds and federal funds.

Cash Funds Changes: The cash funds appropriation includes the following increases: (1) \$250,000 related to H.B. 01-1387 (Landfill Solid Waste Hazards); (2) \$82,000 in indirect costs; (3) \$51,000 in personal services increases within the Hazardous Waste Control Program; (4) \$30,000 related to the refinance of 0.5 FTE for Environmental Protection Specialist positions included in the budget reduction item; (5) \$28,000 in salary survey and anniversary increases awarded in FY 2000-01; (6) \$23,000 in personal services increases within the Contaminated Site Cleanups line; and (7) \$18,000 related to an increase in the legal services rate. These increases are partially offset by a reduction of \$250,000 due to the transfer of the appropriation pursuant to H.B. 00-1306 (Brownfield Redevelopment) to the Capital Construction section of the Long Bill. Also included is a decrease of \$16,000 related to the 1.5 percent personal services reduction and \$4,000 related to a change in the PERA contribution rate.

Cash Funds Exempt Changes: The cash funds exempt increase of \$40,000 includes increases of \$38,000 related to the Cathode Ray Tube Recycling Program and \$2,000 in indirect cost recoveries.

Federal Funds Changes: The decrease in federal funds is primarily related to the inclusion of \$975,000 in federal fund spending authority pursuant to H.B. 00-1306 within the Capital Construction section of the budget. This is partially offset by increases for salary survey and anniversary awarded in FY 2000-01, and an increase of \$16,000 related to the budget reduction item within the Division Director's Office.

Consumer Protection

This division is responsible for: investigating diversion of controlled substances to illegal channels of distribution; enforcing sanitation standards designed 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. Sources of cash funds include the Food

Protection Cash Fund and the Artificial Tanning Device Education Fund. Sources of cash funds exempt include the Department of Corrections and the Department of Human Services.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,400,299	\$352,178	\$68,263	\$272,613	\$2,093,353	27.7
HB 00-1458	(5,848)	(806)	0	0	(6,654)	0.0
TOTAL	\$1,394,451	\$351,372	\$68,263	\$272,613	\$2,086,699	27.7
FY 2001-02 Appropriation:						
SB 01-212	\$1,413,546	\$403,576	\$67,990	\$274,836	\$2,159,948	27.7
TOTAL	\$1,413,546	\$403,576	\$67,990	\$274,836	\$2,159,948	27.7
Change FY 01 - FY 02						
Increase/(Decrease)	\$19,095	\$52,204	(\$273)	\$2,223	\$73,249	0.0
Percentage Change	1.4%	14.9%	-0.4%	0.8%	3.5%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Division Director	1.0	1.0
Program Manager	7.0	7.0
Environmental Inspector	14.7	14.7
Fiscal Officer	1.0	1.0
Office Manager	1.0	1.0
Support Staff	2.8	2.8
Executive Director's Office Support	0.2	0.2
	27.7	27.7

General Fund Changes: The increase of \$19,095 includes salary survey and anniversary increases awarded during FY 2000-01.

Cash Funds Changes: The increase of \$52,000 includes \$38,000 in increased indirect cost recoveries and \$14,000 in salary survey and anniversary increases awarded during FY 2000-01.

Disease Control and Environmental Epidemiology Division

This division helps prevent and control communicable diseases, investigate the incidence and prevalence of environmental and chronic diseases, and evaluate of potential risks posed by environmental toxicologic exposures. The division is divided into three subdivisions: (1) administration, general disease control and surveillance; (2) special purpose disease control programs; and (3) environmental epidemiology. The primary cash funds and cash funds exempt sources include medicaid funds appropriated to the Department of Health Care Policy and Financing and federal funds appropriated to the Department of Human Services.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$3,910,401	\$5,585	\$418,700	\$24,297,552	\$28,632,238	122.7
HB 00-1458	<u>(4,248)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,248)</u>	<u>0.0</u>
TOTAL	\$3,906,153	\$5,585	\$418,700	\$24,297,552	\$28,627,990	122.7
FY 2001-02 Appropriation:						
SB 01-212	<u>\$4,076,500</u>	<u>\$7,232</u>	<u>\$489,644</u>	<u>\$24,183,263</u>	<u>\$28,756,639</u>	<u>122.7</u>
TOTAL	\$4,076,500	\$7,232	\$489,644	\$24,183,263	\$28,756,639	122.7
Change FY 01 - FY 02						
Increase/(Decrease)	\$170,347	\$1,647	\$70,944	(\$114,289)	\$128,649	0.0
Percentage Change	4.4%	29.5%	16.9%	-0.5%	0.4%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Administration, General Disease Control and Surveillance	14.5	14.5
Special Purpose Disease Control Programs	84.6	84.6
Environmental Epidemiology	<u>23.6</u>	<u>23.6</u>
	122.7	122.7

General Fund Changes: The increase in the General Fund appropriation is due to the following: (1) a \$159,000 increase for medical inflation; and (2) a \$38,000 for salary survey increases awarded in FY 2000-01. These increases are partially offset by the following decreases: (1) \$15,000 for a 1.5 percent personal services reduction; and (2) \$4,000 for the decrease PERA contribution rates for FY 2001-02.

Cash Funds Exempt Changes: The cash funds exempt appropriation is due to the following increases: (1) \$51,000 for indirect cost assessments on cash fund sources; (2) \$16,000 for medical inflation, and (3) \$4,000 for salary survey and anniversary increases awarded in FY 2000-01.

Federal Funds Changes: The reduction in federal funds includes the following: (1) a \$253,000 reduction in the amount of indirect costs assessments applied to federal funds sources; (2) a \$79,000 decrease for a 1.5 percent base reduction; and (3) a \$25,000 PERA decrease for FY 2001-02. These decreases are partially offset by the following increases: (1) \$151,000 for salary survey and anniversary increases applied in FY 2000-01; and (2) \$83,00 in additional funds anticipated to be received to reduce sexually transmitted diseases.

Family and Community Health Services Division

This division is divided into five subdivisions: (1) child, adolescent, and school health; (2) women's health; (3) children with special needs; (4) nutrition services; and (5) rural-primary care.

The child, adolescent, and schools health subdivision primarily provides funds for school-based health centers, supports abstinence education efforts, and provides funding for the Medicaid Early and Periodic Screening, Diagnosis and Treatment program.

The women's health subdivision primarily provides funds to public and private local agencies to support family planning and primary health care services including physical examinations, cancer and sexually transmitted disease screening and treatment, contraceptive supplies, counseling and education, and voluntary sterilization.

The children with special needs-genetics subdivision provides services such as care coordination and diagnostic and treatment services for uninsured and under-insured children with chronic physical conditions. Genetics counseling services include clinical evaluation, counseling, and care for families with children with inherited or congenital diseases.

Nutrition services include funds for the federal Women, Infants and Children (WIC) supplemental food grant, as well as the Child and Adult Food Care Program (CACFP). The WIC program provides supplemental food packages and nutrition education to approximately 125,000 eligible women and children. The CAFCP provides reimbursement for nutritious meals as well as provides nutrition education to child care centers, Head Start programs, Outside School Hours Centers, and adult day care centers.

Services provided in the rural-primary health subdivision focus on increasing awareness and availability of oral health services and providing primary health care services to under-served populations.

The primary cash funds and cash funds exempt sources include the following: Newborn Screening and Genetic Counseling Fund, medicaid funds appropriated to the Department of Health Care Policy and Financing, and federal funds appropriated to the Department of Education.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$5,301,302	\$954,482	\$4,416,846	\$91,152,445	\$101,825,075	116.9
HB 00-1458	(5,617)	(178)	(11,679)	(17,668)	(35,142)	0.0
SB 00-071	0	0	2,300,981	0	2,300,981	1.5
SB 01-212	<u>0</u>	<u>0</u>	<u>74,763</u>	<u>0</u>	<u>74,763</u>	<u>0.0</u>
TOTAL	\$5,295,685	\$954,304	\$6,780,911	\$91,134,777	\$104,165,677	118.4
FY 2001-02 Appropriation:						
SB 01-212	\$5,497,615	\$991,917	\$8,822,153	\$90,080,290	\$105,391,975	108.5
SB 01-164	<u>0</u>	<u>0</u>	<u>400,000</u>	<u>0</u>	<u>400,000</u>	<u>0.4</u>
TOTAL	\$5,497,615	\$991,917	\$9,222,153	\$90,080,290	\$105,791,975	108.9
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$201,930	\$37,613	\$2,441,242	(\$1,054,487)	\$1,626,298	(9.5)
Percentage Change	3.8%	3.9%	36.0%	-1.2%	1.6%	-8.0%

FTE Detail	FY 2000-01	FY 2001-02
Director's Office	20.4	20.4
Community Nursing	5.4	5.4
Child, Adolescent, and School Health	12.4	12.4
Women's Health	7.0	7.3
Children with Special Needs-Genetics	25.3	25.3
Nutrition Services	33.4	33.4
Rural-Primary Care	<u>14.5</u>	<u>4.7</u>
	118.4	108.9

FTE Changes: The net decrease in 9.5 FTE is primarily due to a reduction in federal funds for the migrant health program, resulting in a decrease of 10.2 FTE. This decrease is partially offset by the

following increases: (1) 0.4 FTE pursuant to S.B. 01-164; and (2) 0.3 for the management of a computer system for the Prenatal Plus Program.

General Fund Changes: The increase in the General Fund appropriation is due the following: (1) an increase of \$186,000 for medical inflation; and (2) an additional \$51,000 for salary survey and anniversary increases awarded in FY 2000-01. These increases are partially offset by the following: (1) \$12,000 for a 1.5 percent personal services reduction; and (2) \$6,000 for the reduction in the PERA contribution rate for FY 2001-02.

Cash Funds Changes: The cash funds appropriation reflects a \$48,000 increase for medical inflation which is partially offset by a decrease of \$14,000 in indirect cost assessments on cash funds sources.

Cash Funds Exempt Changes: The increase in cash fund exempt reflects the following: (1) \$2.0 million increase for the Nurse Home Visitor program pursuant to S.B. 00-071; (2) \$200,000 appropriated out of the Dental Loan Repayment Fund, pursuant to S.B. 01-164; (3) \$69,000 for medical inflation; and (4) \$16,000 for salary survey and anniversary increases awarded in FY 2000-01.

Federal Funds Changes: The federal funds decrease is due to the elimination of federal funds for the Migrant Health program.

Health Facilities Division

This division establishes and enforces standards for the operation of health care facilities throughout the state. The division is divided into two subdivisions: (1) Licensure and (2) Medicaid/Medicare Certification Program. Activities include: licensure of hospitals, other health care facilities, health maintenance organizations, and personal care boarding homes; certification of nursing homes; and, training of non-licensed individuals to administer medications in residential care facilities and adult day programs. The primary cash funds and cash funds exempt sources include the following: Health Facilities Licensure Cash Fund, Personal Care Boarding Home Cash Fund, Medication Administration Cash Fund and medicaid funds appropriated to the Department of Health Care Policy and Financing.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$198,908	\$460,429	\$3,500,452	\$2,984,197	\$7,143,986	90.9
HB 00-1458	(875)	(1,715)	(12,458)	(10,398)	(25,446)	0.0
TOTAL	\$198,033	\$458,714	\$3,487,994	\$2,973,799	\$7,118,540	90.9
FY 2001-02 Appropriation:						
SB 01-212	\$194,706	\$473,688	\$3,630,948	\$3,275,247	\$7,574,589	102.0

	GF	CF	CFE	FF	Total	FTE
SB 01-078	<u>36,043</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,043</u>	<u>0.7</u>
TOTAL	\$230,749	\$473,688	\$3,630,948	\$3,275,247	\$7,610,632	102.7

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$32,716	\$14,974	\$142,954	\$301,448	\$492,092	11.8
Percentage Change	16.5%	3.3%	4.1%	10.1%	6.9%	13.0%

FTE Detail	FY 2000-01	FY 2001-02
Licensure	9.2	9.2
Medicaid/Medicare Certification Program	<u>81.7</u>	<u>93.5</u>
	90.9	102.7

FTE Changes: The additional 11.8 FTE is the result of the following: (1) 11.1 FTE to enhance the Department's ability to inspect and monitor nursing homes; and (2) 0.7 FTE associated with the implementation of S.B. 01-78 related to the regulation of nursing homes.

General Fund Changes: The increase in the General Fund is due to a \$36,000 appropriation to implement S.B. 01-078 related to the regulation of nursing homes. The increase is partially offset by a \$3,000 decrease, which represents a partial shift towards other funding sources for personal services.

Cash Funds Exempt Changes: The increase in the cash funds exempt appropriation is due to the following: (1) \$101,000 for salary survey and anniversary increases awarded in FY 2000-01; (2) a \$41,000 increase for indirect cost assessments on cash funds exempt sources; and (3) a \$22,000 increase for operating expenses related to increased inspections of nursing homes. The increase is partially offset by a \$44,000 decrease for a 1.5 percent personal services reduction.

Federal Funds Changes: The increase in federal funds is the additional amount the Department anticipates to receive to support enhanced inspection and monitoring efforts of the state's nursing homes.

Emergency Medical Services and Prevention Division

This division is divided into two subdivisions: (1) Emergency Medical Services and Injury, and (2) Prevention Programs. Emergency medical services support training and certification of emergency personnel, technical assistance to local agencies, and grants to support local activities. Prevention programs focus on mitigation of chronic disease and support for the cancer registry. The primary

cash funds and cash funds exempt sources include the following: Trauma System Cash Fund, Tobacco Litigation Cash Fund, and the Medical Services Account in the Highway Users Tax Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$351,009	\$418,108	\$4,756,347	\$7,610,072	\$13,135,536	70.6
HB 00-1432	157,846	0	0	0	157,846	2.0
HB 00-1458	(1,359)	(1,600)	(3,478)	(29,208)	(35,645)	0.0
SB 00-071	0	0	11,504,906	0	11,504,906	7.2
SB 00-180	0	0	15,000	0	15,000	0.0
SB 01-212	<u>\$0</u>	<u>\$0</u>	<u>\$373,813</u>	<u>\$0</u>	<u>\$373,813</u>	<u>0.0</u>
TOTAL	\$507,496	\$416,508	\$16,646,588	\$7,580,864	\$25,151,456	79.8
FY 2001-02 Appropriation:						
SB 01-212	<u>\$651,540</u>	<u>\$411,266</u>	<u>\$18,069,727</u>	<u>\$7,685,584</u>	<u>\$26,818,117</u>	<u>81.5</u>
TOTAL	\$651,540	\$411,266	\$18,069,727	\$7,685,584	\$26,818,117	81.5
Change FY 01 - FY 02						
Increase/(Decrease)	\$144,044	(\$5,242)	\$1,423,139	\$104,720	\$1,666,661	1.7
Percentage Change	28.4%	-1.3%	8.5%	1.4%	6.6%	2.1%

FTE Detail	FY 2000-01	FY 2001-02
Emergency Medical Services and Injury	13.1	13.1
Prevention Programs	<u>66.7</u>	<u>68.4</u>
	79.8	81.5

FTE Changes: The 1.7 FTE increase is associated with the implementation of S.B.00-071 (Tobacco Settlement Funds). The Department of Public Health and Environment has oversight and evaluation responsibilities for all program receiving tobacco settlement funds. The new FTE will perform these new functions.

General Fund Changes: The General Fund increase is due to the following: (1) an additional \$150,000 for the Suicide Prevention program; and (2) an additional \$7,000 awarded for salary survey and anniversary increases awarded in FY 2000-01. The increases are partially offset by the following

decreases: (1) \$7,000 for one-time expenditures, (2) \$4,700 for a 1.5 percent personal services reduction; and (3) a \$1,000 PERA reduction for FY 2001-02.

Cash Funds Exempt Changes: The increase in the cash funds exempt appropriation levels is due to the following: (1) an increase of \$1.4 million in tobacco settlement funds; and (2) an additional \$31,600 for salary survey and anniversary increases awarded in FY 2000-01. These increases are partially offset by the following decreases: (1) \$19,000 for lower indirect cost assessments on cash funds exempt sources; (2) \$15,000 for a one-time expenditure in FY 2000-01; (3) \$12,000 for a 1.5 percent personal services reduction; and (4) a \$5,000 PERA reduction for FY 2001-02.

Federal Funds Changes: The increased level of federal funds is due to the following: (1) \$58,000 for indirect cost assessments on sources of federal funds; (2) \$38,000 for cancer prevention; and (3) \$33,000 for salary survey increases awarded in FY 2000-01. The increases are partially offset by the following decreases: (1) \$17,000 for a 1.5 percent personal services reduction; and (2) \$5,000 for the reduction in the PERA contribution rate for FY 2001-02.

Prevention and Intervention Services for Children and Youth

This division was created pursuant to H.B. 00-1342. The division is divided into five subdivisions: (1) Program and Administration, (2) Youth Crime Prevention and Positive Intervention Program, (3) Colorado Children's Trust Fund, (4) Safe and Drug Free Program, and (5) Build a Generation Grants. The primary cash funds and cash funds exempt sources include the Youth Mentoring Cash Fund and the Colorado Children's Trust Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1025	\$0	\$216,000	\$238,000	\$100,000	\$554,000	2.5
HB 00-1342	9,109,480	0	1,415,946	0	10,525,426	9.0
SB 01-193	<u>(\$8,971)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$992,744</u>	<u>\$983,773</u>	<u>(2.5)</u>
TOTAL	\$9,100,509	\$216,000	\$1,653,946	\$1,092,744	\$12,063,199	9.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$9,621,598</u>	<u>\$240,132</u>	<u>\$1,737,268</u>	<u>\$1,708,050</u>	<u>\$13,307,048</u>	<u>16.0</u>
TOTAL	\$9,621,598	\$240,132	\$1,737,268	\$1,708,050	\$13,307,048	16.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$521,089	\$24,132	\$83,322	\$615,306	\$1,243,849	7.0
Percentage Change	5.7%	11.2%	5.0%	56.3%	10.3%	77.8%

FTE Detail	FY 2000-01	FY 2001-02
Program and Administration	3.5	5.5
Youth Crime Prevention and Positive Intervention Program	3.0	3.0
Colorado Children's Trust Fund	2.5	2.5
Safe and Drug Free Program	<u>0.0</u>	<u>5.0</u>
	9.0	16.0

FTE Changes: The increase of 7.0 FTE is due to the following factors: (1) an additional 5.0 FTE related to the Safe and Drug Free Program that was transferred from the Department of Local Affairs; (2) an increase of 1.0 FTE for the further implementation of H.B. 00-1342, which created the division of Prevention and Intervention Services for Children and Youth within the Department of Public Health and Environment; and (3) an additional 1.0 FTE associated with the Build a Generation program transferred from the Department of Public Safety.

General Fund Changes: The increase in the General Fund appropriation is due to the following increases: (1) \$429,000 associated with the transfer of the Build a Generation program from the Department of Public Safety; and (2) \$92,000 associated with the further implementation of H.B. 00-1342, which creates a new division of Prevention, Intervention, and Treatment Services for Children and Youth.

Cash Funds Changes: The cash funds increase is due to an increase in indirect costs assessed on cash funds sources.

Cash Funds Exempt Changes: The cash funds exempt increase is due to the following: (1) an \$80,000 increase to provide grants to help prevent student dropouts; and (2) \$3,000 in additional indirect cost assessments on cash funds exempt sources.

Federal Funds Changes: The increase in federal funds is due to the following: (1) \$507,000 additional federal funds in the Safe and Drug Free program; and (2) an increase of \$108,000 for indirect cost assessments on sources of federal funds.

Recent Legislation

2000 Session Bills

H.B. 00-1025: Transfers the Colorado Children's Trust Fund program from the Department of Higher Education to the Department of Public Health and Environment.

H.B. 00-1215: Increases the state contribution for state employee health benefits.

H.B. 00-1306: Creates an income tax credit for any approved environmental remediation for the purpose of redevelopment. Also provides that the Hazardous Substance Response Fund (HSRF) may be used at sites that are not included on the National Priority List. Appropriates \$250,000 cash funds out of the HSRF for FY 2000-01.

H.B. 00-1342: Creates the Division of Prevention, Intervention, and Treatment Services for Children and Youth in the Department of Public Health and Environment. Transfers the Youth Crime Prevention and Positive Intervention Program and Youth Mentoring Program out of the Department of Local Affairs into the new division.

H.B. 00-1432: Authorizes the Department of Public Health and Environment to develop an Office of Suicide Prevention and act as the state coordinator for suicide prevention programs.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Reduces the state contribution for state employees' retirement (PERA) by 0.5 percent.

S.B. 00-71: Creates two new programs in the Department of Public Health and Environment with the use of the Tobacco Litigation Settlement Cash Fund, including the Nurse Home Visitor and the Tobacco Education and Prevention programs. Requires the Department to monitor programs that receive State appropriations pursuant to the tobacco litigation settlement.

S.B. 00-180: Consolidates the Advisory Emergency Medical Services Council and the State Trauma Advisory Council into a 32 member Emergency Medical and Trauma Services Advisory Council. Requires the State Board of Health, in consultation with the State Emergency Medical and Trauma Services Advisory Council and the Colorado Bureau of Investigation to develop a report on the implementation of criminal background checks for emergency medical technicians who have direct access to patients.

2001 Session Bills

S.B. 01-78: Requires the Department to develop and implement a consumer satisfaction survey and make other changes regarding nursing facility quality assurance. Appropriates \$36,043 General Fund and 0.7 FTE to the Department. For a full description of S.B. 01-078, please refer to the Health Care Policy and Financing Section.

S.B. 01-121: Re-authorizes the Asbestos Control Program within the Air Quality Control Division until July 1, 2006. Slightly expands the program and increases the scope of abatement regulations. Appropriates continuation funding and \$36,066 and 0.7 FTE in additional funding for FY 2001-02.

S.B. 01-164: Creates a state dental loan repayment program for dentists and dental hygienists who provide a significant level of services to under served populations. Changes the annual allocation from the Tobacco Litigation Cash Fund to provide for \$200,000 to the Dental Loan Repayment Fund and appropriates \$200,000 from the Dental Loan Repayment Fund and 0.4 FTE to the Department of Public Health and Environment. For a full description of S.B. 01-078, please refer to the Health Care Policy and Financing Section.

S.B. 01-193: Supplemental appropriation to the Department of Public Health and Environment to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02. Add-on appropriation to the Department of Public Health and Environment to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-214: Expands the prescribed burn provisions of the "Colorado Air Pollution Prevention and Control Act" and requires the Air Quality Control Commission (AQCC) in the Department of Public Health and Environment (DPHE) to review land management plans adopted by any significant user of prescribed fire, including federal, state, local government, and private land managers. Appropriates \$50,868 cash funds and 0.4 FTE to DPHE and \$25,673 and 0.3 FTE to the Department of Law for FY 2001-02.

H.B. 01-1106: Establishes a Cathode Ray Tube Recycling Pilot Program to be implemented by the Department of Public Health and Environment (DPHE) if it has received a grant, gift, or bequest that is sufficient to do so. Authorizes DPHE to make grants or loans to private industry and public-private partnerships out of moneys appropriated to the pilot program. Appropriates \$30,693 cash funds exempt from the Cathode Ray Tube Recycling Fund to DPHE for FY 2001-02.

H.B. 01-1326: Increases fee sources to the Stationary Sources Control Fund, and appropriates continuation levels of funding for FY 2001-02 not included in the FY 2001-02 Long Bill.

H.B. 01-1387: Provides for additional expenditures from the Solid Waste Management Fund (SWMF), reduces "tipping" fees, and provides that any reserve balance in excess of S.B. 98-194 be transferred to the Hazardous Substance Response Fund (HSRF), which is exempt from the requirements of S.B. 98-194. Authorizes the department to expend moneys from the SWMF to respond to and mitigate hazards originating from solid waste.

DEPARTMENT OF PUBLIC SAFETY

The Department of Public Safety's responsibilities include: enforcing motor vehicle laws on highways of the State, conducting automobile and truck safety checks; coordinating emergency responses to hazardous materials incidents; training emergency responders for hazardous materials accidents, providing assistance to local governments regarding the delivery of fire services; providing investigative, forensic, and criminal history services to local law enforcement agencies; and administering adult and youth community corrections programs.

The Department is comprised of the following divisions:

1. Executive Director's Office
2. Colorado State Patrol
3. Division of Fire Safety
4. Division of Criminal Justice
5. Colorado Bureau of Investigation

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$44,035,320	\$49,784,474	\$57,509,210	\$59,541,630
Cash Fund	4,266,866	4,921,395	5,770,691	6,298,682
Cash Funds Exempt	66,960,522	71,647,487	76,999,250	83,603,446
Federal Funds	<u>25,201,638</u>	<u>29,211,781</u>	<u>26,239,818</u>	<u>37,281,282</u>
TOTAL	\$140,464,346	\$155,565,137	\$166,518,969	\$186,725,040
Full Time Equiv. Staff	1,102.7	1,186.3	1,231.2	1,240.0

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- An increase of \$2.3 million General Fund for community corrections residential beds and non-residential slots;
- An increase of \$569,000 cash funds exempt for maintenance and replacement costs associated with mobile data computers in state trooper vehicles;

- ❑ An increase of \$378,000 cash funds exempt for operation and maintenance costs associated with the computer aided dispatch system,
- ❑ An increase of \$243,400 cash funds, \$200,000 cash funds exempt and \$199,000 General Fund to replace and upgrade investigative equipment;
- ❑ An increase of \$129,900 General Fund, \$80,000 federal funds and 1.0 FTE for the Department to attain accreditation status for its three laboratories;
- ❑ An increase of \$4.1 million, including \$279,000 General Fund, for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. The total FY 2001-02 appropriation for salary survey and anniversary increases is \$7.3 million, reflecting a 125.4 percent increase over FY 2000-01; and
- ❑ A decrease of \$990,000, including \$197,000 General Fund, for a 1.5 percent personal services reduction.

General Factors Driving the Budget

Funding for this department consists of 31.9 percent General Fund, 3.3 percent cash funds, 44.8 percent cash funds exempt, and 20.0 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Number of State Troopers

The Department of Public Safety uses the Police Allocation Model (PAM) to calculate the need for additional road troopers. The model's variables include: the hours of road coverage, the frequency that a stretch of highway is checked during a shift, the amount of traffic on a highway, and the percentage of time an officer is available to immediately respond to an accident. In recent years, PAM has shown a need for increased troopers in Colorado. In response, the General Assembly has approved an increased number of troopers in the state.

	FY 1997-98 Actual	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
Colorado State Patrol, Sergeants, Technicians, and Troopers	526.9	540.6	593.6	594.1	594.1

Highway Users Tax Fund (HUTF) "Off-the-Top" Appropriations

The source of funds in the HUTF consists of taxes on motor fuel and registration fees on drivers and vehicles. A majority of HUTF revenue is allocated, to cities, counties and the Department of Transportation. The term "off-the-top" appropriations refers to funds that are removed from

available HUTF revenues before the allocation to cities, counties, and the Department of Transportation. These funds are appropriated to the State Patrol in the Department of Public Safety, the Ports of Entry in the Department of Revenue, and for related capital expenditures. Senate Bill 95-47 limited the annual growth in "off-the-top" appropriations to six percent. The HUTF is a significant funding source for the Colorado State Patrol. The following table reflects the level of HUTF funding over the last four years.

	FY 1998-99	FY 1999-00	FY 2000-01	FY 2001-02
Total HUTF Off-the-Top Funding	\$63,382,172	\$67,185,102	\$71,216,208	\$75,489,181
Dept. of Public Safety - HUTF Funding - Operating Budget	\$53,974,669	\$57,684,628	\$60,755,775	\$67,823,975
HUTF Dept. of Public Safety Funding as a Percentage of Total HUTF Funding	85.2%	85.9%	85.3%	89.8%

Advancements in Technology

In recent years, the General Assembly has approved funding for the Department to implement a variety of technology projects in an effort to enhance the effectiveness of public safety in the state. The following projects are examples of the Department's focus on technology.

- ❑ **Mobile Data Computers**: These computers are located in trooper vehicles and provide instant access to information on arrest warrants, stolen vehicles, and criminal history. These computers also eliminate the need to transcribe citations and investigation information from handwritten to electronic form, thereby improving efficiency.
- ❑ **Computer Aided Dispatch**: This network records all calls for service, the state troopers involved, and the chronology of the response. Furthermore, computer generated digital maps help communications officers visualize emergency situations and quickly identify nearby resources that may be available. Any data collected may also be used in statistical and other management analysis.
- ❑ **Colorado Integrated Criminal Justice Information System (CICJIS)**: CICJIS is a computer system that integrates criminal justice information between five different state agencies. The five agencies include: (1) the Department of Public Safety, (2) the Department of Corrections, (3) the Department of Human Services, (4) the District Attorney's Council, and (5) the Judicial Department. CICJIS is intended to improve the transfer of data between criminal justice agencies, and improve the accuracy of the data.

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:	\$57,509,210	\$5,770,691	\$76,999,250	\$26,239,818	\$166,518,969	1,231.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	1,863,755	383,829	11,170,811	646,497	14,064,892	39.5
Colorado State Patrol Division	1,711,912	2,048,794	61,138,543	1,718,430	66,617,679	925.7
Division of Fire Safety	149,077	304,357	127,030	155,000	735,464	6.0
Division of Criminal Justice	40,650,785	1,205,247	2,349,660	22,885,669	67,091,361	64.3
Colorado Bureau of Investigation	13,133,681	1,828,464	2,213,206	834,222	18,009,573	195.7
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	55,981,034	5,674,212	75,158,880	26,227,982	163,042,108	1,220.6
HB 00-1033	37,425	0	0	0	37,425	0.6
HB 00-1034	15,000	0	0	0	15,000	0.0
HB 00-1166	288,595	0	0	0	288,595	1.0
HB 00-1215	38,123	6,630	193,852	6,658	245,263	0.0
HB 00-1232	87,650	0	0	0	87,650	0.0
HB 00-1235	18,481	0	0	0	18,481	0.5
HB 00-1263	130,128	0	0	0	130,128	2.0
HB 00-1317	213,856	0	0	0	213,856	2.0
HB 00-1422	0	0	10,000	0	10,000	0.0
HB 00-1458	(21,031)	(8,200)	(53,784)	(2,541)	(85,556)	0.0
SB 00-50	0	0	30,000	0	30,000	0.0
SB 00-62	0	14,235	70,400	0	84,635	0.0
SB 00-121	364,736	0	0	0	364,736	1.5
SB 01-194	355,213	83,814	1,589,902	7,719	2,036,648	3.0

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:	\$59,541,630	\$6,298,682	\$83,603,446	\$37,281,282	\$186,725,040	1,240.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	1,345,808	447,045	15,529,333	758,574	18,080,760	38.5
Colorado State Patrol	1,731,601	1,969,288	64,129,404	1,750,698	69,580,991	924.2
Division of Fire Safety	149,497	311,074	128,509	0	589,080	6.0
Division of Criminal Justice	43,037,714	1,233,421	1,369,889	33,665,163	79,306,187	69.5
Colorado Bureau of Investigation	13,277,010	2,337,854	2,446,311	1,106,847	19,168,022	201.8
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	59,309,422	6,020,091	83,463,748	37,088,657	185,881,918	1,234.6
SB 01-32	0	248,988	74,250	0	323,238	1.5
SB 01-174	0	29,603	44,000	0	73,603	0.3
HB 01-1114	0	0	21,448	0	21,448	0.0
HB 01-1130	94,008	0	0	192,625	286,633	1.0
HB 01-1155	138,200	0	0	0	138,200	2.6
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$2,032,420	\$527,991	\$6,604,196	\$11,041,464	\$20,206,071	8.8
Percentage Change	3.5%	9.2%	8.6%	42.1%	12.1%	0.7%

Detail of Appropriation by Administrative Section

Executive Director's Office

This office is responsible for managing the administrative and fiscal affairs of the Department and providing policy direction. In addition, the office is responsible for making distributions to local governments for hazardous materials equipment and operates the Witness Protection Program. The office also houses the Colorado Integrated Criminal Justice Information System (CICJIS). The primary cash funds and cash funds exempt sources include the following: the Highway Users Tax Fund, limited gaming funds that are transferred from the Department of Revenue, the Hazardous Materials Safety Fund, and indirect cost recoveries.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,841,436	\$377,199	\$10,854,399	\$639,839	\$13,712,873	39.5
IIB 00-1215	38,123	6,630	193,852	6,658	245,263	0.0
HB 00-1458	0	0	(9,311)	0	(9,311)	0.0
SB 01-194	<u>(15,804)</u>	<u>0</u>	<u>131,871</u>	<u>0</u>	<u>116,067</u>	<u>0.0</u>
TOTAL	\$1,863,755	\$383,829	\$11,170,811	\$646,497	\$14,064,892	39.5
FY 2001-02 Appropriation:						
SB 01-212	<u>\$1,345,808</u>	<u>\$447,045</u>	<u>\$15,529,333</u>	<u>\$758,574</u>	<u>\$18,080,760</u>	<u>38.5</u>
TOTAL	\$1,345,808	\$447,045	\$15,529,333	\$758,574	\$18,080,760	38.5
Change FY 01 - FY 02						
Increase/(Decrease)	(\$517,947)	\$63,216	\$4,358,522	\$112,077	\$4,015,868	(1.0)
Percentage Change	-27.8%	16.5%	39.0%	17.3%	28.6%	-2.5%

FTE Detail	FY 2000-01	FY 2001-02
Executive Director and Administration	34.5	33.5
CICJIS	<u>5.0</u>	<u>5.0</u>
	39.5	38.5

FTE Changes: The decrease of 1.0 FTE reflects the elimination of a vacant position.

General Fund Changes: The net decrease in the General Fund appropriation reflects an additional \$788,000 in indirect cost recoveries used to offset and decrease the need for General Fund in the Department. The decrease is partially offset by an increase of \$279,000 for salary survey and anniversary increases to be awarded in FY 2001-02.

Cash Funds Changes: The increase in the cash funds is the result of salary survey and anniversary increases to be awarded in FY 2001-02.

Cash Funds Exempt Changes: The net increase in cash funds exempt reflects the following: (1) an additional \$3.6 million for salary survey and anniversary increases for FY 2001-02; (2) an additional \$788,000 in indirect cost recoveries, which is used to offset the General Fund in the Department and is classified as cash funds exempt; and (3) an additional \$110,000 for risk management and property payments. These increases are partially offset by the following decreases: (1) \$93,000 in employee

benefits and (2) \$50,000 in the Witness Protection Program, due to a one-time supplemental expenditure in FY 2000-01.

Federal Funds Changes: The increase in federal funds is the result of the following increases: (1) \$71,000 for salary survey and anniversary for FY 2001-02; and (2) \$37,000 for employee benefits.

Colorado State Patrol Division

This division is responsible for the safe and efficient movement of motor vehicle traffic on federal, state, and county roads in Colorado. The State Patrol enforces motor vehicle laws, assists motorists in need, conducts automotive and motor carrier safety checks, investigates traffic accidents, and oversees the transportation of hazardous materials. The primary cash funds and cash funds exempt sources include: the Highway Users Tax Fund, limited gaming funds that are transferred from the Department of Revenue, the Vehicle Inspection Number Identification Fund, and user fees collected from state and non-state agencies.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,603,138	\$1,977,901	\$59,804,479	\$1,712,972	\$65,098,490	925.7
HB 00-1458	(493.0)	(3,414.0)	(42,078.0)	(727.0)	(46,712.0)	0.0
SB 01-194	<u>109,267.0</u>	<u>74,307.0</u>	<u>1,376,142.0</u>	<u>6,185.0</u>	<u>1,565,901.0</u>	<u>0.0</u>
TOTAL	\$1,711,912	\$2,048,794	\$61,138,543	\$1,718,430	\$66,617,679	925.7
FY 2001-02 Appropriation:						
SB 01-212	\$1,731,601	\$1,969,288	\$64,107,956	\$1,750,698	\$69,559,543	924.2
HB 01-1114	<u>0</u>	<u>0</u>	<u>21,448</u>	<u>0</u>	<u>21,448</u>	<u>0.0</u>
TOTAL	\$1,731,601	\$1,969,288	\$64,129,404	\$1,750,698	\$69,580,991	924.2
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$19,689	(\$79,506)	\$2,990,861	\$32,268	\$2,963,312	(1.5)
Percentage Change	1.2%	-3.9%	4.9%	1.9%	4.4%	-0.2%

FTE Detail	FY 2000-01	FY 2001-02
Colonel / Lt. Colonels / Majors / Captains	37.0	37.0
Patrol Supervisors and Troopers	635.1	635.1
Civilians and Administration	115.5	114.0

FTE Detail	FY 2000-01	FY 2001-02
Dispatch Services	<u>138.1</u>	<u>138.1</u>
	925.7	924.2

FTE Changes: The decrease of 1.5 FTE is due to a reduction in the anticipated level of funds to be received from the Victims Assistance and Law Enforcement Program.

General Fund Changes: The increase in the General Fund appropriation reflects additional funding for salary survey and anniversary increases awarded in FY 2000-01.

Cash Funds Changes: The cash funds appropriation represents a \$99,000 decrease in funding for the State Patrol Training Academy to reflect historical expenditure levels and a \$54,000 decrease in the Road Closure Fund. These decreases are partially offset by a \$55,000 increase for salary survey and anniversary increases awarded in FY 2000-01 and an \$11,000 increase in indirect cost assessments on cash funds sources.

Cash Funds Exempt Changes: The cash funds exempt appropriation reflects the following increases: (1) \$2.7 million for salary survey and anniversary increases awarded in FY 2000-01; (2) \$580,000 in indirect cost assessments on cash funds exempt sources; (3) \$425,000 to begin replacing mobile data computers; (4) \$378,000 in maintenance costs for the State Patrol Computer Aided Dispatch system; (5) \$144,000 in maintenance costs for the Mobile Data Computer system; (6) \$113,000 for fuel expenditures; (7) \$52,000 for higher vehicle lease costs; and (8) \$21,000 for the purchase of business cards pursuant to H.B. 01-1114. These increases are partially offset by the following decreases: (1) \$675,000 due to a 1.5 percent base reduction in personal services; (2) \$394,000 for the counter-drug program which reflects the elimination of a one-time supplemental expenditure in FY 2000-01; (3) \$201,000 for a 0.5 percent PERA reduction for FY 2001-02; (4) \$165,000 for the Road Closure Fund; and (5) \$53,000 due to a reduction in the anticipated level of funds to be received from the state Victims Assistance and Law Enforcement Program.

Federal Funds Changes: The federal funds increase reflects additional funding for salary survey and anniversary increases awarded in FY 2000-01.

Division of Fire Safety

This division assists local governments in developing solutions to fire safety issues that are common to local, state, and federal governmental units. The division provides technical assistance to local governments, maintains a statewide reporting system, administers certification and training programs, and oversees fireworks regulation. The primary sources of cash funds and cash funds exempt include: the Fire Service Education and Training Fund, the Hazardous Materials Responder Voluntary Certification Fund, the Fire Suppression Cash Fund, and limited gaming funds originally appropriated to the Department of Revenue.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$149,377	\$304,919	\$127,440	\$155,000	\$736,736	6.0
HB 00-1458	(300)	(562)	(410)	0	(1,272)	0.0
TOTAL	\$149,077	\$304,357	\$127,030	\$155,000	\$735,464	6.0
FY 2001-02 Appropriation:						
SB 01-212	\$149,497	\$311,074	\$128,509	\$0	\$589,080	6.0
TOTAL	\$149,497	\$311,074	\$128,509	\$0	\$589,080	6.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$420	\$6,717	\$1,479	(\$155,000)	(\$146,384)	0.0
Percentage Change	0.3%	2.2%	1.2%	-100.0%	-19.9%	0.0%

General Fund Changes: The net increase in the General Fund appropriation is due to the following: (1) a \$2,900 increase for salary survey and anniversary increases awarded in FY 2000-01; (2) a \$2,000 decrease due to a 1.5 percent base reduction; and (3) a \$500 PERA reduction for FY 2001-02.

Cash Funds Changes: The net increase in cash funds reflects: (1) an additional \$7,000 for salary survey and anniversary increases awarded in FY 2000-01; (2) a \$1,100 increase in indirect cost assessments on cash funds sources; and (3) a \$2,300 decrease due to a 1.5 percent base reduction.

Cash Funds Exempt Changes: The net increase in cash funds exempt reflects a \$3,200 increase in salary survey and anniversary increases awarded in FY 2000-01 and a \$1,600 decrease due to a 1.5 percent base reduction.

Federal Funds Changes: The decrease in federal funds reflects the elimination of federal grant funds for this division in FY 2001-02.

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.

The primary sources of cash funds are the Drug Offender Surcharge Fund and the Sex Offender Surcharge Fund. The primary source of cash funds exempt is Victims Assistance and Law Enforcement Funds. The primary sources of federal funds are State and Local Crime Control and System Improvement Grants, Federal Victim Assistance and Compensation Grants, and Juvenile Justice Disbursement Grants.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$40,993,173	\$1,205,531	\$2,287,123	\$22,885,949	\$67,371,776	60.0
HB 00-1033	37,425	0	0	0	37,425	0.6
HB 00-1034	15,000	0	0	0	15,000	0.0
HB 00-1263	130,128	0	0	0	130,128	2.0
HB 00-1317	127,872	0	0	0	127,872	1.7
HB 00-1422	0	0	10,000	0	10,000	0.0
HB 00-1458	(4,011)	(284)	(1,473)	(1,814)	(7,582)	0.0
SB 00-50	0	0	30,000	0	30,000	0.0
SB 01-194	<u>(648,802)</u>	<u>0</u>	<u>24,010</u>	<u>1,534</u>	<u>(623,258)</u>	<u>0.0</u>
TOTAL	\$40,650,785	\$1,205,247	\$2,349,660	\$22,885,669	\$67,091,361	64.3
FY 2001-02 Appropriation:						
SB 01-212	<u>\$43,037,714</u>	<u>\$1,233,421</u>	<u>\$1,369,889</u>	<u>\$33,665,163</u>	<u>\$79,306,187</u>	<u>69.5</u>
TOTAL	\$43,037,714	\$1,233,421	\$1,369,889	\$33,665,163	\$79,306,187	69.5
Change FY 01 - FY 02						
Increase/(Decrease)	\$2,386,929	\$28,174	(\$979,771)	\$10,779,494	\$12,214,826	5.2
Percentage Change	5.9%	2.3%	-41.7%	47.1%	18.2%	8.1%

FTE Changes: The overall appropriation includes an additional 5.2 FTE. The increase is the result of the following: (1) an additional 5.4 FTE associated with federal grants; (2) an additional 0.5 FTE for annualization of personnel appropriated in H.B. 00-1263 for the domestic violence treatment board; (3) an additional 0.3 FTE for annualization of personnel appropriated in H.B. 00-1317 for the sex offender management program; and (4) a reduction of 1.0 FTE associated with the transfer of the Build a Generation program to the Department of Public Health and Environment.

General Fund Changes: The overall increase in General Fund is the result of additional residential beds and additional special service slots, as well as, inflationary increases for community corrections.

Cash Funds Changes: The cash funds increase is the result of inflationary increases for the Substance Abuse Treatment Program.

Cash Funds Exempt Changes: The cash funds exempt decrease is the result of the following reductions: (1) \$694,000 due to the transfer of the Build a Generation program to the Department of Public Health and Environment; (2) \$245,000 due to a reduction in the anticipated level of funding from the Victims Assistance and Law Enforcement program; and (3) \$30,000 as a result of the elimination of one-time funding for an audit of the Juvenile Training Program.

Federal Funds Changes: The federal funds increase is the result of anticipated increases in federal grants in the following areas: (1) \$7.0 million for State and Local Crime Control and System Improvement grants; (2) \$2.0 million for federal Victims Assistance and Compensation grants; and (3) \$1.5 million for various other federal grants.

Colorado Bureau of Investigation

This division assists local law enforcement agencies by collecting, processing, and analyzing criminal evidence. In addition, it collects, maintains, and disseminates computerized information on crime in Colorado, conducts background checks for firearms, and provides training to other agencies in investigative techniques. In order to implement these functions, the division is divided into five subdivisions: (1) administration; (2) the Colorado Crime Information Center; (3) laboratory services; (4) investigative services; and (5) the Instant Criminal Background Check Program. The primary cash funds and cash funds exempt sources include the following: fingerprint and name check fees collected from other state and non-state agencies, the Victims Assistance and Law Enforcement Fund, and limited gaming funds transferred from the Department of Revenue.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$11,393,910	\$1,808,662	\$2,085,439	\$834,222	\$16,122,233	189.4
HB 00-1166	288,595	0	0	0	288,595	1.0
HB 00-1232	87,650	0	0	0	87,650	0.0
HB 00-1235	18,481	0	0	0	18,481	0.5
HB 00-1317	85,984	0	0	0	85,984	0.3
HB 00-1458	(16,227)	(3,940)	(512)	0	(20,679)	0.0
SB 00-62	0	14,235	70,400	0	84,635	0.0
SB 00-121	364,736	0	0	0	364,736	1.5
SB 00-194	<u>910,552</u>	<u>9,507</u>	<u>57,879</u>	<u>0</u>	<u>977,938</u>	<u>3.0</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$13,133,681	\$1,828,464	\$2,213,206	\$834,222	\$18,009,573	195.7
FY 2001-02 Appropriation:						
SB 01-212	\$13,044,802	\$2,059,263	\$2,328,061	\$914,222	\$18,346,348	196.4
SB 01-32	0	248,988	74,250	0	323,238	1.5
SB 01-174	0	29,603	44,000	0	73,603	0.3
HB 01-1130	94,008	0	0	192,625	286,633	1.0
HB 01-1155	<u>138,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>138,200</u>	<u>2.6</u>
TOTAL	\$13,277,010	\$2,337,854	\$2,446,311	\$1,106,847	\$19,168,022	201.8
Change FY 01 - FY 02						
Increase/(Decrease)	\$143,329	\$509,390	\$233,105	\$272,625	\$1,158,449	6.1
Percentage Change	1.1%	27.9%	10.5%	32.7%	6.4%	3.1%

FTE Detail	FY 2000-01	FY 2001-02
Administration	7.0	7.0
Crime Information Center	76.9	81.3
Laboratory Services	52.8	55.5
Investigative Services	36.0	35.0
Instant Criminal Background Check Program	<u>23.0</u>	<u>23.0</u>
	195.7	201.8

FTE Changes: The appropriation includes a net increase of 6.1 FTE attributable to the following: (1) an additional 2.6 FTE to post additional sex offender information on the internet pursuant to H.B. 01-1155; (2) an additional 1.5 FTE to process fingerprint-based criminal background checks pursuant to S.B. 01-32; (3) an additional 1.0 FTE to process an increase in DNA tests pursuant to H.B. 01-1130; (4) an additional 1.0 FTE to enable the laboratory to attain accreditation status; (5) an additional 0.7 FTE for further implementation of H.B. 00-1317 regarding the registration of sex offenders; and (6) an additional 0.3 FTE for additional criminal background checks pursuant to S.B. 01-174. These increases are partially offset by a decrease of 1.0 FTE due to a lower anticipated level of funds to be received from the Victims Assistance and Law Enforcement Program for the Missing Children project.

General Fund Changes: The change in the General Fund appropriation reflects the following increases: (1) \$526,000 for salary survey and anniversary increases awarded in FY 2000-01; (2) \$219,000 annualization costs for the Insta-check Program; (3) \$198,000 to replace and modernize the existing photographic equipment in the forensic laboratory; (4) \$138,000 pursuant to H.B. 01-1155; (5) \$130,000 to develop accreditation status for the Department's three laboratories; and (6) \$94,000 pursuant to H.B. 01-1130. These increases are partially offset by the following decreases: (1) \$581,000 due to the elimination of one-time expenditures for the Insta-Check Program; (2) \$439,000 associated with one-time expenditures in FY 2000-01; (3) \$148,000 due to a 1.5 percent base personal services reduction; and (4) \$41,000 PERA reduction for FY 2001-02.

Cash Funds Changes: The increase in cash funds reflects the following increases: (1) \$240,000 for the replacement of the forensic laboratory's fingerprint equipment; (2) \$249,000 pursuant to S.B. 01-32; and (3) \$30,000 pursuant to S.B. 01-174.

Cash Funds Exempt Changes: The net increase in cash funds exempt reflects the following increases: (1) \$200,000 for the forensic laboratory to replace and upgrade its fingerprint equipment; (2) \$74,000 pursuant to S.B. 01-32; (3) \$44,000 pursuant to S.B. 01-174. (4) \$32,000 for salary survey and anniversary increases awarded in FY 2000-01; and (5) \$28,000 for higher indirect cost assessments on cash funds exempt sources. These increases are partially offset by the following decreases: (1) \$66,000 due to the elimination of one-time expenditures in FY 2000-01; (2) \$50,000 for elimination of a one-time expenditure in the Insta-Check Program; (3) \$12,000 due to a 1.5 percent base reduction; and (4) a \$4,000 PERA reduction for FY 2000-01.

Federal Funds Changes: The increase in federal funds reflects federal funding the Department anticipates receiving to attain accreditation status for its three laboratories.

Recent Legislation

2000 Session Bills

H.B. 00-1033: Establishes a legislative oversight committee to continue to examine the treatment of persons with mental illness who are involved in the criminal justice system. Requires the committee to report annually to the General Assembly and to propose legislative changes in this area. Creates a task force consisting of experts in this field to provide guidance and recommendations to the legislative oversight committee.

H.B. 00-1034: Creates community-based, intensive treatment management pilot programs for mentally ill juveniles who are involved in the criminal justice system.

H.B. 00-1166: Requires all persons sentenced to county jail or community corrections for specified crimes committed on or after July 1, 2000, to have their blood tested for generic markers.

H.B. 00-1215: Increases the state contribution for state employee health benefits.

H.B. 00-1232: Requires the Colorado Bureau of Investigation to post on the internet identifying information including a picture, of each person sentenced as a sexually violent predator

H.B. 00-1235: Requires juveniles who are detained or summoned before a court on certain charges to be fingerprinted by a court-authorized entity or local law enforcement agency

H.B. 00-1263: Repeals local domestic violence treatment boards and the Domestic Violence Treatment Commission, and creates in its place the Domestic Violence Offender Management Board

H.B. 00-1280: Changes the definition of total compensation for state troopers to at least 99 percent of the average of the three law enforcement agencies in the State with the three highest levels of total compensation

H.B. 00-1317: Makes numerous changes to statutes with regard to sex offenders.

H.B. 00-1422: Redirects Animal Cruelty Fund moneys from the Department of Agriculture to the Department of Public Safety, Division of Criminal Justice.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Reduces the state contribution for state employees' retirement (PERA) by 0.5 percent.

S.B. 00-50: Extends the authorization for the juvenile boot camp to July 1, 2001.

S.B. 00-62: Permits certain qualified entities to contact an authorized agency for the purposes of conducting criminal history records checks on persons responsible for providing child care or child care placement services.

S.B. 00-121: Expands the requirement for genetic testing to persons who were convicted of or plead guilty to specified violent or sexual crimes and who, as of July 1, 2000, were in the custody of the Department of Corrections, on probation, or parole.

2001 Session Bills

S.B. 01-32: Declares that the Judicial Department should continue working with other law enforcement entities to complete the Colorado Integrated Criminal Justice Information System (CICJIS), and consider the integration of municipal records, including county court records of the City and County of Denver. In addition, requires the use of both Colorado Bureau of Investigation records and the Integrated Court On-line Network (ICON) system to conduct criminal background checks on child care providers licensed pursuant to state law. Clarifies that each applicant for a child

care license must undergo a fingerprint-based criminal history background check through the CBI, except that each provider who has resided in Colorado less than two years, who must receive a fingerprint background check through the Federal Bureau of Investigation. Includes the following appropriation for FY 2001-02:

- \$95,658, including \$19,132 General Fund and \$76,526 federal child care development funds, and 2.5 FTE to the Department of Human Services, Division of Child Care, Child Care Licensing and Administration; and
- \$323,238, including \$248,988 cash funds and \$74,250 cash funds exempt, and 1.5 FTE to the Department of Public Safety, Colorado Bureau of Investigation.

S.B. 01-174: Requires criminal background checks for emergency medical technicians (EMTs). The Colorado Bureau of Investigation is required to perform name and fingerprint checks for EMTs. Appropriates \$73,603, including \$29,603 from cash funds and \$44,000 from cash funds exempt, and 0.3 FTE for the implementation of this act.

S.B. 01-194: Supplemental appropriation to the Department of Public Safety to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1114: Requires the Colorado State Patrol and law enforcement agencies serving the City and County of Denver to collect specified information during traffic stops and make the information available to the public. In addition, Colorado state troopers and peace officers serving Denver are required to provide a business card to every driver detained in a traffic stop and not charged with a violation. Appropriates \$21,448 cash funds exempt, to the Department of Public Safety, for allocation to the Colorado State Patrol, for the implementation of this act.

H.B. 01-1130: Expands DNA testing to include all inmates in the custody of the Department of Corrections prior to discharge or release to parole. Includes the following appropriations:

- \$15,921 General Fund and 0.3 FTE for the Department of Corrections; and
- \$94,008 General Fund, \$192,625 federal funds, and 1.0 FTE for the Department of Public Safety.

The bill will only become effective upon enactment of S.B. 01-77 and the receipt of the required federal funds.

H.B. 01-1155: Expands the number of sex offenders whose identity will be posted on the internet by adding adults who were convicted of two or more offenses involving unlawful sexual behavior or crimes of violence, and adult felony offenders who fail to register as a sex offender. Appropriates

\$138,200 General Fund and 2.6 FTE, to the Department of Public Safety, for allocation to the Colorado Bureau of Investigation. The bill will only become effective upon enactment of S.B. 01-77.

DEPARTMENT OF REGULATORY AGENCIES

The Department of Regulatory Agencies is responsible for protecting the citizens of Colorado from fraudulent, incompetent and unsafe professionals and businesses. The Department also works to encourage a vigorous and competitive free market economy in which persons and organizations can thrive and succeed. An important part of the Department's mission is identifying and recommending the elimination of regulatory programs, statutes, and regulations that limit or inhibit economic development and the efficient processes of the free market.

The Department is comprised of the following divisions: (1) Executive Director's Office and Administrative Services, (2) Division of Banking, (3) Civil Rights Division, (4) Office of Consumer Counsel, (5) Division of Financial Services, (6) Division of Insurance, (7) Public Utilities Commission, (8) Division of Real Estate, (9) Division of Registrations, and (10) Division of Securities. Eight of the Department's ten divisions are funded entirely through fees and assessments.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$1,643,586	\$1,679,869	\$1,981,547	\$1,998,686
Cash Fund	40,434,906	43,106,348	46,854,485	48,939,299
Cash Funds Exempt	12,210,339	10,808,250	11,871,325	16,366,475
Federal Funds	<u>795,351</u>	<u>978,646</u>	<u>827,593</u>	<u>896,396</u>
Total Funds	\$55,084,182	\$56,573,113	\$61,534,950	\$68,200,856
Full Time Equiv. Staff	514.2	510.7	533.7	533.7

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- ❑ An increase of \$3,611,000 in cash funds exempt spending authority for Cover Colorado (formerly the Colorado Uninsurable Health Insurance Plan) to meet increased enrollment and increased medical claims costs;
- ❑ An increase of \$1,300,000, including \$60,000 General Fund, for personal services increases based on salary survey and anniversary increases awarded in FY 2000-01. This amount is net of a decrease of \$500,000, including \$23,000 General Fund, for a 1.5 percent personal services reduction;

- ❑ A reduction of 1.0 FTE and associated costs of \$38,833 in the Office of Consumer Counsel;
- ❑ An increase of 1.0 FTE for the Public Utilities Commission pursuant to H.B. 01-1195; and
- ❑ A reduction of 1,305 hours appropriated for administrative law judge services.

General Factors Driving the Budget

Funding for this department consists of 71.8 percent cash funds, 24.0 percent cash funds exempt, 2.9 percent General Fund, and 1.3 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Cash Funds

Cash funds and cash funds exempt spending authority make up over 95 percent of the Department's budget. Eight of the ten divisions are exclusively cash funded. Primarily, these cash funds are derived from fees and assessments paid by the regulated entities. There are 16 separate cash funds established throughout the Department.

Legal Services

The Department uses more legal services than any other single state agency. The appropriation to the Department in FY 2001-02 represents approximately 31 percent of the legal services appropriation for state agencies. Legal services also represent approximately seven percent of the Department's total appropriation, making it the largest component of the Department's budget aside from personal services. Given that the Department's function is to regulate, legal services will continue to be a driving factor in this budget.

Population Growth

Population growth is a driving factor in budgets statewide. In addition to the generally applicable budget issues presented, continued growth specifically impacts the Department of Regulatory Agencies in three ways. First, the ability to protect the public from illegal practices is directly tied to the amount of resources available to do so. Therefore, as growth occurs, there is a continued challenge of balancing lower thresholds for examination and prosecution versus requesting additional resources. Second, increased building throughout the State has a direct impact on inspections performed through the Division of Registrations. Finally, the Department is impacted by the increase in uninsured and uninsurable individuals in the State. This is most evident in the increased spending authority for the Cover Colorado program.

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$1,981,547	\$46,854,485	\$11,871,325	\$827,593	\$61,534,950	533.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	355,172	9,509,930	9,560,383	134,173	19,559,658	51.0
Division of Banking	0	2,944,659	0	0	2,944,659	38.5
Civil Rights Division	1,386,375	0	138,877	506,259	2,031,511	35.0
Office of Consumer Counsel	0	793,649	0	0	793,649	8.0
Division of Financial Services	0	897,633	0	0	897,633	11.0
Division of Insurance	0	6,691,784	67,725	187,161	6,946,670	90.1
Public Utilities Commission	240,000	10,249,141	588,055	0	11,077,196	91.7
Division of Real Estate	0	2,759,928	0	0	2,759,928	37.0
Division of Registrations	0	11,174,382	1,516,285	0	12,690,667	151.4
Division of Securities	0	1,833,379	0	0	1,833,379	20.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	1,983,332	46,893,038	9,970,952	829,273	59,676,595	531.9
HB 00-1183	0	90,494	0	0	90,494	1.0
HB 00-1215	3,735	71,609	10,701	0	86,045	0.0
HB 00-1294	0	78,119	0	0	78,119	0.8
HB 00-1458	(7,024)	(119,379)	(12,860)	(1,680)	(140,943)	0.0
SB 01-195	1,504	(159,396)	1,902,532	0	1,744,640	0.0

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$1,998,686	\$48,939,299	\$16,366,475	\$896,396	\$68,200,856	533.7
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	385,183	9,853,077	13,424,480	139,625	23,802,365	51.0
Division of Banking	0	2,984,522	0	0	2,984,522	38.5
Civil Rights Division	1,373,503	0	187,052	564,556	2,125,111	35.0
Office of Consumer Counsel	0	784,178	0	0	784,178	7.0
Division of Financial Services	0	918,598	0	0	918,598	11.0
Division of Insurance	0	6,879,975	72,225	192,215	7,144,415	90.1
Public Utilities Commission	240,000	11,214,221	372,059	0	11,826,280	92.7
Division of Real Estate	0	2,869,214	0	0	2,869,214	37.0
Division of Registrations	0	11,396,753	2,310,659	0	13,707,412	151.4
Division of Securities	0	2,038,761	0	0	2,038,761	20.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	1,998,686	48,694,289	16,366,475	896,396	67,955,846	532.7
HB 01-1031	0	6,036	0	0	6,036	0.0
HB 01-1195	0	171,062	0	0	171,062	1.0
HB 01-1394	0	67,912	0	0	67,912	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$17,139	\$2,084,814	\$4,495,150	\$68,803	\$6,665,906	0.0
Percentage Change	0.9%	4.5%	37.9%	8.3%	10.8%	0.0%

Detail of Appropriation by Administrative Section

Executive Director's Office and Administrative Services

This office coordinates and oversees the operations of the divisions within the Department. In FY 2000-01, the former Administrative Services Division was eliminated as a separate division and combined with the Executive Director's Office. The Office thus now includes funding for

departmental administrative functions, including accounting, budgeting, data processing, personnel, purchasing, facilities planning, and management reporting. Also within this office, the Office of Policy and Research conducts sunrise and sunset evaluations of divisions, commissions, and boards.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$351,437	\$9,516,944	\$7,660,010	\$134,173	\$17,662,564	50.0
HB 00-1183	0	90,494	0	0	90,494	1.0
HB 00-1215	3,735	71,609	10,701	0	86,045	0.0
HB 00-1294	0	30,883	0	0	30,883	0.0
HB 00-1458	0	0	(12,860)	0	(12,860)	0.0
HB 01-195	<u>0</u>	<u>(200,000)</u>	<u>1,902,532</u>	<u>0</u>	<u>1,702,532</u>	<u>0.0</u>
TOTAL	\$355,172	\$9,509,930	\$9,560,383	\$134,173	\$19,559,658	51.0
FY 2001-02 Appropriation:						
SB 01-212	\$385,183	\$9,769,362	\$13,424,480	\$139,625	\$23,718,650	51.0
HB 01-1195	<u>0</u>	<u>83,715</u>	<u>0</u>	<u>0</u>	<u>83,715</u>	<u>0.0</u>
TOTAL	\$385,183	\$9,853,077	\$13,424,480	\$139,625	\$23,802,365	51.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$30,011	\$343,147	\$3,864,097	\$5,452	\$4,242,707	0.0
Percentage Change	8.5%	3.6%	40.4%	4.1%	21.7%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Director and Administration	6.0	6.0
Policy and Research	5.5	5.5
Budget and Accounting	10.0	10.0
Human Resources	4.5	4.5
Information Technology	20.0	20.0
Office of Certification	4.0	4.0
Office of Boxing	<u>1.0</u>	<u>1.0</u>
	51.0	51.0

General Fund Changes: The increase in General Fund reflects salary survey and anniversary increases awarded in FY 2000-01, an increase in legal services rates, and an increase for telecommunications costs.

Cash Funds Changes: The increase in cash funds includes \$84,000 for legal services anticipated to be required by H.B. 01-1195, which allows public utilities to appeal local government siting and building decisions for power plants and other facilities to the Public Utilities Commission. The source of the funds is the Public Utilities Fixed Utility Fund. The remaining increases in cash funds relate to salary survey and anniversary increases awarded in FY 2000-01, an increase in legal services rates, and an increase for telecommunications costs. These increases are partially offset by a 1.5 percent reduction to the personal services base, a 0.5 percent reduction in the State's PERA contribution rate, and a reduction for administrative law judges.

Cash Funds Exempt Changes: The cash funds exempt increase is primarily due to an additional \$3,611,000 in spending authority for the Cover Colorado program. The remainder of the increase relates to salary survey and anniversary increases awarded in FY 2000-01.

Federal Funds Changes: The increase in federal funds is primarily due to an increase in legal services rates.

Division of Banking

This division regulates state-chartered commercial and industrial banks, trust companies, debt adjusters, and money order companies. The Division is funded entirely through fees and assessments paid by the aforementioned regulated entities.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$2,948,177	\$0	\$0	\$2,948,177	38.5
HB 00-1458	0	(10,598)	0	0	(10,598)	0.0
SB 01-195	<u>0</u>	<u>7,080</u>	<u>0</u>	<u>0</u>	<u>7,080</u>	<u>0.0</u>
TOTAL	\$0	\$2,944,659	\$0	\$0	\$2,944,659	38.5
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$2,984,522</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,984,522</u>	<u>38.5</u>
TOTAL	\$0	\$2,984,522	\$0	\$0	\$2,984,522	38.5

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$39,863	\$0	\$0	\$39,863	0 0
Percentage Change	n/a	1 4%	n/a	n/a	1.4%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Commissioner	1.0	1 0
Examiners	25.5	25.5
Specialty Examiners	1.0	1.0
Operations	1.0	1.0
Administration	<u>10.0</u>	<u>10.0</u>
	38.5	38.5

Cash Funds Changes: The cash funds increase is primarily due to salary survey and anniversary increases of \$68,000 awarded in FY 2000-01, an increase of \$25,000 for indirect cost recoveries, and an increase for telecommunications costs. These increases are partially offset by a 1.5 percent reduction to the personal services base and a 0.5 percent reduction in the State's PERA contribution rate.

Civil Rights Division

This division investigates and adjudicates complaints of discrimination involving employment, housing, and public accommodation. The Division receives federal moneys from the Equal Employment Opportunity Commission and the U.S. Housing and Urban Development Office for cases investigated and closed. The remainder of the Division's activities are supported by the General Fund, which is partially offset by statewide indirect cost recoveries from other divisions within the Department.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,391,895	\$0	\$138,877	\$507,939	\$2,038,711	35.0
HB 00-1458	(7,024)	0	0	(1,680)	(8,704)	0.0
SB 01-195	<u>1,504</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,504</u>	<u>0.0</u>
TOTAL	\$1,386,375	\$0	\$138,877	\$506,259	\$2,031,511	35.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$1,373,503</u>	<u>\$0</u>	<u>\$187,052</u>	<u>\$564,556</u>	<u>\$2,125,111</u>	<u>35.0</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$1,373,503	\$0	\$187,052	\$564,556	\$2,125,111	35.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$12,872)	\$0	\$48,175	\$58,297	\$93,600	0.0
Percentage Change	-0.9%	n/a	34.7%	11.5%	4.6%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Director's Office	6.0	6.0
Compliance	15.0	15.0
Research & Education	3.0	3.0
Regional Offices	<u>11.0</u>	<u>11.0</u>
	35.0	35.0

General Fund Changes: The General Fund decrease is due to increased federal funds available and increased indirect cost recoveries that are used to offset General Fund in the Division.

Cash Funds Exempt Changes: The cash funds exempt increase is primarily due to an increase in indirect cost recoveries.

Federal Funds Changes: The federal funds increase is primarily due to an increase in indirect cost recoveries and an anticipated increase in funds from the Equal Employment Opportunity Commission.

The total increase reflects salary survey and anniversary increases of \$65,000 awarded in FY 2000-01, an increase of \$15,000 for indirect cost recoveries, an increase of \$10,000 in operating costs due to increased federal funds, and an increase for telecommunications costs. These are partially offset by a 1.5 percent reduction to the personal services base and a 0.5 percent reduction in the State's PERA contribution rate.

Office of Consumer Counsel

The Office of Consumer Counsel represents the interests of residential, agricultural, and small business in cases before the Public Utilities Commission. These cases involve proposed changes to electric, gas, and telecommunications utility rates, service, and policies. The Office is funded entirely through industry assessments paid by regulated entities.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$796,123	\$0	\$0	\$796,123	8.0
HB 00-1458	<u>0</u>	<u>(2,474)</u>	<u>0</u>	<u>0</u>	<u>(2,474)</u>	<u>0.0</u>
TOTAL	\$0	\$793,649	\$0	\$0	\$793,649	8.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$784,178</u>	<u>\$0</u>	<u>\$0</u>	<u>\$784,178</u>	<u>7.0</u>
TOTAL	\$0	\$784,178	\$0	\$0	\$784,178	7.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	(\$9,471)	\$0	\$0	(\$9,471)	(1.0)
Percentage Change	n/a	-1.2%	n/a	n/a	-1.2%	-12.5 %

FTE Detail	FY 2000-01	FY 2001-02
Director	1.0	1.0
Technical Staff	5.0	4.0
Administrative Staff	<u>2.0</u>	<u>2.0</u>
	8.0	7.0

FTE Changes: The decrease of 1.0 FTE represents the elimination of a rate analyst position within the Office that has been vacant for a year.

Cash Funds Changes: The cash funds decrease is primarily due to the reduction of \$39,000 related to the FTE reduction. This reduction is partially offset by salary survey and anniversary increases awarded in FY 2000-01, an increase in indirect cost recoveries, and an increase for telecommunications costs.

Division of Financial Services

This division regulates state-chartered credit unions, savings and loans, and life care institutions. It also administers the Public Deposit Protection Act, which safeguards the uninsured deposits of public moneys in 16 state and federal savings and loan associations. On-site examinations are conducted through a risk-based program to ensure financial stability, compliance with state and federal laws, and initiation of enforcement actions as appropriate. The Division is funded entirely through fees and assessments paid by the aforementioned regulated entities.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$900,677	\$0	\$0	\$900,677	11.0
HB 00-1458	0	(3,044)	0	0	(3,044)	0.0
TOTAL	\$0	\$897,633	\$0	\$0	\$897,633	11.0
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$918,598	\$0	\$0	\$918,598	11.0
TOTAL	\$0	\$918,598	\$0	\$0	\$918,598	11.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$20,965	\$0	\$0	\$20,965	0.0
Percentage Change	n/a	2.3%	n/a	n/a	2.3%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Commissioner	1.0	1.0
Examiners	8.0	8.0
Administrative Support	2.0	2.0
	11.0	11.0

Cash Funds Changes: The cash funds increase is primarily due to salary survey and anniversary increases awarded in FY 2000-01, an increase in indirect cost recoveries, and an increase for telecommunications costs.

Division of Insurance

This division regulates insurance professionals and insurance companies, non-profit hospitals and health service corporations, health maintenance organizations, workers' compensation self-insurance pools, and pre-need funeral contracts. The Division is funded entirely through tax assessments and license fees paid by regulated entities.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$6,711,847	\$67,725	\$187,161	\$6,966,733	90.1
HB 00-1458	0	(23,489)	0	0	(23,489)	0.0

	GF	CF	CFE	FF	Total	FTE
SB 01-195	<u>0</u>	<u>3,426</u>	<u>0</u>	<u>0</u>	<u>3,426</u>	<u>0.0</u>
TOTAL	\$0	\$6,691,784	\$67,725	\$187,161	\$6,946,670	90.1
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$6,812,063	\$72,225	\$192,215	\$7,076,503	90.1
HB 01-1394	<u>0</u>	<u>67,912</u>	<u>0</u>	<u>0</u>	<u>67,912</u>	<u>0.0</u>
TOTAL	\$0	\$6,879,975	\$72,225	\$192,215	\$7,144,415	90.1
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$188,191	\$4,500	\$5,054	\$197,745	0.0
Percentage Change	n/a	2.8%	6.6%	2.7%	2.8%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Office of Commissioner	4.0	4.0
Operations/Licensing	12.0	12.0
Consumer Affairs	45.0	45.0
Financial Regulation	27.1	27.1
Senior Counseling	<u>2.0</u>	<u>2.0</u>
	90.1	90.1

Cash Funds Changes: The cash funds increase is primarily due to salary survey and anniversary increases of \$105,000 awarded in FY 2000-01, an increase of \$35,000 for indirect cost recoveries, an increase of \$85,000 as a technical adjustment in appropriating for insurance fraud prosecution, and an increase for telecommunications costs. These are partially offset by a 1.5 percent reduction to the personal services base and a 0.5 percent reduction in the State's PERA contribution rate. In addition, H.B. 01-1394 appropriates \$68,000 cash funds for the Commissioner of Insurance to establish a component rating method for determining credit insurance premiums. The source of the funds is the Division of Insurance Cash Fund.

Cash Funds Exempt Changes: The cash funds exempt increase reflects an appropriation from the Motorist Insurance Identification Account in the Highway Users Tax Fund.

Federal Funds Changes: The federal funds increase is primarily due to an increase in indirect cost recoveries.

Public Utilities Commission

The General Assembly has granted the Public Utilities Commission (PUC) the authority to regulate the rates and services of transportation and fixed utilities throughout Colorado, and has vested the Commission with quasi-legislative and quasi-judicial responsibilities. The PUC determines whether companies petitioning to provide any of the aforementioned utility services have the financial and technical wherewithal to do so. The PUC is also responsible for administering the following direct service programs: the Colorado Telecommunications High Cost Program, the Low Income Telephone Assistance Program, the Highway Crossing Protection Program, and the Disabled Telephone Users Program. Though the PUC receives General Fund support for the Highway Crossing Protection Program, it is primarily funded through industry assessments and licensing fees paid by regulated entities.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$240,000	\$10,272,816	\$588,055	\$0	\$11,100,871	91.7
HB 00-1458	0	(28,204)	0	0	(28,204)	0.0
SB 01-195	0	4,529	0	0	4,529	0.0
TOTAL	\$240,000	\$10,249,141	\$588,055	\$0	\$11,077,196	91.7
FY 2001-02 Appropriation:						
SB 01-212	\$240,000	\$11,126,874	\$372,059	\$0	\$11,738,933	91.7
HB 01-1195	0	87,347	0	0	87,347	1.0
TOTAL	\$240,000	\$11,214,221	\$372,059	\$0	\$11,826,280	92.7
Change FY 01 - FY 02						
Increase/(Decrease)	\$0	\$965,080	(\$215,996)	\$0	\$749,084	1.0
Percentage Change	0.0%	9.4%	-36.7%	n/a	6.8%	1.1%

FTE Detail	FY 2000-01	FY 2001-02
Director/Commissioners	4.0	4.0
Administrative Services	7.0	7.0
Administrative Hearings	8.5	9.0
Executive Office	6.0	6.0
External Affairs	6.5	7.5

FTE Detail	FY 2000-01	FY 2001-02
Advisory Coordinators	4.5	4.6
Utilities	29.5	29.0
Transportation	12.0	17.6
Safety and Enforcement	<u>13.7</u>	<u>8.0</u>
	91.7	92.7

FTE Changes: The increase of 1.0 FTE is due to H.B. 01-1195, which allows public utilities to appeal local government siting and building decisions for power plants and other facilities to the PUC.

Cash Funds Changes: The cash funds increase includes an additional \$450,000 for salary survey and anniversary increases awarded in FY 2000-01, as well as increases for indirect cost recoveries, telecommunications costs, and fuel costs. The appropriation also includes a \$300,000 increase in expenditures from the Disabled Telephone Users Fund and a redesignation of spending from cash fund reserves to cash funds. These increases are partially offset by a 1.5 percent reduction to the personal services base and a 0.5 percent reduction in the State's PERA contribution rate.

In addition, H.B. 01-1195 appropriates \$87,000 cash funds for implementation of the bill, which allows public utilities to appeal local government siting and building decisions for power plants and other facilities to the PUC. The source of the funds is the Public Utilities Fixed Utility Fund.

Cash Funds Exempt Changes: The cash funds exempt decrease reflects the redesignation of spending from cash fund reserves to cash funds.

Division of Real Estate

This division establishes and maintains a safe, stable environment in which the general public can buy, sell and lease real property in Colorado. This is accomplished through licensing real estate brokers and appraisal professionals, scrutinizing subdivision offerings on undeveloped land, and administering an enforcement program that is responsive to both the needs of the industry and the consumer. The Division is funded entirely through fees and assessments paid by regulated entities.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$2,768,566	\$0	\$0	\$2,768,566	37.0
HB 00-1458	0	(9,862)	0	0	(9,862)	0.0
SB 01-195	<u>0</u>	<u>1,224</u>	<u>0</u>	<u>0</u>	<u>1,224</u>	<u>0.0</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$0	\$2,759,928	\$0	\$0	\$2,759,928	37.0
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$2,869,214	\$0	\$0	\$2,869,214	37.0
TOTAL	\$0	\$2,869,214	\$0	\$0	\$2,869,214	37.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$109,286	\$0	\$0	\$109,286	0.0
Percentage Change	n/a	4.0%	n/a	n/a	4.0%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Director's Office	3.0	3.0
Enforcement Unit	11.0	11.0
Financial Examinations	9.0	9.0
Education and Licensing	12.5	12.5
Appraisal Unit	<u>1.5</u>	<u>1.5</u>
	37.0	37.0

Cash Funds Changes: The cash funds increase is primarily due to salary survey and anniversary increases awarded in FY 2000-01, an increase in indirect cost recoveries, and an increase in telecommunications costs. These increases are partially offset by a 1.5 percent reduction to the personal services base and a 0.5 percent reduction in the State's PERA contribution rate.

Division of Registrations

This division regulates over 221,000 licensees in more than 30 professions and occupations throughout Colorado. Its boards and licensing programs have been created by the General Assembly to ensure a minimum level of competency among licensees and to protect the public welfare. The Division identifies and licenses qualified practitioners, facilities, programs, and equipment. Public protection is further enhanced by conducting inspections, investigating complaints, and restricting or revoking licenses when generally accepted standards of practice or safety have not been observed. The Division is funded through fees paid by those licensed with the exception of the Nurses Aide program which is subsidized by Medicare and Medicaid funds.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$11,138,625	\$1,516,285	\$0	\$12,654,910	150.6
HB 00-1294	0	47,236	0	0	47,236	0.8
HB 00-1458	0	(35,221)	0	0	(35,221)	0.0
SB 01-195	<u>0</u>	<u>23,742</u>	<u>0</u>	<u>0</u>	<u>23,742</u>	<u>0.0</u>
TOTAL	\$0	\$11,174,382	\$1,516,285	\$0	\$12,690,667	151.4
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$11,396,753</u>	<u>\$2,310,659</u>	<u>\$0</u>	<u>\$13,707,412</u>	<u>151.4</u>
TOTAL	\$0	\$11,396,753	\$2,310,659	\$0	\$13,707,412	151.4
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$222,371	\$794,374	\$0	\$1,016,745	0.0
Percentage Change	n/a	2.0%	52.4%	n/a	8.0%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Director's Office	4.3	4.3
Examinations	1.0	1.0
Complaint Investigations	14.0	14.0
Board Personnel	<u>132.1</u>	<u>132.1</u>
	151.4	151.4

Total Changes: The total appropriation increase is primarily due to salary survey and anniversary increases of \$530,000 awarded in FY 2000-01, an increase of \$643,390 for indirect cost recoveries, an increase for telecommunications costs, and an increase for fuel costs. The appropriation also includes an increase of \$4,000 for annualization of special bills from the 2000 session. These increases are partially offset by a 1.5 percent reduction to the personal services base and a 0.5 percent reduction in the State's PERA contribution rate.

Cash Funds Exempt Changes: The cash funds exempt increase reflects increased expenditures from cash reserves.

Division of Securities

The primary functions of this division are monitoring the conduct of broker-dealers and sales representatives throughout Colorado, and investigating citizen complaints and other indications of investment fraud. In addition to license application screening, division personnel also perform on-site examinations of broker-dealer offices. The division is funded entirely through fees and assessments paid by regulated entities.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$1,839,263	\$0	\$0	\$1,839,263	20.0
HB 00-1458	0	(6,487)	0	0	(6,487)	0.0
SB 01-195	<u>0</u>	<u>603</u>	<u>0</u>	<u>0</u>	<u>603</u>	<u>0.0</u>
TOTAL	\$0	\$1,833,379	\$0	\$0	\$1,833,379	20.0
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$2,032,725	\$0	\$0	\$2,032,725	20.0
HB 01-1031	<u>0</u>	<u>6,036</u>	<u>0</u>	<u>0</u>	<u>6,036</u>	<u>0.0</u>
TOTAL	\$0	\$2,038,761	\$0	\$0	\$2,038,761	20.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$205,382	\$0	\$0	\$205,382	0.0
Percentage Change	n/a	11.2%	n/a	n/a	11.2%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Commissioner	1.0	1.0
Deputy Commissioner	1.0	1.0
Administration Unit	1.0	1.0
Examination Unit	8.0	8.0
Enforcement Unit	<u>9.0</u>	<u>9.0</u>
	20.0	20.0

Cash Funds Changes: The cash funds increase includes an additional \$130,000 for salary survey and anniversary increases awarded in FY 2000-01, an increase of \$90,000 as a technical adjustment in appropriating for securities fraud prosecution, as well as increases in indirect cost recoveries and

telecommunications costs. These increases are partially offset by a 1.5 percent reduction to the personal services base and a 0.5 percent reduction in the State's PERA contribution rate.

In addition, H.B. 01-1031 appropriates \$6,000 cash funds for implementation of the bill, which grants the Division of Securities cease and desist authority. The source of the funds is the Division of Securities Cash Fund.

Recent Legislation

2000 Session Bills

H.B. 00-1183: Establishes the Colorado State Boxing Authority within the Executive Director's Office. Responsible for administering and supervising the conduct of all boxing events in Colorado.

H.B. 00-1294: Creates a regulatory program for respiratory therapists in the Division of Registrations. Authorizes the issuance of licenses to qualified applicants; the implementation and enforcement of disciplinary action; and the prohibition of unlicensed persons from practicing respiratory therapy.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Reduces the state contribution for state employees' retirement (PERA) by 0.5 percent.

2001 Session Bills

S.B. 01-195: Supplemental appropriation to the Department of Regulatory Agencies to modify the appropriations included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1031: Allows the Securities Commissioner to issue an order to show cause and convene a hearing before the Colorado Securities Board concerning whether to order a person to cease and desist from certain specified acts and practices involving the sale of securities. The appropriation for the implementation of this bill is \$6,036 cash funds. The source of the cash funds is the Division of Securities Cash Fund.

H.B. 01-1195: Allows public utilities to appeal local government siting and building decisions for power plants and other facilities to the Public Utilities Commission (PUC). It directs the PUC to balance local government interest with the statewide interests and allows the PUC to hear any appeal of a local government decision and render a determination in accordance with its current procedures.

The appropriation for the implementation of this bill is \$171,062 cash funds and 1.0 FTE to the Department of Regulatory Agencies. Of that amount, \$83,715 is allocated to the Executive Director's Office for the procurement of 1,500 hours of legal services and \$87,347 and 1.0 FTE are allocated to the Public Utilities Commission. The source of the cash funds is the Public Utilities Commission Fixed Utility Cash Fund.

H.B. 01-1394: Authorizes the Commissioner of Insurance to establish component rating for credit insurance premiums and sets forth the components that the Commissioner is required to take into consideration in the development of benchmark premium rates. Requires the Commissioner to promulgate rules to assure that premium rates are reasonable. The appropriation for the implementation of this bill is \$67,912 cash funds to the Division of Insurance. The source of the cash funds is the Division of Insurance Cash Fund.

DEPARTMENT OF REVENUE

The Department of Revenue is responsible for collecting taxes and enforcing tax laws in Colorado. The Department is also responsible for administering laws relating to driver licensing and motor vehicle titles. The Department operates the ports of entry in the state. It is also responsible for enforcing state liquor and tobacco laws, and it is responsible for regulating limited gaming and horse and dog racing. Finally, the Department operates the states lottery. The Department is organized into the following groups: the Executive Director's Office, the Information Technology Division, the Taxation Business Group, the Motor Vehicle Business Group, and the Enforcement Business Group.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$98,141,014	\$107,573,268	\$114,074,672	\$115,196,310
Cash Fund	29,509,145	30,024,559	31,884,638	35,626,638
Cash Funds Exempt	307,824,554	305,516,353	332,512,645	336,792,798
Federal Funds	<u>1,430,526</u>	<u>1,250,804</u>	<u>866,859</u>	<u>1,541,707</u>
Total Funds	\$436,905,239	\$444,364,984	\$479,338,814	\$489,157,453
Full Time Equiv. Staff	1,480.6	1,473.4	1,525.3	1,542.2

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- An increase of \$472,000 and 6.3 FTE for computer programming necessary to implement legislation enacted during the 2001 legislative session. Of this amount, \$250,000 and 3.2 FTE is included in the Long Bill, and the remaining amount is provided through separate bills. The total amount appropriated for computer programming includes \$194,000 General Fund, \$29,000 cash funds, and \$249,000 cash funds exempt;
- An increase of \$125,000 General Fund and 3.0 FTE for additional hearings officers because of higher workload;
- An increase of \$2.4 million cash funds for distribution to counties and municipalities from the Limited Gaming Fund;

- An increase of \$4.4 million cash funds exempt for the first of three phases to rewrite the computer system used for processing motor vehicle titles and registrations;
- An increase of \$560,000 cash funds exempt for the computer system and other equipment used by county clerks for motor vehicle registrations, including new and replacement printers and new computer equipment for Broomfield County;
- A \$0.9 million cash funds exempt reduction for the State Lottery Division;
- A \$273,000 cash funds exempt increase and 5.0 FTE for the tobacco enforcement program;
- An increase of \$3.6 million, including \$2.6 million General Fund, for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. This amount reflects an 8.1 percent increase over the FY 2000-01 base;
- A \$533,000 increase, including \$402,000 General Fund, to annualize anniversary increases awarded in FY 2000-01; and
- A decrease of \$1,170,000, including \$701,000 General Fund, for a 1.5 percent personal services reduction.

General Factors Driving the Budget

Funding for this department consists of 23.5 percent General Fund, 7.3 percent cash funds, 68.9 percent cash funds exempt, and 0.3 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Population and Postage

Rising population in the State has an impact on the Department. In particular, the Department's Taxation Business Group and Motor Vehicle Business Group have provided services to more citizens in recent years. Postage increases, along with population growth, have affected the Department's costs for mailing documents.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Estimate	FY 01-02 Estimate
Pieces of Incoming Mail	4,841,955	4,868,709	5,000,992	4,642,983	4,689,413
Pieces of Outgoing Mail	7,684,404	7,872,098	8,453,251	9,159,316	9,718,034
Income Tax Refunds Processed	1,584,384	1,816,800	1,888,284	1,899,905	1,950,000

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Estimate	FY 01-02 Estimate
Tax Assistance Given (via telephone)	1,430,757	1,573,833	1,214,851	1,707,000	1,707,000
Driver's License Documents Issued	969,130	1,047,153	1,359,448	1,097,520	1,316,625
Voter Registrations Processed	275,726	278,757	337,330	356,301	326,000

Commercial Traffic Increase

A rise in the number of commercial vehicles crossing the State's borders has increased the workload for the Motor Vehicle Business Group. This section includes the ports of entry, which are responsible for monitoring overweight trucks and enforcing compliance with the commercial vehicle registration fee. Road construction, lot repair, and building replacement will continue to have an effect on the number of vehicles cleared at fixed ports. Consequently, mobile port fee collections are anticipated to increase.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Approp.	FY 01-02 Approp.
Vehicles Weighed	4,815,622	5,384,469	4,587,030	4,418,299	4,300,000
Vehicles Checked for Haz. Mat. Compliance	208,848	184,780	165,922	151,000	140,000
Cash Collections from Ports of Entry	\$6,196,499	\$7,584,015	\$7,404,924	\$6,798,358	\$7,200,000
Vehicles Cleared With Automated Vehicle I.D. - Weigh-in-Motion	N/A	54,332	295,961	723,445	900,000

Lottery Ticket Sales

The cash funds exempt (State Lottery Fund) expenditures for the following line items in the State Lottery Division vary depending on the sales of scratch tickets and on-line lottery tickets: prizes, retailer compensation, ticket costs, and vendor fees.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Approp.	FY 01-02 Approp.
Scratch Ticket Sales	\$225,648,933	\$234,320,349	\$234,002,955	\$239,965,354	\$237,700,000
On-line Ticket Sales	\$149,465,609	\$135,131,861	\$136,957,170	\$97,623,775	\$99,400,000

Summary of FY 2000-2001 and FY 2001-2002 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$114,074,672	\$31,884,638	\$332,512,645	\$866,859	\$479,338,814	1,525.3
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	10,998,790	996,988	4,584,427	36,700	16,616,905	42.0
Information Technology Division	7,651,099	311,259	5,423,660	0	13,386,018	122.5
Taxation Business Group	65,438,104	360,826	1,758,583	538,604	68,096,117	451.2
Motor Vehicle Business Group	25,687,842	85,588	12,324,719	291,555	38,389,704	605.6
Enforcement Business Group	4,298,837	30,129,977	308,421,256	0	342,850,070	304.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	109,314,917	31,817,778	331,807,699	863,382	473,803,776	1,519.7
HB 00-1103	53,577	0	0	0	53,577	0.0
HB 00-1104	144,300	0	0	0	144,300	0.0
HB 00-1153	0	0	64,038	0	64,038	0.7
HB 00-1178	84,700	0	0	0	84,700	0.0
HB 00-1215	163,628	7,594	73,652	3,477	248,351	0.0
HB 00-1227	537	0	60,060	0	60,597	0.0
HB 00-1257	16,583	0	0	0	16,583	0.5
HB 00-1259	50,459	0	0	0	50,459	0.6
HB 00-1323	0	0	23,100	0	23,100	0.0
HB 00-1348	69,300	0	0	0	69,300	0.0
HB 00-1361	69,300	0	0	0	69,300	0.0
HB 00-1393	0	0	9,240	0	9,240	0.0
HB 00-1458	(217,485)	(29,033)	(75,871)	0	(322,389)	0.0
SB 00-15	0	0	241,199	0	241,199	1.0

	GF	CF	CFE	FF	Total	FTE
SB 00-18	0	20,853	0	0	20,853	0.0
SB 00-54	0	0	34,040	0	34,040	0.0
SB 00-84	0	0	400,000	0	400,000	0.0
SB 00-146	0	0	15,400	0	15,400	0.0
SB 00-185	554,228	0	0	0	554,228	0.0
HB 01-1402	0	46,490	0	0	46,490	0.6
SB 01-196	3,770,628	20,956	(139,912)	0	3,651,672	2.2
FY 2001-02 Total Appropriation:	\$115,196,310	\$35,626,638	\$336,792,798	\$1,541,707	\$489,157,453	1,542.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	10,942,447	993,333	5,282,634	0	17,218,414	42.0
Information Technology Division	7,808,229	418,595	9,511,759	0	17,738,583	130.9
Taxation Business Group	66,386,567	551,458	1,566,545	941,846	69,446,416	448.5
Motor Vehicle Business Group	25,682,424	189,704	12,672,301	599,861	39,144,290	609.3
Enforcement Business Group	4,376,643	33,473,548	307,759,559	0	345,609,750	311.5
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	115,053,991	35,597,371	329,790,574	1,541,707	481,983,643	1,516.3
SB 01-35	0	0	107,204	0	107,204	2.9
SB 01-73	150,971	0	321,630	0	472,601	7.5
SB 01-109	0	0	1,971,945	0	1,971,945	8.0
SB 01-168	0	29,267	0	0	29,267	0.4
HB 01-1017	0	0	102,527	0	102,527	1.3
HB 01-1100	0	0	4,462,865	0	4,462,865	5.4
HB 01-1125	(8,652)	0	0	0	(8,652)	(0.2)
HB 01-1294	0	0	1,955	0	1,955	0.0
HB 01-1307	0	0	0	0	0	0.0

	GF	CF	CFE	FF	Total	FTE
HB 01-1337	0	0	34,098	0	34,098	0.6
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$1,121,638	\$3,742,000	\$4,280,153	\$674,848	\$9,818,639	16.9
Percentage Change	1.0%	11.7%	1.3%	77.9%	2.0%	1.1%

Detail of Appropriation by Administrative Section

Executive Director's Office

The Executive Director's Office is responsible for the administration and fiscal management of the Department. The office provides leadership, planning, research, analysis, and administrative support to all department programs.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$10,266,623	\$980,334	\$4,415,072	\$33,223	\$15,695,252	42.0
HB 00-1215	163,628	7,594	73,652	3,477	248,351	0.0
HB 00-1458	(22,482)	0	0	0	(22,482)	0.0
SB 01-196	<u>591,021</u>	<u>9,060</u>	<u>95,703</u>	<u>0</u>	<u>695,784</u>	<u>0.0</u>
TOTAL	\$10,998,790	\$996,988	\$4,584,427	\$36,700	\$16,616,905	42.0
FY 2001-02 Appropriation:						
SB 01-212	\$10,942,447	\$993,333	\$4,489,914	\$0	\$16,425,694	42.0
SB 01-73	0	0	48,482	0	48,482	0.0
HB 01-1100	<u>0</u>	<u>0</u>	<u>744,238</u>	<u>0</u>	<u>744,238</u>	<u>0.0</u>
TOTAL	\$10,942,447	\$993,333	\$5,282,634	\$0	\$17,218,414	42.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$56,343)	(\$3,655)	\$698,207	(\$36,700)	\$601,509	0.0
Percentage Change	-0.5%	-0.4%	15.2%	-100.0%	3.6%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Executive Director's Staff	4.0	4.0
Policy Analysis and Financial Service	23.5	23.5
Internal Auditor	2.5	2.5
Human Resources	<u>12.0</u>	<u>12.0</u>
	42.0	42.0

General Fund Changes: The General Fund appropriation includes the following reductions: (1) \$720,000 to eliminate a one-time appropriation in FY 2000-01 for court ordered back pay; (2) \$127,000 for worker's compensation premiums; (3) \$55,000 associated with a 1.5 percent reduction in personal services; (4) \$24,000 for lower salary survey and anniversary payments to be awarded in FY 2001-02; and (5) \$23,000 associated with a change to the PERA contribution rate. These reductions are partially offset by the following increases: (1) \$291,000 for capitol complex leased rates associated with transferring building maintenance responsibilities for the Department's Lakewood office to the Department of Personnel; (2) \$271,000 for salary survey and anniversary increases awarded in FY 2000-01; (3) \$179,000 because of lower indirect cost recoveries from cash fund and cash fund exempt sources; and (4) a \$147,000 for health, life, and dental insurance costs.

Cash Funds Changes: The reduction in cash funds reflects lower indirect cost recoveries, partially offset by salary survey and anniversary increases awarded in FY 2000-01.

Cash Funds Exempt Changes: The cash funds exempt appropriation reflects the following increases: (1) \$744,000 for capital costs associated with rewriting the computer system used by county clerks and recorders to issue motor vehicle titles; (2) \$357,000 for laser printers in the county clerk offices to be used for issuing motor vehicle title documents, and for new computer equipment in the Broomfield County office to be used for issuing motor vehicle title documents; (3) \$178,000 for capitol complex leased rates associated with transferring building maintenance responsibilities for the Department's Lakewood office to the Department of Personnel; (4) \$48,000 for the tobacco enforcement program; (5) \$45,000 for health, life, and dental insurance costs; and (6) \$32,000 for anniversary payments to be awarded in FY 2001-02. These increases are offset by a \$610,000 reduction for one-time FY 2000-01 capital outlay expenditures associated with statewide vehicle registration computer system.

Federal Funds Changes: The reduction in federal funds reflects the elimination of federal funds for health, life, and dental appropriation. In FY 2001-02, health, life, and dental expenses for federally funded FTE will be covered by the line items that fund the salaries for those FTE.

Information Technology Division

The Information Technology Division provides data processing, computer operation support, systems analysis, and computer programming support for the Department. As part of this function, the Division tracks all documents and transactions related to tax collection. Pursuant to Section 42-1-210, C.R.S., county clerks act as agents of the Department of Revenue for the administration of vehicle registration, taxation, and title issuance. The Colorado State Titling and Registration System (CSTRS), previously known as the Distributive Data Processing System, is the telecommunications network used by the county clerk and recorders to perform these activities and to maintain the master list of registered voters. The CSTRS is maintained by the Department of Revenue using revenues from the title fees which are credited to a special purpose account within the Highway Users Tax Fund (HUTF). The Department also issues titles and funds these activities using the CSTRS Account.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$7,374,426	\$248,753	\$5,007,947	\$0	\$12,631,126	119.7
HB 00-1104	69,300	0	0	0	69,300	0.0
HB 00-1153	0	0	9,240	0	9,240	0.0
HB 00-1178	84,700	0	0	0	84,700	0.0
HB 00-1227	0	0	60,060	0	60,060	0.0
HB 00-1259	3,080	0	0	0	3,080	0.0
HB 00-1323	0	0	23,100	0	23,100	0.0
HB 00-1348	69,300	0	0	0	69,300	0.0
HB 00-1361	69,300	0	0	0	69,300	0.0
HB 00-1393	0	0	9,240	0	9,240	0.0
HB 00-1458	(24,342)	0	(8,121)	0	(32,463)	0.0
SB 00-15	0	0	107,800	0	107,800	0.0
SB 00-18	0	16,016	0	0	16,016	0.0
SB 00-54	0	0	24,640	0	24,640	0.0
SB 00-146	0	0	15,400	0	15,400	0.0
HB 01-1402	0	46,490	0	0	46,490	0.6
SB 01-196	<u>5,335</u>	<u>0</u>	<u>174,354</u>	<u>0</u>	<u>179,689</u>	<u>2.2</u>
TOTAL	\$7,651,099	\$311,259	\$5,423,660	\$0	\$13,386,018	122.5

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$7,786,279	\$389,328	\$5,660,716	\$0	\$13,836,323	122.9
SB 01-168	0	29,267	0	0	29,267	0.4
HB 01-1017	0	0	98,318	0	98,318	1.3
HB 01-1100	0	0	3,718,627	0	3,718,627	5.4
HB 01-1125	21,950	0	0	0	21,950	0.3
HB 01-1307	0	0	0	0	0	0.0
HB 01-1337	0	0	34,098	0	34,098	0.6
TOTAL	\$7,808,229	\$418,595	\$9,511,759	\$0	\$17,738,583	130.9
Change FY 01 - FY 02						
Increase/(Decrease)	\$157,130	\$107,336	\$4,088,099	\$0	\$4,352,565	8.4
Percentage Change	2.1%	34.5%	75.4%	n/a	32.5%	6.9%

FTE Detail	FY 2000-01	FY 2001-02
Systems Support	88.2	87.2
Legislation Implementation	0.6	11.2
Colorado Tax Application Manager	0.0	1.0
Distributive Data Processing	<u>33.7</u>	<u>31.5</u>
	122.5	130.9

FTE Changes: The appropriation includes an increase of 8.4 FTE, which stems primarily from an increase of 10.6 FTE to implement legislation enacted during the 2001 legislative session. Prior to the 2001 legislative session, the Department typically used contract employees to implement legislation. With approval from the General Assembly, the Department decided to use state FTE because they are less expensive than contract employees. The increase for legislation is partially offset by the elimination of a one-time appropriation of 2.2 FTE in FY 2000-01 for computer programming associated with the motor vehicle title system in Broomfield County and for one-time computer programming associated with the creation of the football stadium tax district. In FY 2000-01, the Department received a one-time appropriation of 0.6 FTE to implement the Clean Screen Program pursuant to H.B. 01-1402. This appropriation will remain available to the Department through June 30, 2002.

General Fund Changes: The General Fund appropriation includes the following increases: (1) \$564,000 for higher costs for purchasing services from the computer center in the Department of Personnel; (2) \$398,000 for salary survey and anniversary increases awarded in FY 2000-01, and (3) \$194,000 for computer programming to implement legislation that is enacted during the 2001 session. These increases are partially offset by the following reductions: (1) the elimination of \$418,000 in one-time appropriations for FY 2000-01 to implement legislation that was enacted during the 2000 and the 1999 legislative sessions; (2) a \$406,000 reduction for higher indirect cost recoveries from cash funds and cash funds exempt sources; (3) an \$86,000 reduction associated with a 1.5 percent reduction in personal services; and (4) a \$25,000 reduction associated with a change to the PERA contribution rate.

Cash Funds Changes: The appropriation includes an increase of \$143,000 for higher indirect cost recoveries from cash fund sources and \$29,000 to implement legislation enacted during the 2001 legislative session. These increases are partially offset by the elimination of one-time appropriations for FY 2000-01 to implement legislation enacted in the 2000 legislative session.

Cash Funds Exempt Changes: The primary increase in cash funds exempt spending authority stems from H.B. 01-1100, which included a \$3,719,000 appropriation to rewrite the computer system responsible for handling motor vehicle registrations and titles. Other cash funds exempt increases include: (1) \$254,000 for higher indirect cost recoveries from cash funds exempt sources; (2) \$203,000 to install equipment in Broomfield County, replace computer equipment in county offices, and upgrade the computer network used by county clerks for issuing motor vehicle titles; (3) \$127,000 for salary survey and anniversary increases awarded in FY 2000-01; and (4) \$78,000 to implement legislation enacted during the 2001 legislative session.

These cash funds exempt increases are partially offset by the following: (1) the elimination of \$216,000 for one-time appropriations for FY 2000-01 to implement legislation enacted in the 2000 legislative session; (2) a \$160,000 reduction for a one-time appropriation in FY 2000-01 for computer programming associated with the motor vehicle title system in Broomfield County and for one-time computer programming associated with the creation of the football stadium tax district; (3) a \$30,000 reduction associated with a 1.5 percent reduction in personal services; and (4) an \$8,000 reduction associated with a change to the PERA contribution rate.

Taxation Business Group

The Taxation Business Group contains appropriations for the following seven sections:

1. The Administration section provides budgetary oversight and performs general support for the entire business group.
2. The Cash and Document Processing Division is responsible for processing and accounting for tax, license and other fee payments and data and providing support services. It is also responsible for the deposit of tax payments, tax document processing from receipt through

posting to taxpayers accounts and fund accounting, income tax refund warrant processing, graphics, forms, micrographics, and outgoing and incoming mail services.

3. The Taxation and Compliance Division is responsible for auditing and compliance enforcement in the implementation of Colorado tax laws. It is responsible for collecting taxes and auditing tax returns. The Department indicates that Field Auditing Section of the Division conducts 7,000 field audits per year. The Department of Revenue audits approximately 0.8 percent to 0.9 percent of business tax accounts, which constitute approximately 16 percent of business tax revenues received by the State.
4. The Taxpayer Service Division maintains a telephone information center and five regional service centers in the following cities: Grand Junction, Fort Collins, Denver, Colorado Springs, and Pueblo). The Division provides general information to taxpayers as well as information specific to individual taxpayers. An interactive voice response (IVR) system provides 24-hour access to automated account information and a forms order line. The Division provides a wide range of tax information designed to facilitate the process of filing tax returns and understanding the tax structure of the state. The Division also issues tax licenses and permits to businesses throughout the state, and it administers the Trade Name Registration Program whereby businesses register the names under which they will operate. The Division collects local sales tax revenues for many cities, counties, and special districts. The Division also issues taxpayers and business refunds and works to ensure that all taxpayer liabilities are met by intercepting any refund due for payment of debts owed to other state agencies or the Internal Revenue Service.
5. The Office of Tax Analysis develops Departmental policies and procedures in support of the legislative session and the implementation of new legislation. This includes research and statistical analysis and evaluation and interpretation of statistical and economic data as they relate to taxation.
6. The Tax Conferee section is responsible for receiving and resolving protests to tax adjustments made by tax divisions of the Department. As provided by Section 29-2-106.1, C.R.S., the staff review home rule city sales taxes and city and county use taxes, in instances in which taxpayers elect to protest to the Department of Revenue.
7. The Special Purpose section includes three subprograms: the Cigarette Tax Rebate Program, the Old Age Heat, Fuel, and Property Tax Assistance Program, the Alternative Fuels Rebate Program.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$64,765,416	\$360,826	\$1,703,973	\$538,604	\$67,368,819	449.4

	GF	CF	CFE	FF	Total	FTE
HB 00-1103	53,577	0	0	0	53,577	0.0
HB 00-1104	75,000	0	0	0	75,000	0.0
HB 00-1153	0	0	54,798	0	54,798	0.7
HB 00-1257	16,583	0	0	0	16,583	0.5
HB 00-1259	47,379	0	0	0	47,379	0.6
HB 00-1458	(94,185)	0	(188)	0	(94,373)	0.0
SB 00-185	554,228	0	0	0	554,228	0.0
SB 01-196	<u>20,106</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,106</u>	<u>0.0</u>
TOTAL	\$65,438,104	\$360,826	\$1,758,583	\$538,604	\$68,096,117	451.2
FY 2001-02 Appropriation:						
SB 01-212	\$66,386,567	\$551,458	\$1,511,451	\$941,846	\$69,391,322	447.8
SB 01-35	<u>0</u>	<u>0</u>	<u>55,094</u>	<u>0</u>	<u>55,094</u>	<u>0.7</u>
TOTAL	\$66,386,567	\$551,458	\$1,566,545	\$941,846	\$69,446,416	448.5
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$948,463	\$190,632	(\$192,038)	\$403,242	\$1,350,299	(2.7)
Percentage Change	1.4%	52.8%	-10.9%	74.9%	2.0%	-0.6%

FTE Detail	FY 2000-01	FY 2001-02
Administration	7.0	7.0
Cash and Document Processing Division	134.6	131.9
Taxation and Compliance Division	215.4	215.4
Taxpayer Service Division	82.2	82.2
Office of Tax Analysis	6.0	6.0
Tax Conferee	<u>6.0</u>	<u>6.0</u>
	451.2	448.5

FTE Changes: The appropriation reflects a reduction of 2.7 FTE, which includes the following changes: (1) a reduction of 4.0 FTE associated with transferring the maintenance responsibilities for the Lakewood office to the Department of Personnel; (2) a reduction of 1.3 FTE associated with one-time appropriations in FY 2000-01 related to implementing legislation enacted in the 2000 legislative

session; (3) an increase of 1.1 FTE to implement audit recommendations for the Department to accurately allocate sales and use taxes that it collects for cities, counties, and municipalities, (4) an increase 0.8 FTE to implement legislation enacted in the 2000 legislative session; and (5) an increase of 0.7 FTE to implement S.B. 01-35

General Fund Changes: The net increase in the General Fund appropriation includes: (1) a \$1,365,000 increase for salary survey and anniversary increases awarded in FY 2000-01; and (2) a \$250,000 increase for higher operating costs (primarily mailing costs), microfilm expenses, and equipment maintenance costs.

These General Fund increases are partially offset by the following reductions: (1) \$344,000 for a 1.5 percent reduction in personal services; (2) \$98,000 for a change in the PERA contribution rate; and (3) \$80,000 for transferring maintenance responsibilities for the Department's Lakewood office to the Department of Personnel.

Cash Funds Changes: The cash funds increase is for higher indirect cost recoveries from cash fund sources.

Cash Funds Exempt Changes: The net reduction in cash funds exempt includes the following: (1) a \$128,000 reduction for transferring the building maintenance responsibilities for the Department's Lakewood office to the Department of Personnel; (2) a \$100,000 reduction for lower indirect cost recoveries from cash funds exempt sources; and (3) the elimination of \$55,000 for one-time appropriations to implement legislation in FY 2000-01. These increases are partially offset by increases related to salary survey, anniversary, and costs related to implementing S.B. 01-035.

Federal Funds Changes: The increase in federal funds is for the Mineral Audit Program, which is responsible for auditing mineral lease and royalty payments to the State and the U.S. Department of Interior.

Motor Vehicle Business Group

This Motor Vehicle Business Group contains appropriations for the following seven sections:

1. The Administration section provides budgetary oversight and performs general support for the entire business group.
2. The Motor Vehicle Division administers the laws relating to drivers licensing, titling and registering motor vehicles, and regulating commercial driving schools.
3. The Motor Carrier Services Division operates 17 port of entry buildings and ten mobile port scales. The Division registers motor carriers, collects registration fees (fuel distributors, petroleum storage, and interstate carriers) and fuel taxes (including gas, special fuel, LPG/NG, and aviation), facilitates enforcement of driver/vehicle safety regulations and enforcement of the laws concerning motor carriers and the owners and operators of motor

vehicles. The Motor Carrier Services Division receives its funding from the Highway Users Tax Fund.

4. The Vehicle Emissions section inspects emissions stations to ensure vehicle emissions testing requirements comply with established standards under the Motor Vehicle AIR Program. The section also is responsible for licensing all emissions stations and inspectors in a 10-county region, and it is responsible for overseeing station operations in an effort to prevent fraud and abuse within the system. The Vehicle Emissions section receives a cash fund exempt appropriation from the Automobile Inspection and Readjustment Account within the Highway Users Tax Fund.
5. The Titles section provides administrative support for the statewide system of motor vehicle titles and registration. This program receives an appropriation from the Colorado State Titling and Registration Account within the Highway Users Tax Fund.
6. The Enforcement Program supports local law enforcement agencies with respect to preventing identification fraud. The program conducts approximately one dozen training sessions per year. The program conducts approximately 800 investigations with over 1,000 enforcement actions.
7. The Motorist Insurance Identification Database Program was created by H.B. 97-1209. The Department of Revenue developed a database to compare records of motor vehicle registrations with records of insured motorists. The program was designed to help law enforcement officials verify owner compliance with the motor vehicle insurance requirements and authorized the suspension of driver's licenses of motorists suspected of being uninsured.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$22,603,616	\$80,751	\$12,218,685	\$291,555	\$35,194,607	604.6
HB 00-1227	537	0	0	0	537	0.0
HB 00-1458	(66,520)	0	(37,364)	0	(103,884)	0.0
SB 00-15	0	0	133,399	0	133,399	1.0
SB 00-18	0	4,837	0	0	4,837	0.0
SB 00-54	0	0	9,400	0	9,400	0.0
SB 01-196	<u>3,150,209</u>	<u>0</u>	<u>599</u>	<u>0</u>	<u>3,150,808</u>	<u>0.0</u>
TOTAL	\$25,687,842	\$85,588	\$12,324,719	\$291,555	\$38,389,704	605.6

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$25,713,026	\$189,704	\$10,642,082	\$599,861	\$37,144,673	599.6
SB 01-35	0	0	52,110	0	52,110	2.2
SB 01-109	<u>0</u>	<u>0</u>	<u>1,971,945</u>	<u>0</u>	<u>1,971,945</u>	<u>8.0</u>
HB 01-1017	0	0	4,209	0	4,209	0.0
HB 01-1125)	(30,602)	0	0	0	(30,602)	(0.5)
HB 01-1294	<u>0</u>	<u>0</u>	<u>1,955</u>	<u>0</u>	<u>1,955</u>	<u>0.0</u>
TOTAL	\$25,682,424	\$189,704	\$12,672,301	\$599,861	\$39,144,290	609.3
Change FY 01 - FY 02						
Increase/(Decrease)	(\$5,418)	\$104,116	\$347,582	\$308,306	\$754,586	3.7
Percentage Change	0.0%	121.6%	2.8%	105.7%	2.0%	0.6%

FTE Detail	FY 2000-01	FY 2001-02
Administration	10.0	10.0
Motor Vehicle Division	372.6	372.1
Motor Carrier Services Division	155.0	157.0
Vehicle Emissions	15.5	15.5
Titles	39.5	41.7
Enforcement Program	5.0	5.0
Motorist Insurance Database Program	<u>8.0</u>	<u>8.0</u>
	605.6	609.3

FTE Changes: The appropriation includes a net increase of 3.7 FTE, which is comprised of the following changes: (1) an increase of 3.0 FTE for port of entry officers in the federally funded Motor Carrier Safety Assistance Program; (2) a net increase of 1.7 FTE for new legislation enacted in the 2001 legislative session; and (3) a reduction of 1.0 FTE from the Motor Carrier Services Division associated with lower than anticipated costs to implement legislation enacted in the 1999 legislative session.

General Fund Changes: The net decrease in General Fund includes the following changes: (1) a \$533,000 reduction for license plates — the General Assembly approved a \$2.5 million supplemental increase in FY 2000-01, which was reduced by \$533,000 in FY 2001-02; (2) a \$329,000 reduction

for higher indirect cost recoveries from cash funds and cash funds exempt sources; (3) a \$212,000 reduction associated with a 1.5 percent reduction in personal services; (4) a \$66,000 reduction for the change in the PERA contribution rate; and (5) a \$31,000 reduction for H.B. 01-1125. These reductions are partially offset by the following increases: (1) an \$861,000 increase for anniversary and salary survey payments awarded in FY 2000-01; (2) a \$204,000 increase associated with one-time reductions in FY 2000-01; and (3) a \$65,000 increase for drivers' license documents.

Cash Funds Changes: The increase in cash funds includes \$163,000 for the Hazardous Materials Permitting Program. In prior years, this program was funded through transfer payments from the Department of Regulatory Agencies. Now the program is funded directly from the Hazardous Materials Safety Fund. This increase is partially offset by lower indirect cost recoveries from cash fund sources.

Cash Funds Exempt Changes: The net cash funds exempt increase includes: (1) a \$396,000 increase for higher indirect cost recoveries; (2) a \$387,000 increase for salary survey and anniversary payments awarded in FY 2000-01; and (3) \$105,000 for legislation enacted in the 2001 legislative session. Such increases are partially offset by the following reductions in cash funds exempt spending authority: (1) the elimination of \$163,000 an appropriation for the Hazardous Materials Permitting Program (the program is now cash funded); (2) a \$131,000 reduction for a 1.5 percent reduction to personal services line items; and (3) a \$41,000 reduction for the change in the PERA contribution rate.

Federal Funds Changes: The increase in federal funds is associated with grants anticipated to be received for port of entry officers in the Motor Carrier Safety Assistance Program.

Enforcement Business Group

This Enforcement Business Group contains appropriations for the following seven sections:

1. The Administration section provides budgetary oversight and performs general support for the entire business group;
2. The State Lottery Division is responsible for operating the State's Lottery games including two primary lottery games, scratch tickets and on-line tickets. The Division is funded from the State Lottery Fund, which is considered to be cash funds exempt because the Lottery Division is a state-operated enterprise;
3. The Limited Gaming Division is responsible for the licensing, regulation, tax collection, and supervision of all devices, persons, locations, and activities related to limited gaming in Cripple Creek, Black Hawk, and Central City. The Division receives its cash fund appropriation from the Limited Gaming Fund;
4. The Liquor Enforcement Division provides liquor licenses or permits to all manufacturers, importers, wholesalers, and retailers, enforces liquor laws and regulations, and enforces

Colorado's tobacco control laws regulating the sale of tobacco products to persons under the age of eighteen years. The Division receives 62.2 percent of its appropriation from the Liquor Enforcement Cash Fund, 21.9 percent from the General Fund, and 15.9 percent from a transfer from the Department of Public Health and Environment;

5. The Division of Racing Events regulates greyhound and horse racing and supervises the activities at race tracks conducting pari-mutuel racing in Colorado. The Division allocates race dates to various racing associations, adopts rules, and supervises the conduct of race meets, racing officials, and licenses;
6. The Hearings Division conducts hearings on driver license suspensions, revocations, probationary licenses, express consent actions, cancellation and denials for medical and physical disability, habitual traffic offenders, driver license compact actions, drivers license schools, air program emission control station licenses, vehicle dealers issuance or misuse of thirty day temporary registration permits, alcohol and habitual offender interlock probationary licenses, horse and dog racing licenses, and other hearings affecting the licensing rights of citizens; and
7. The Motor Vehicle Dealer Licensing Board is responsible for licensing and regulating entities that manufacture, sell, and distribute motor vehicles within the State. This program is cash funded from the Auto Dealer License Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$4,304,836	\$30,147,114	\$308,462,022	\$0	\$342,913,972	304.0
HB 00-1458	(9,956)	(29,033)	(30,198)	0	(69,187)	0.0
SB 00-84	0	0	400,000	0	400,000	0.0
SB 01-196	<u>3,957</u>	<u>11,896</u>	<u>(410,568)</u>	<u>0</u>	<u>(394,715)</u>	<u>0.0</u>
TOTAL	\$4,298,837	\$30,129,977	\$308,421,256	\$0	\$342,850,070	304.0
FY 2001-02 Appropriation:						
SB 01-212	\$4,225,672	\$33,473,548	\$307,486,411	\$0	\$345,185,631	304.0
SB 01-73	<u>150,971</u>	<u>0</u>	<u>273,148</u>	<u>0</u>	<u>424,119</u>	<u>7.5</u>
TOTAL	\$4,376,643	\$33,473,548	\$307,759,559	\$0	\$345,609,750	311.5

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$77,806	\$3,343,571	(\$661,697)	\$0	\$2,759,680	7.5
Percentage Change	1.8%	11.1%	-0.2%	n/a	0.8%	2.5%

FTE Detail	FY 2000-01	FY 2001-02
Administration	6.0	6.0
State Lottery Division	128.0	128.0
Limited Gaming Division	72.5	72.0
Liquor Enforcement Division	21.5	26.5
Division of Racing Events	29.5	29.5
Hearings Division	25.3	28.3
Motor Vehicle Dealer Licensing Board	<u>21.2</u>	<u>21.2</u>
	304.0	311.5

FTE Changes: The net increase of 7.5 FTE includes: (1) an increase of 5.0 FTE in the Tobacco Enforcement Program; (2) an increase of 3.0 FTE for additional hearings officers because of increased workload, and (3) a reduction of 0.5 FTE in the Limited Gaming Division associated with savings from the gaming licensing system.

General Fund Changes: The net General Fund increase includes the following: (1) a \$125,000 increase for additional hearings officers; (2) a \$34,000 reduction for the 1.5 percent reduction in personal services; and (3) a \$10,000 reduction for the change in the PERA contribution rate.

Cash Funds Changes: The increase in cash funds is primarily associated with the Limited Gaming Division, including \$2.4 million for higher distributions of gaming proceeds to gaming cities and counties and \$0.4 million for higher payments to other state agencies. Other cash fund changes include: (1) \$300,000 for administrative costs associated with the Department's reorganization; (2) \$100,000 for salary survey and anniversary payments made in FY 2000-01; and (3) \$100,000 for salary survey and anniversary payments made by the Liquor Enforcement Division in FY 2000-01.

Cash Funds Exempt Changes: The \$662,000 cash funds exempt reduction is primarily associated with the Lottery Division. This reduction includes: (1) a \$2.1 million reduction associated with an anticipated reduction in prizes; (2) a \$900,000 reduction for lower ticket costs; (3) \$400,000 for one-time costs associated with S.B. 00-84; (4) a \$272,000 reduction for lower telecommunications costs; (5) a \$250,000 reduction for one-time expenses associated with a study to rewrite the Lottery Division's computer system used for scratch ticket games; (7) a \$110,000 reduction for a 1.5 percent reduction for personal services; and (8) a \$31,000 reduction for a change in the PERA contribution rate.

The cash funds exempt reductions are partially offset by the following increases (1) \$2.2 million for higher lottery retailer compensation fees; (2) \$521,000 for higher lottery vendor fees anticipated from higher lottery sales; (3) \$357,000 for salary survey and anniversary payments made in FY 2000-01; (4) \$273,000 for the Tobacco Enforcement Program; (5) \$193,000 for fees to join the multi-state lottery and for costs to audit the multi-state lottery; and (6) \$148,000 for higher indirect costs and for administrative costs associated with the Department's reorganization

Recent Legislation

2000 Session Bills

H.B. 00-1103: Permanently lowers the state income tax rate from 4.75 percent to 4.63 percent for income tax years commencing on or after January 1, 2000. Adjusts the Alternative Minimum Tax (AMT) proportionately. Appropriates \$53,577 General Fund to the Department of Revenue for FY 2000-01. Reduces the FY 2000-01 appropriation to the Department of Transportation for capital construction projects by \$53,577 in order to access General Fund moneys "set-aside" for new legislation for FY 2000-01.

H.B. 00-1104: Allows Colorado residents to claim a tax credit for amounts paid for health benefit plans for income tax years commencing on or after January 1, 2000. The bill is a temporary refund mechanism of surplus revenues pursuant to Article X, Section 20 of the State Constitution. The credit is effective during years in which the surplus exceeds \$400 million. Appropriates \$144,300 General Fund to the Department of Revenue for FY 2000-01. Reduces the FY 2000-01 appropriation to the Department of Transportation for capital construction projects by \$144,300 in order to access General Fund moneys "set-aside" for new legislation for FY 2000-01.

H.B. 00-1153: Authorizes the Department of Revenue to cancel or deny a driver's license or renewal of a license for persons who have certain outstanding warrants or judgments issued against them. Authorizes the Department to cancel or deny driver's license or renewal requests for persons who submit fraudulent proof regarding license cancellation or denial. Appropriates \$64,038 cash funds exempt (Outstanding Judgements and Warrants Account) and 0.7 FTE to the Department of Revenue for FY 2000-01.

H.B. 00-1178: Allows owners of special mobile machinery (Class F vehicles) to apply for a prorated registration fee and specific ownership tax payment based on the number of months that the vehicle was used in Colorado. Appropriates \$84,700 General Fund to the Department of Revenue for FY 2000-01. Reduces the FY 2000-01 appropriation to the Department of Transportation for capital construction projects by \$84,700 in order to access General Fund moneys "set-aside" for new legislation for FY 2000-01.

H.B. 00-1215: Makes changes to statutes concerning state employees' health, life, and dental benefits. Appropriates \$248,351 (including \$163,628 General Fund) to the Department of Revenue for FY 2000-01.

H.B. 00-1227: Lowers annual registration fees for passenger vehicles to \$2.50 and lowers registration fees for other vehicles by 25 percent. The bill is a temporary refund mechanism of TABOR surplus revenues and is effective during years in which the surplus exceeds \$330 million. Appropriates \$64,680 and 0.7 FTE to the Department of Revenue for FY 2000-01. The amount appropriated includes \$557 General Fund and \$60,597 is cash funds exempt (Distributive Data Processing Account). Reduces the FY 2000-01 appropriation to the Department of Transportation for capital construction projects by \$557 in order to access General Fund moneys "set-aside" for new legislation for FY 2000-01.

H.B. 00-1257: Creates an exemption from the state sales and use tax for certain pollution control equipment. The bill is a temporary refund mechanism of TABOR surplus revenues and is effective during years in which the surplus exceeds \$350 million. Appropriates \$16,583 General Fund and 0.5 FTE to the Department of Revenue for FY 2000-01. Reduces the FY 2000-01 appropriation to the Department of Transportation for capital construction projects by \$16,583 in order to access General Fund moneys "set-aside" for new legislation for FY 2000-01.

H.B. 00-1259: Reduces the state sales and use tax to 2.90 percent. Also reduces the state sales and use tax for commercial trucks, truck tractors, tractors, and semitrailers with a gross vehicle weight rating exceeding 26,000 pounds to 0.01 percent during years in which the surplus exceeds \$350 million. The latter provision is a temporary refund mechanism of TABOR surplus revenues and is effective during years in which the surplus exceeds \$350 million. Appropriates \$50,459 General Fund and 0.6 FTE to the Department of Revenue for FY 2000-01. Reduces the FY 2000-01 appropriation to the Department of Transportation for capital construction projects by \$50,459 in order to access General Fund moneys "set-aside" for new legislation for FY 2000-01.

H.B. 00-1323: Creates a special agricultural and natural resources license plate. Authorizes the Department of Revenue to issue the special plates when the Colorado Foundation for Agriculture has commitments for at least 250 license plates and provides a list to the Department of persons purchasing the plates. Appropriates \$23,100 cash funds exempt (Distributive Data Processing Account) to the Department of Revenue for FY 2000-01.

H.B. 00-1348: Authorizes taxpayers to elect to have the income tax credit created by H.B. 99-1155 that is not used as an offset against income taxes to be refunded to the taxpayer (rather than allow the credit to be carried forward) during years in which there are TABOR surplus revenues. If any refund is claimed, then the combined amount of the refund plus the amount of the credit used against the current year's income tax liability may not exceed \$20,000 for the income tax year. Allows a taxpayer to transfer all or a portion of the tax credit to another taxpayer in increments of not less than \$20,000. Appropriates \$69,300 General Fund to the Department of Revenue for FY 2000-01 and reduces the FY 2000-01 appropriation to the Department of Transportation for capital construction

projects by \$69,300 in order to access General Fund moneys "set-aside" for new legislation for FY 2000-01.

H.B. 00-1361: Provides two new methods for refunding excess state revenues under TABOR during years in which the surplus exceeds \$190 million. Appropriates \$69,300 General Fund to the Department of Revenue for FY 2000-01 and reduces the FY 2000-01 appropriation to the Department of Transportation for capital construction projects by \$69,300 in order to access General Fund moneys "set-aside" for new legislation for FY 2000-01. The two refund mechanisms are as follows:

- ▶ Provides a tax credit for contributions to individual development accounts. The program allows persons earning 200 percent of the federal poverty level or less to save money for post-secondary education, or, for persons earning 80 percent or less of the area median income, to save for the purchase of a home. Moneys deposited in an IDA may be matched with philanthropic donations; and
- ▶ Provides a tax credit for contributions to educational assistance organizations. The credit would be available beginning with income tax years commencing on or after January 1, 2000. The maximum amount of the credit would equal 25 percent of the contribution, but the credit allowed to each taxpayer would be prorated to ensure that the total amount of credits does not exceed \$5 million annually.

H.B. 00-1393: Increases the vehicle weight limit for vehicles authorized to register with special plates from 6,500 pounds to 12,000 pounds. Vehicles weighing more than 6,500 pounds would be subject to a one-time setup fee for the special plates. Appropriates \$9,240 cash funds exempt (Distributive Data Processing Account) to the Department of Revenue for FY 2000-01.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Makes changes to statutes concerning the Public Employees Retirement Association (PERA). Reduces the appropriation to the Department of Revenue for FY 2000-01 by \$322,389 (including \$217,485 General Fund).

S.B. 00-15: Changes the system for titling motor vehicles and allows motor vehicle titles to be maintained electronically. Allows motor vehicle titles to continue to be automatically sent to vehicle owners, but requires the Department of Revenue to maintain a central registry of electronic files. Title information maintained in the registry will be accessible to both the Department and county clerk and recorders so that titles can be printed by either agency upon request. Clarifies that a transfer of title is necessary when selling or conveying the title of a vehicle; allows for the presentation of a court order when title to a vehicle is conveyed by gift, death, or law; and allows for salvage distinction to be made in the electronic record. Appropriates \$241,199 cash funds exempt (Distributive Data Processing Account) and 1.0 FTE to the Department of Revenue for FY 2000-01.

S.B. 00-18: Makes several changes to the ignition interlock program as it applies to persons convicted of alcohol-driving offenses. Extends the current voluntary ignition interlock program until January 1, 2001. Adds driving while ability is impaired to the definition of alcohol-driving offenses for which an interlock device is required. Increases the penalty for violating the terms of an interlock-restricted license, such as driving a vehicle without an ignition interlock device or circumventing an interlock device. Sets forth conditions for early reinstatement of a restricted drivers license with an interlock device. Requires the Department of Revenue to suspend a person's license if the lease for the device is terminated. Vendors that lease interlock devices are required to report monthly to the Department. Eliminates the \$33 fee paid by leasing companies for each interlock device. Prohibits the issuance of restricted licenses for operating commercial vehicles. Appropriates \$20,853 cash funds (Interlock Fund) to the Department for FY 2000-01.

S.B. 00-54: Directs the Department of Revenue to transfer drivers license information of all persons who volunteer to donate organs or tissue to the federally designated organ procurement agency to enable that agency to establish a statewide organ and tissue donor registry for Colorado donors. Requires the organ procurement agency to fund the costs of educating the public about the organ and tissue donor registry. Increases the amount of donation allowed to the existing "Organ and Tissue Donation Awareness Fund" (created to fund activities to promote organ and tissue donation) from one dollar to "one dollar or more". Requires all costs associated with the implementation and maintenance of the registry to be paid by the procurement agency. Appropriates \$34,040 cash funds exempt (Organ and Tissue Donation Awareness Fund) to the Department for FY 2000-01.

S.B. 00-84: Contingent upon voter approval of the referred statutory measure, authorizes the Colorado Lottery Commission to investigate, enter into, and participate in multi-state agreements and to operate and regulate multi-state lotteries. In any fiscal year in which the portion of the net proceeds otherwise given to the Great Outdoors Colorado Trust Fund exceeds \$35 million, the bill diverts money to the State Public School Fund to provide supplemental assistance to school districts for certain capital expenditures. Appropriates \$400,000 cash funds exempt (State Lottery Fund) to the Department of Revenue for FY 2000-01.

S.B. 00-146: Allows certain vehicles to used with the vehicle's original license plates. Such use is limited to antique plates that were made before 1943 and that have less than seven characters. Appropriates \$15,400 cash funds exempt (Distributive Data Processing Account) to the Department of Revenue for FY 2000-01.

S.B. 00-185: Modifies the income eligibility qualification requirements for the property tax/rent assistance grant program for elderly and disabled persons. Prior to the passage of this bill, the income eligibility qualification requirements included Medicaid payments specifically provided for the payment of Medicare premiums. This bill excludes these Medicaid payments when determining whether a person qualifies for a state property tax assistance grant. Appropriates \$554,228 General Fund to the Department of Revenue for FY 2000-01. For purposes of complying with the limitation on fiscal year spending imposed by Article X, Section 20 of the State Constitution; property tax and heat and fuel assistance grants paid are included in appropriations to the Department of Revenue.

As such, this amount is continuously appropriated by permanent statute or constitutional provision and is not subject to the limitation of General Fund appropriations as set forth in Section 24-75-201 1, C.R.S.

2001 Session Bills

S.B. 01-35: Restores the basis for computing the taxable value of Class A and B vehicles weighing less than 16,000 pounds to 75 percent of the manufacturer's suggested retail price for taxes due on or after August 1, 2000. Pursuant to the provisions of H.B. 00-1140, which was enacted on August 1, 2000, the taxable value of Class A vehicles (interstate trucks) and class B vehicles (light trucks) is based on the actual purchase price of the vehicle. The bill restores the basis for computing the taxable value of class B vehicles weighing less than 16,000 pounds to the same level that existed prior to August 1, 2000, thereby reducing specific ownership tax collections from their current level. The bill requires that these tax adjustments be in the form of a credit for motor vehicle registrants in future years. Appropriates \$107,204 cash funds exempt (Distributive Data Processing Account) and 2.9 FTE to the Department of Revenue for FY 2001-02.

S.B. 01-73: Reauthorizes the state's liquor enforcement program. Requires the Liquor Enforcement Division, Department of Revenue, to perform at least the minimum number of random inspections of businesses selling cigarettes and tobacco products at retail as required by federal regulations. Authorizes the Department to assess fines for violations committed within a 24-month period versus the current 12-month period. Extends to 2011 the repeal of the Liquor Enforcement Division's enforcement of laws prohibiting the sale of cigarettes and tobacco products to minors. Requires the State Auditor to conduct an audit by July 1, 2004, on licensing of wholesalers and tobacco product distributors specific to certain information collected. Requires cigarette wholesalers and tobacco product distributors to include in their renewal applications a list of the names, addresses, and Colorado sales tax license numbers of all persons to whom the wholesaler or distributor has sold for resale cigarettes or tobacco products during the 12-month period preceding the application. For minors convicted of purchasing or attempting to purchase cigarettes or other tobacco products, limits the amount of credit against the fine and court fees the minor may receive for performing community service to 50 percent. Authorizes the court, following a conviction or adjudication for a first offense, to sentence the person to participate in a tobacco education program in lieu of an assessment of fines. Appropriates \$472,601 and 7.5 FTE to the Department of Revenue for FY 2001-02, including \$150,971 General Fund and \$321,630 cash funds exempt (transfer from the Department of Public Health and Environment from the Tobacco Settlement Fund). The General Fund appropriation is made as a result of a requirement of federal law, and therefore, it is not subject to the limitation of General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S.

S.B. 01-109: Reauthorizes the uninsured motorist insurance identification database program and the No-fault Motor Vehicle Insurance Act. Reduces the motorist identification fee from \$0.75 to \$.50 per vehicle. Requires the Department of Regulatory Agencies to conduct a review of the operation and performance of the database program to determine whether the number of uninsured motorist claims declined between July 1, 2000 and the date of the review and to submit a report to the General

Assembly by October 15, 2002. Unless the review indicates that the number of uninsured motorist claims declined between July 1, 2000 and the date of the review, the motorist insurance identification database program would repeal July 1, 2003. Authorizes the Department of Revenue to assess fines against insurers that fail to comply with not only statutory law, but also with rules promulgated by the Department relating to the motorist database program. Appropriates \$1,971,945 cash funds exempt (Motorist Insurance Identification Account) and 8.0 FTE to the Department of Revenue for FY 2001-02.

S.B. 01-168: Requires completion of an alcohol and drug education and treatment program before driving privileges may be restored for persons convicted of driving while ability impaired (DWAI) or driving under the influence (DUI) with a blood alcohol content of 0.20 or more. Also requires program participation by persistent drunk drivers and any person convicted of driving under the influence of drugs or alcohol while their license is revoked for driving under the influence of drugs or alcohol. Appropriates \$29,267 cash funds (Persistent Drunk Driver Cash Fund) and 0.4 FTE to the Department of Revenue for FY 2001-02.

S.B. 01-196: Supplemental appropriation to the Department of Revenue to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1017: Allows the Department of Revenue to establish rules for certain vehicles to register for a five-year period upon payment of a five-year registration fee or for a two-year period upon payment of a two-year registration fee. Makes the five-year option available for motorcycles, utility trailers, and mobile machinery, and makes the two-year option available for any vehicle that is of a model year 1982 or newer. Affects motor vehicle registrations beginning January 1, 2002, and allows Department personnel to inspect vehicle identification numbers and charge a fee for such inspections. Appropriates \$102,527 cash funds exempt (Distributive Data Processing Account) and 1.3 FTE to the Department for FY 2001-02.

H.B. 01-1100: Increases fees charged by the Department of Revenue for issuing motor vehicle titles. Requires that money collected from these fees be used to administer and upgrade the state's motor vehicle registration system. It also changes the name of the special Highway Users Tax Fund (HUTF) account used to pay for changes to the system from the Distributive Data Processing Account to the Colorado State Titling and Registration System. Appropriates \$4,462,865 cash funds exempt (Colorado State Titling and Registration Fund) and 5.4 FTE to the Department of Revenue in FY 2001-02.

H.B. 01-1125: Requires the Department of Revenue to verify that a first time applicant for an instruction permit, driver's license, or identification card in Colorado meets certain age, identity, and residency requirements before issuing such license or card. Under the provisions of the bill, applicants are issued a temporary permit until the legal requirements are verified, unless the applicant is accompanied by a responsible adult. The basic fee for a license is charged only once for both the

temporary and the permanent documents. The bill imposes an additional \$0.60 surcharge on the issuance of all driver's licenses to cover the additional costs of the bill. Revenue from the surcharge is credited to the Identification Security Fund, which is created by the bill.

Requires the Department to use reasonably advanced technology and techniques to verify license and identification information and requires the Department to implement an invisible security feature capable of authenticating a driver's license. Prohibits the issuance of both a driver's license and identification card and prohibits the possession of a driver's license that was fraudulently obtained. Reduces the appropriation to the Department for FY 2001-02 by \$8,652 General Fund and 0.2 FTE.

H.B. 01-1294: Clarifies that motor vehicle registration fees are required to be reduced as a means for refunding excess state revenues under TABOR in FY 2001-02. The bill also reestablishes in statute the current fees that were set to repeal on July 1, 2001, and specifies that these fees would apply in any year in which the TABOR refund mechanism is not in effect. Appropriates \$1,955 cash funds exempt (Distributive Data Processing Account) to the Department of Revenue for FY 2001-02.

H.B. 01-1307: Requires the Department of State to develop a computer system to manage voter registration and election information. Currently, the Department of State uses a computer system managed by the Department of Revenue. Reduces the appropriation to the Department of Revenue by \$135,997 cash funds exempt (transfer from the Department of State) for FY 2001-02, and increases the appropriation by an equal amount of exempt cash funds (Distributive Data Processing Account).

H.B. 01-1337: Creates the Colorado Pet Welfare Authority as a political subdivision of the State under the Department of Agriculture. Specifies the membership of the Authority's board of directors, and requires board members to serve without compensation. Requires the board to: (1) adopt policies related to the promotion of programs concerning pet welfare and overpopulation control; (2) adopt education programs concerning pet welfare; (3) develop a process to fund and expend monies for the responsibilities of the board; (4) accept gifts, grants, and donations; and (5) enter into contracts to carry out the provisions of the bill. Creates the Pet Welfare Fund in the State Treasury to consist of donations, investment earnings, and voluntary income tax checkoff contributions. Moneys in the fund, less any administrative expenses of the Department of Revenue, are continuously appropriated to the Authority. For tax years commencing January 1, 2001, but prior to January 1, 2004, the bill requires the state income tax form to contain a line whereby each individual taxpayer may designate the amount of any contribution to be made to the Pet Welfare Fund. Appropriates \$34,098 cash funds exempt (Pet Welfare Fund) and 0.6 FTE to the Department of Revenue for FY 2001-02.

H.B. 01-1402: Authorizes an extension of the clean screen program for testing emissions of 1982 and newer vehicles. Under the program, vehicles are tested using a remote sensing system instead of at a centralized testing station. The program would be implemented in the enhanced emissions inspection area no later than January 1, 2002, and in the Larimer and Weld County portions of the

basic emissions program area as expeditiously as possible. El Paso County would be included in the program, unless the Pikes Peak Area Council of Governments chooses to opt out.

Revenue from the emissions testing fee would be transmitted to the newly-created Clean Screen Authority and credited to the Clean Screen Fund. The Authority would consist of the Executive Director of the Department of Revenue and the Executive Director of the Department of Public Health and Environment, or their designees, and any necessary support staff. The bill establishes the Authority as an enterprise under Section 20 of Article X of the Colorado Constitution and declares that moneys in the Clean Screen Fund are to be exempt from the state's constitutional revenue limit.

Appropriates \$46,490 cash funds (Clean Screen Fund) and 0.6 FTE to the Department of Revenue for FY 2000-01.

DEPARTMENT OF STATE

The Department of State administers and enforces the Colorado Corporation Code, the Colorado Election Code, voter registration laws, the Fair Campaign Practices Act, and bingo and raffles laws. Additionally, the Department maintains Uniform Commercial Code filings (public records of security interests used to determine the rights of various parties in commercial transactions) and corporate filings via the publicly-accessible Central Information System. The Department also provides regulatory oversight of lobbyists and notaries public. Appropriations to the Department are organized into the following sections: Administration, Special Purpose, and Information Technology Services.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$0	\$0	\$0	\$0
Cash Fund	7,260,258	13,827,491	10,019,651	10,659,528
Cash Funds Exempt	0	0	1,392,984	12,800
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Funds	\$7,260,258	\$13,827,491	\$11,412,635	\$10,672,328
Full Time Equiv. Staff	78.0	92.5	93.0	95.8

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- An increase of \$240,000 cash funds for leased space to accommodate the Department's new lease beginning FY 2001-02;
- An increase of \$185,000 cash funds to replace the Department's telephone system with a Voice-over-IP computer telephone system;
- A decrease of \$255,000 cash funds for the Initiative and Referendum line item due to lower cost estimates for verifying petitions and filing titles for FY 2001-02;
- An increase of \$17,000 for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. The total FY 2001-02 appropriation for salary survey and anniversary increases is \$215,000, reflecting an 8.3 percent increase over the FY 2000-01 base;

- ❑ A \$253,000 increase to annualize personal services increases awarded in FY 2000-01; and
- ❑ A decrease of \$65,000 for a 1.5 percent personal services reduction.

General Factors Driving the Budget

The Department's annual budget is entirely funded with cash funds, primarily from the Department of State Cash Fund. Sources of revenue to this cash fund include fees on corporate filings, searches, and copies.

Cash Fund Balances

In recent years, upward trends in economic activity and statewide population growth have driven increases in the cash balance of the Department of State Cash Fund, creating surpluses in excess of S.B. 98-194's targeted reserve requirement of 16.5 percent of current year expenditures. According to the Department, there have been no comprehensive fee reductions designed to reduce fund balance surpluses in order to correspond to actual expenditures. Rather, the Department anticipates that a move to electronic filing will drive sufficient reductions in revenues to the Department of State Cash Fund to comply with S.B. 98-194. The following table details actual and estimated fund balances.

	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Estimate	FY 01-02 Estimate
Dept. of State Cash Fund Expenditures	\$11,931,061	\$9,126,885	\$8,000,000	\$7,124,700
Dept. of State Cash Fund Ending Balance	\$3,457,871	\$2,479,919	\$2,479,919	\$3,074,919
Ending Balance as Percent of Expenditures	29.0%	27.2%	31.0%	43.2%
Excess Uncommitted Fee Reserve Balance	\$1,489,245	\$973,983	\$1,159,919	\$1,899,344

Ballot Initiatives and County Clerk Reimbursement

The General Assembly appropriates funds to the Department of State to reimburse county clerks for costs of presidential primary elections, general elections, and odd-year November elections under Section 24-21-104.5, C.R.S. In addition, the General Assembly provides funds to reimburse counties for the cost of statewide ballot initiative and referendum activities. Actual expenses vary according to the number of candidates and initiatives. Below is a table that shows funding levels for the last several years:

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Estimate	FY 01-02 Estimate
County Clerk Reimbursement	\$601,263	\$92	\$356	\$1,500	\$1,500
Initiative and Referendum	\$11,081	\$69,126	\$50,000	\$400,000	\$50,000

Information Technology Projects

Given the Department's information processing and filing responsibilities, information technology projects have affected the Department's budget in recent years and have been consolidated into the Information Technology Services division. In recent years, supplemental appropriations have been made to make department-wide information technology improvements to assist the Department in the transition to administering the Central Information System and ensuring that it is publicly accessible. Improvements included increased electronic filing capacity, web-based access to the Department's databases, and increased storage and back-up capabilities. Additionally, the General Assembly appropriated \$787,000 to the Department for FY 2001-02 (H.B. 01-1307) in order to develop a statewide voter registration system.

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$0	\$10,019,651	\$1,392,984	\$0	\$11,412,635	93.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	0	4,335,915	26,872	0	4,362,787	69.0
Special Purpose	0	1,288,899	0	0	1,288,899	1.0
Information Technology Services	0	4,394,837	1,366,112	0	5,760,949	23.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	0	10,845,602	0	0	10,845,602	93.0
HB 00-1100	0	(243,275)	0	0	(243,275)	0.0
HB 00-1215	0	12,670	0	0	12,670	0.0
HB 00-1395	0	0	26,872	0	26,872	0.0
HB 00-1458	0	(16,149)	0	0	(16,149)	0.0
SB 01-197	0	(579,197)	579,197	0	0	0.0
HB 01-1307	0	0	786,915	0	786,915	0.0

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Total Appropriation:	\$0	\$10,659,528	\$12,800	\$0	\$10,672,328	95.8
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	0	4,969,505	12,800	0	4,982,305	68.8
Special Purpose	0	928,770	0	0	928,770	0.0
Information Technology Services	0	4,761,253	0	0	4,761,253	27.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	0	9,806,304	12,800	0	9,819,104	93.0
SB 01-21	0	21,400	0	0	21,400	0.0
SB 01-100	0	299,423	0	0	299,423	0.9
HB 01-1070	0	157,078	0	0	157,078	1.9
HB 01-1307	0	375,323	0	0	375,323	0.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$0	\$639,877	(\$1,380,184)	\$0	(\$740,307)	2.8
Percentage Change	n/a	6.4%	-99.1%	n/a	-6.5%	3.0%

Detail of Appropriation by Administrative Section

Administration

The Administration section includes management staff for the Department and arranges for administrative hearings as authorized or required by statute. It is also responsible for functions related to budgeting, accounting, human resources, and responding to inquiries from the public. Most of the Department of State's functions are carried out by divisions funded within this section, including the divisions of Commercial Recordings, Licensing and Enforcement, and Elections.

Commercial Recordings

The Division of Commercial Recordings is responsible for the Business Organizations and Entities Program and the Uniform Commercial Code Lien Program. The former administers a variety of business-related filings used by both public and private sector companies, while the latter manages the filing of security interests and various other liens which are of vital importance to lending institutions.

Licensing and Enforcement

The Division of Licensing and Enforcement is responsible for the following areas: the Administrative Rules Code, a body of statutes governing the rule-making authority of applicable state agencies, article XVIII, section 2 of the State Constitution regarding games of chance including Bingo and Raffles; the Charitable Solicitations Act, which aims to prevent fraudulent charitable solicitation activity; the Credit Services Organization Act, which seeks to protect the public from potentially unfair or deceptive advertising and business practices used in the extension of consumer credit services; the regulation of lobbyists pursuant to Sections 24-6-301 through 309, C.R.S.; and the regulation of notaries public pursuant to Sections 12-55-101 through 211, C.R.S.

Elections

The Division of Elections supervises primary, general, and congressional vacancy elections; maintains the statewide voter registration file; authorizes official recounts for federal, state, and district offices; and administers the Fair Campaign Practices Act. This division also enables the Secretary of State, designated as the state's elections officer, to supervise the 64 county clerks in the execution of their statutory responsibilities relating to voter registration and elections.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$4,301,018	\$0	\$0	\$4,301,018	69.0
HB 00-1215	0	12,670	0	0	12,670	0.0
HB 00-1395	0	0	26,872	0	26,872	0.0
HB 00-1458	0	(16,149)	0	0	(16,149)	0.0
SB 01-197	<u>0</u>	<u>38,376</u>	<u>0</u>	<u>0</u>	<u>38,376</u>	<u>0.0</u>
TOTAL	\$0	\$4,335,915	\$26,872	\$0	\$4,362,787	69.0
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$4,491,604	\$12,800	\$0	\$4,504,404	66.0
SB 01-021	0	21,400	0	0	21,400	0.0
SB 01-100	0	299,423	0	0	299,423	0.9
HB 01-1070	<u>0</u>	<u>157,078</u>	<u>0</u>	<u>0</u>	<u>157,078</u>	<u>1.9</u>
TOTAL	\$0	\$4,969,505	\$12,800	\$0	\$4,982,305	68.8

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$633,590	(\$14,072)	\$0	\$619,518	(0.2)
Percentage Change	n/a	14.6%	-52.4%	n/a	14.2%	-0.3%

FTE Detail	FY 2000-01	FY 2001-02
Administration	10.0	10.0
Commercial Recordings	34.0	30.0
Licensing and Enforcement	16.0	16.9
Elections	<u>9.0</u>	<u>11.9</u>
	69.0	68.8

FTE Changes: The net decrease of 0.2 FTE reflects the following: a decrease of 4.0 FTE transferred from Administration to Central Information System, an increase of 1.0 FTE transferred from the National Voter Registration Act line to Administration; an increase of 0.9 FTE due to S.B. 01-100 (charitable solicitations) and an increase of 1.9 FTE pursuant to H.B. 01-1070 (FCPA filings).

Cash Funds Changes: The net increase in cash funds reflects the following increases: \$299,423 for SB 01-100 (Charitable Contributions); \$240,000 related to a new lease agreement; \$157,000 for HB 01-1070 (FCPA Filings); \$154,000 in salary survey and anniversary increases awarded in FY 2001-02; \$98,000 due to the transfer of funding for the National Voter Registration Act; \$21,000 for SB 01-021 (Lobbyist Disclosure). These increases are offset by the following decreases: \$141,000 related to one-time FY 2000-01 funding; \$124,000 due to the transfer of FTE to Central Information System in Information Technology Services; \$38,000 in one-time funding transferred to cover the cost of FY 2000-01 election recounts; \$33,000 related to a transfer of funding for the replacement of the telephone system; and \$12,000 related to the change in the PERA contribution rate.

Cash Funds Exempt Changes: The decrease in cash funds exempt reflects the elimination of \$14,000 provided for the Information Privacy Task Force pursuant to H.B. 00-1395.

Special Purpose

This section includes appropriations for the cost of translating ballots into Spanish, reimbursing counties for candidate filing expenses under the Fair Campaign Practices Act, and reimbursing counties for the cost of general elections. This section also includes the Initiative and Referendum line item, which provides funding for petition-related activities, including verifying petitions, the activities of the Title Setting Board, and the printing of the ballot information booklet required by Section 1-40-124.5 (3), C.R.S. Requests under this line item fluctuate with the number of ballot initiatives and petitions filed in even- and odd-numbered election years. Funding for the National Voter Registration Act was transferred from this line to Administration for FY 2001-02.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$1,570,550	\$0	\$0	\$1,570,550	1.0
HB 00-1100	0	(243,275)	0	0	(243,275)	0.0
SB 01-197	0	(38,376)	0	0	(38,376)	0.0
TOTAL	\$0	\$1,288,899	\$0	\$0	\$1,288,899	1.0
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$928,770	\$0	\$0	\$928,770	0.0
TOTAL	\$0	\$928,770	\$0	\$0	\$928,770	0.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$0	(\$360,129)	\$0	\$0	(\$360,129)	(1.0)
Percentage Change	n/a	-27.9%	n/a	n/a	-27.9%	-100.0%

FTE Changes: The decrease of 1.0 FTE is associated with the transfer of the National Voter Registration Act line item to the Elections Division within the Administration section.

Cash Funds Changes: A decrease of \$255,000 is related to anticipated workload for the Initiative and Referendum line item, including the costs of verifying petitions, the activities of the Title Setting Board, and the printing of the ballot information booklet required by Section 1-40-124.5 (3), C.R.S. Other decreases include \$95,000 related to the transfer of the National Voter Registration Act line, and \$10,000 for the expected reimbursement to counties for the costs of general elections.

Information Technology Services

This section contains appropriations for the Department's information technology activities. It includes two subdivisions: Computer Systems, which supports maintenance, programming, and information data processing functions of the Department; and Central Information System (CIS), which exists as a means of filing, indexing, and making public Uniform Commercial Code financing statements and agricultural liens. The CIS database is maintained by the Department of State, and also includes Department of Motor Vehicles records, corporate filings, and trade name records. Citizens can access the Central Information System to search these records, determine tax rate information, and purchase Colorado parks passes. The database is now available to citizens via the internet, remote access, and terminals at the Secretary of State's Office.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$4,974,034	\$0	\$0	\$4,974,034	23.0
HB 01-1307	0	0	786,915	0	786,915	0.0
SB 01-197	0	(579,197)	579,197	0	0	0.0
TOTAL	\$0	\$4,394,837	\$1,366,112	\$0	\$5,760,949	23.0
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$4,385,930	\$0	\$0	\$4,385,930	27.0
HB 01-1307	0	375,323	0	0	375,323	0.0
TOTAL	\$0	\$4,761,253	\$0	\$0	\$4,761,253	27.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$366,416	(\$1,366,112)	\$0	(\$999,696)	4.0
Percentage Change	n/a	8.3%	-100.0%	n/a	-17.4%	17.4%

FTE Detail	FY 2000-01	FY 2001-02
<u>Computer Systems</u>		
IT Manager	1.0	1.0
Applications Programmer Manager	1.0	1.0
IT Professionals	9.0	9.0
Applications Programmers	2.0	2.0
Operations Manager	1.0	1.0
Computer Operators	4.0	4.0
<u>Central Information System</u>		
Program Administrator	1.0	1.0
Office Manager	1.0	1.0
Support Staff	3.0	7.0
	23.0	27.0

FTE Changes: The increase of 4.0 FTE results from the transfer of 4.0 FTE from the Administration section for the Central Information System.

Cash Funds Changes: The increase of \$367,000 in cash funds reflects the development of a new computerized election system pursuant to H.B. 01-1307.

Cash Funds Exempt Changes: The decrease of \$1,366,112 in cash funds exempt reflects the elimination of two one-time FY 2000-01 appropriations: (1) \$787,000 for the development of a new computerized election system, and (2) \$579,197 in cash funds exempt to allow for the spending of the remaining cash funds exempt balance in the Central Indexing System Cash Fund.

Recent Legislation

2000 Session Bills

H.B. 00-1100 (County Reimbursement Rates): Establishes county reimbursement rates for the state's share of coordinated elections. Counties with 10,000 or fewer registered voters will receive 45 cents per voter, while those with more than 10,000 registered voters will receive 35 cents per voter. Reduces the FY 2000-01 Long Bill appropriation for local election reimbursement by \$243,275 cash funds. The original appropriation was based on estimates provided by the counties to the Department.

H.B. 00-1194: Implements campaign finance reform through the introduction of contribution limits. Requires that weekly campaign financing reports begin the first Monday in September preceding the general election. Specifies that anyone who willfully violates the "Fair Campaign Practices Act" is subject to civil penalties. This legislation did not require an appropriation.

H.B. 00-1215: Increases the amount of state contributions for employees in group benefit plans in selected areas

H.B. 00-1395: Creates a task force to study privacy issues related to information policy. Appropriates \$26,872 cash funds exempt to the Department for implementation of this legislation.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Among other changes, reduces the State's contribution to the Public Employees' Retirement Association (PERA) by 0.5 percent.

2001 Session Bills

S.B. 01-21: Modifies the requirements for lobbyist disclosure, the deadline for reporting new clients, and eliminates the requirement that lobbyists provide an estimate of the gross income. The bill authorizes the Secretary of State to impose a registration fee of up to \$50 on professional lobbyists and requires the Secretary of State to establish an electronic filing system for lobbyist information.

Requires that lobbyist information be published for free public viewing on the Internet. Also creates new exemptions to the state's open meetings and open records laws for certain matters related to lobbyist ethics complaints.

S.B. 01-100: Amends the "Colorado Charitable Solicitations Act" to impose additional reporting requirements on charitable organizations that solicit donations, as well as on professional fund-raising consultants and paid solicitors. Requires these entities to register with, file information with, and pay filing fees to the Secretary of State. Requires the Secretary of State to annually publish reported information and to publicize the reporting requirements. Allows the Secretary of State to revoke the registration of any entity found to be in violation of the requirements of the bill.

S.B. 01-197: Supplemental appropriation to the Department of State to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

H.B. 01-1070: Modifies "Fair Campaign Practices Act" (FCPA) electronic filing requirements. Requires county clerks that have Internet access to electronically transmit county-level campaign finance reports to the Secretary of State, and other counties to begin electronic transmission as soon as practicable. Requires the Secretary of State to modify the Department's electronic filing system or establish a new system to allow for such electronic filing, and to allow the public to review county-level campaign finance reports via the internet by January 1, 2002.

H.B. 01-1307: Requires the Department of State to develop a new computer system to manage voter registration and election information. Appropriates \$786,917 cash funds exempt from Department of State Cash Fund reserves for FY 2000-01, and \$511,320 cash funds from the Department of State Cash Fund for FY 2001-02 (partially offset by an operating budget reduction of \$135,997 cash funds in payments to the Department of Revenue).

DEPARTMENT OF TRANSPORTATION

The Department is responsible for operating and maintaining Colorado's 9,137-mile state highway system and maintaining the statewide aviation system plan under the policy direction of the eleven-member Transportation Commission. These responsibilities include the management of highway construction projects, repairing road damage, filling potholes, plowing snow, applying sand to icy roads, and implementing the state's Highway Safety Plan. The Department provides technical support to local airports regarding aviation safety and administers reimbursement of aviation fuel tax revenues as well as discretionary grants to local airports.

Most policy and budget authority for the Department rests with the Transportation Commission, which receives the majority of its funding in large, lump-sum appropriations to the following two line items in the Long Bill: (3) Administration, and (4) Construction, Maintenance, & Operations. Since the Commission itself appropriates its own budget from these two line items, the lines are said to represent the "non-appropriated" side of the Department's Long Bill operating budget. Legislative control over this non-appropriated side is limited by statute to setting the funding level for one of the lines, which is the Administration line item. This leaves the balance of state and federal revenues to be appropriated to the Construction, Maintenance, & Operations line. The Transportation Commission has appropriations control over both lines.

Other legislative authority over the Department is limited to appropriations authority for the Division of Aeronautics, the Gaming Impacts Program, the County and Municipal Bridge Funds Program, and the Rail Bank Fund. The Department also has statutory oversight over revenue-raising measures and approval of the Governor's appointments to the Transportation Commission and the Executive Director's position. The Department is comprised of the divisions of Administration and Aeronautics. In addition to these two divisions, the FY 2001-02 Long Bill also contains the following sections: the Office of Transportation Safety, Construction, Maintenance & Operations, Transportation Revenue Anticipation Notes, Gaming Impacts, and County & Municipal Bridge Funds.

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$16,063	\$11,332	\$1,280	\$0
Cash Fund	9,788,872	12,135,386	55,780,875	61,006,903
Cash Funds Exempt	533,099,439	618,206,655	1,043,198,807	974,586,802
Federal Funds	<u>332,330,401</u>	<u>375,506,208</u>	<u>292,810,050</u>	<u>289,950,553</u>
Total Funds	\$875,234,775	\$1,005,859,581	\$1,391,791,012	\$1,325,544,258
Full Time Equiv. Staff	3,274.3	3,289.0	3,296.2	3,297.2

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- ❑ A decrease of \$112,700,000 from the sale of Transportation Revenue Anticipation Notes to be used for construction purposes during FY 2001-02;
- ❑ An increase of \$50,000,000 State Highway Fund moneys allocated by the Transportation Commission for road construction and maintenance (this includes the maximum anticipated S.B. 97-1 transfer of \$212,200,000).

General Factors Driving the Budget

Funding for this department consists of 4.6 percent cash funds, 73.5 percent cash funds exempt, and 21.9 percent federal funds. Important factors driving the budget are reviewed below.

General Fund Expenditures for Highway Construction

In 1996, the Transportation Commission approved a 20-Year Transportation Plan which estimated that projected revenues over the next 20 years would be \$8 billion short of the amount required to complete priority transportation projects. In response, the General Assembly has been directing General Fund moneys to the Department of Transportation in two ways. First, Capital Construction Fund moneys have been appropriated to assist in the completion of priority transportation projects. Second, under S.B. 97-1 beginning in FY 1997-98, approximately ten percent of sales and use tax revenues has been diverted from the General Fund to the State Highway Fund to support priority construction projects.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Estimate	FY 01-02 Estimate
Capital Construction Fund Appropriations	\$0	\$100,000,000	\$1,500,000*	\$51,100,000	\$0
S.B. 97-1 Funding	\$148,300,000	\$158,400,000	\$171,700,000	\$196,600,000	\$212,200,000

*the original set-aside of \$4.5 million was reduced by S.B. 01-217

Transportation Revenue Anticipation Notes (TRANS)

The Department has the authority via a voter-approved referendum to issue 15-year bonds to accelerate Strategic Transportation Project Investment Program ("7th Pot") projects. These are 28 projects across the state in each of the 6 transportation regions that are funded and administered as if they were an additional, separate transportation district (the "7th Pot") given their high priority. The bonds are issued against future federal and state transportation revenues, pursuant to federal "GARVEE" legislation (23 U.S.C. 122) that permits the use of federal funds to pay debt service on

bonds intended to support projects eligible for federal funding. There are two important limits on the TRANS bond program. First, a state match is required before a state may use federal funds to help pay annual debt service on the bonds. Although the minimum state match is 20 percent, currently the Department's agreement with the Federal Highway Administration calls for a 50 percent state match. Second, the enabling legislation (H.B. 99-1325) established a maximum principal amount of \$1.7 billion and a maximum repayment amount of \$2.3 billion for the bonds. As of November 2000, the Department had issued \$535 million in bonds (including a bond premium of approximately \$10 million), with an annual debt service cost of approximately \$33 million. The Transportation Commission matches 50 percent of this, or approximately \$16.5 million, using state funds obtained from the General Assembly through S.B. 97-1. Additionally, the Department has issued \$539.2 million in series 2001 bonds, with an approximate debt service of between \$26 and \$30 million from FY 2002-05, and \$62 million annually thereafter. Of the \$1.7 billion maximum principal amount, an additional \$626 million may be issued, so long as interest rates accommodate a \$2.3 billion maximum repayment value for all the bonds. The Department currently estimates that an additional \$300 million may be issued.

	FY 99-00 Actual	FY 00-01 Estimate	FY 01-02 Estimate
Amount of Bonds Issued	\$0	\$535,000,000	\$539,234,000
Amount of Proceeds Used	\$0	\$436,000,000	\$326,300,000

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation:	\$1,280	\$55,780,875	\$1,043,198,807	\$292,810,050	\$1,391,791,012	3,296.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of Transportation Safety	0	50,000	0	0	50,000	0.0
Division of Aeronautics	0	10,898,229	0	203,244	11,101,473	7.0
Administration	0	0	20,229,158	0	20,229,158	219.7
Construction, Maintenance, and Operations	1,280	38,407,650	583,969,649	292,606,806	914,985,385	3,069.5
Transportation Revenue Anticipation Notes	0	0	439,000,000	0	439,000,000	0.0

	GF	CF	CFE	FF	Total	FTE
Gaming Impacts	0	5,089,000	0	0	5,089,000	0.0
County and Municipal Bridge Funds	0	1,335,996	0	0	1,335,996	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	0	55,781,141	1,037,428,414	292,043,238	1,385,252,793	3,296.2
HB 00-1215	1,280	2,560	70,393	768,568	842,801	0.0
HB 00-1458	0	(2,826)	0	(1,756)	(4,582)	0.0
SB 01-198	0	0	5,700,000	0	5,700,000	0.0
FY 2001-02 Total Appropriation:						
	\$0	\$61,006,903	\$974,586,802	\$289,950,553	\$1,325,544,258	3,297.2
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of Transportation Safety	0	10,000	0	0	10,000	0.0
Division of Aeronautics	0	10,995,923	0	220,000	11,215,923	8.0
Administration	0	0	21,094,952	0	21,094,952	219.7
Construction, Maintenance, and Operations	0	40,332,900	627,191,850	289,730,553	957,255,303	3,069.5
Transportation Revenue Anticipation Notes	0	0	326,300,000	0	326,300,000	0.0
Gaming Impacts	0	8,893,000	0	0	8,893,000	0.0
County and Municipal Bridge Funds	0	775,080	0	0	775,080	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	0	61,006,903	974,586,802	289,950,553	1,325,544,258	3,297.2
Change FY 01 - FY 02						
	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$1,280)	\$5,226,028	(\$68,612,005)	(\$2,859,497)	(\$66,246,754)	1.0
Percentage Change	-100.0%	9.4%	-6.6%	-1.0%	-4.8%	0.0%

Detail of Appropriation by Administrative Section

Office of Transportation Safety

Pursuant to H.B. 00-1164, most of the programs in the Office of Transportation Safety were transferred into the non-appropriated Construction, Maintenance, & Operations line. The single remaining line within the Office of Transportation Safety is the Persistent Drunk Driver Program, authorized by H.B. 98-1334 (the Persistent Drunk Driver Act). This legislation was designed to support programs intended to deter persistent drunk driving, particularly education programs for minors and the adult general public. The departments of Transportation, Human Services, and Revenue are charged with coordinating these programs. The source of cash funds for this program is a penalty surcharge imposed by judges on individuals with two or more alcohol-related driving violations. The level of the surcharge ranges from \$25 to \$500. Proceeds are credited to the Persistent Drunk Driver Fund. From 1996 through 1999, fatalities per 100 million vehicle miles traveled were 1.71, 1.62, 1.63, and 1.54, respectively. Over this same period, the percentage of alcohol-related fatalities was 34.9, 30.6, 32.3, and 30.8, respectively.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$50,000	\$0	\$0	\$50,000	0.0
TOTAL	\$0	\$50,000	\$0	\$0	\$50,000	0.0
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$10,000	\$0	\$0	\$10,000	0.0
TOTAL	\$0	\$10,000	\$0	\$0	\$10,000	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	(\$40,000)	\$0	\$0	(\$40,000)	0.0
Percentage Change	n/a	-80.0%	n/a	n/a	-80.0%	n/a

Cash Funds Changes: The \$40,000 cash funds decrease reflects an appropriation of \$10,000 cash funds rather than \$50,000 to support the Department of Transportation's work with the departments of Revenue and Human Services to develop educational programs to deter persistent drunk driving. This year's appropriation includes funding for the production and distribution of two flyers regarding the costs and legal requirements associated with DUI offenders.

Division of Aeronautics

Under the policy direction of the Colorado Aeronautical Board, this division supports the maintenance of the statewide aviation system plan. Division staff provide technical support to local airports regarding aviation safety, and administer reimbursement of aviation fuel tax revenues as well as discretionary grants to local airports.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$10,899,354	\$0	\$203,655	\$11,103,009	7.0
HB 00-1458	0	(1,125)	0	(411)	(1,536)	0
TOTAL	\$0	\$10,898,229	\$0	\$203,244	\$11,101,473	7.0
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$10,995,923	\$0	\$220,000	\$11,215,923	8.0
TOTAL	\$0	\$10,995,923	\$0	\$220,000	\$11,215,923	8.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$97,694	\$0	\$16,756	\$114,450	1.0
Percentage Change	n/a	0.9%	n/a	8.2%	1.0%	14.3%

FTE Detail	FY 2000-01	FY 2001-02
Administration	2.0	2.0
Grants/Planning	3.0	4.0
Safety Specialist	1.0	1.0
Engineer	<u>1.0</u>	<u>1.0</u>
	7.0	8.0

FTE Changes: The increase of 1.0 FTE reflects the addition of a federal grants and planning position, with associated funding for the position to come from the Division's federal funds.

Cash Funds Changes: The cash funds exempt increase is partially due to a net increase of \$74,000 in aviation tax revenues as follows: the amount returned to the airport of origin through the formula refunds program will be decreased \$844,000, while the amount appropriated for the discretionary grants program will increase by \$918,000 pursuant to new revenue allocation provisions enacted under S.B. 00-156. In addition, an increase of \$63,000 cash funds results from the transfer of

centrally appropriated line items from outside the Division to within the Division. This reflects the elimination of the Executive Director's Office section of the Long Bill, where these expenses were formerly located. Finally, an increase of \$18,000 cash funds is related to salary survey and anniversary increases allocated during FY 2000-01.

Federal Funds Changes: An increase of \$17,000 results from a larger amount of federal funding available for the division.

Administration

The Administration section consists of the following: the Transportation Commission, the Office of the Executive Director, the Office of Public and Intergovernmental Relations, 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. The appropriation is made in a lump sum as required by Section 43-1-113(3)(a), C.R.S. This line item was created by Section 43-1-113(2)(c)(III), C.R.S., and includes the salaries and expenses for the numerous offices and programs within the Department. This line item is a "program" line, which gives the Department discretion to move funds from personal services to operating and also from one program within the line item to another. Statutes limit the Administration line item to 5 percent of the total Department of Transportation budget. The majority of the Administration line item is supported with cash funds exempt from the State Highway Fund, although a portion of administrative costs are billed to specific construction projects. The Department indicates the number of active construction projects was 132 in FY 1997-98, 130 in FY 1998-99, 130 in FY 1999-00, 175 in FY 2000-01, and is 180 at the beginning of FY 2001-02.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$0	\$20,158,765	\$0	\$20,158,765	219.7
HB 00-1215	<u>0</u>	<u>0</u>	<u>70,393</u>	<u>0</u>	<u>70,393</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$20,229,158	\$0	\$20,229,158	219.7
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$0</u>	<u>\$21,094,952</u>	<u>\$0</u>	<u>\$21,094,952</u>	<u>219.7</u>
TOTAL	\$0	\$0	\$21,094,952	\$0	\$21,094,952	219.7
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$0	\$865,794	\$0	\$865,794	0.0
Percentage Change	n/a	n/a	4.3%	n/a	4.3%	0.0%

FTE Detail	FY 00-01	FY 01-02
Transportation Commission	2.0	2.0
Office of the Executive Director	3.0	3.0
Office of Public and Intergovernmental Relations	7.0	7.0
Office of Financial Management and Budget	6.0	6.0
Highway Administration	16.0	16.0
Division of Human Resources and Administration	172.2	172.2
Division of Audit	7.5	7.5
Office of Policy	6.0	6.0
Other	<u>0.0</u>	<u>0.0</u>
	219.7	219.7

Cash Funds Exempt Changes: The \$866,000 increase in cash funds exempt is primarily due to salary survey and anniversary increases awarded in FY 2000-01, an increase in the legal services rate, and an increase in the Department's statewide indirect cost assessment.

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. The Transportation Commission allocates the budgets for these programs. The Construction, Maintenance, and Operations line item in the Long Bill represents the majority of the Department's total budget. Funding for this line item is in part intended to improve the condition of the state highway system, 54 percent of which is rated as being in "fair" or "good" condition. Cash funds include miscellaneous permit fees, interest earnings, and local matching funds made available for federal dollars. The cash funds exempt appropriation for FY 2001-02 reflects a maximum expected Senate Bill 97-1 transfer of \$212.2 million, an estimated \$432.9 million for the Department's formula share of the Highway Users Tax Fund that is credited to the State Highway Fund, and \$3.1 million in internal cash funding, offset by \$21.1 million in cash exempt funding appropriated to the Administration line. The percent of Colorado's roadways deemed to be in "fair" or "good" condition each year since 1996 has been 60 percent, 62 percent, 58 percent, 51 percent, and 54 percent, respectively.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$38,406,791	\$578,269,649	\$291,839,583	\$908,516,023	3,069.5
HB 00-1215	1,280	2,560	0	768,568	772,408	0.0

	GF	CF	CFE	FF	Total	FTE
HB 00-1458	0	(1,701)	0	(1,345)	(3,046)	0.0
SB 01-198	0	0	5,700,000	0	5,700,000	0.0
TOTAL	\$1,280	\$38,407,650	\$583,969,649	\$292,606,806	\$914,985,385	3,069.5
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$40,332,900</u>	<u>\$627,191,850</u>	<u>\$289,730,553</u>	<u>\$957,255,303</u>	<u>3,069.5</u>
TOTAL	\$0	\$40,332,900	\$627,191,850	\$289,730,553	\$957,255,303	3,069.5
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	(\$1,280)	\$1,925,250	\$43,222,201	(\$2,876,253)	\$42,269,918	0.0
Percentage Change	-100.0%	5.0%	7.4%	-1.0%	4.6%	0.0%

Cash Funds Changes: The increase in cash funds primarily includes an increase of \$1,900,000 from miscellaneous revenues to the Department, including permit fees and interest earnings.

Cash Funds Exempt Changes: The increase in cash funds exempt consists of an anticipated increase of \$24.8 million in revenues to the State Highway Fund and an increase of \$18.4 million in the expected maximum transfer from Senate Bill 97-1.

Federal Funds Changes: The decrease in federal funds reflects the amount of federal funds anticipated to be received from the Federal Highways Administration during FY 2001-02.

Transportation Revenue Anticipation Notes

This section contains appropriations that reflect the issuance of TRANS highway construction bonds pursuant to H.B. 99-1325. Totals reflect the amount budgeted for the fiscal year rather than the total issuance during that fiscal year, a portion of which is budgeted for subsequent fiscal years.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	<u>\$0</u>	<u>\$0</u>	<u>\$439,000,000</u>	<u>\$0</u>	<u>\$439,000,000</u>	<u>0.0</u>
TOTAL	\$0	\$0	\$439,000,000	\$0	\$439,000,000	0.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$0</u>	<u>\$326,300,000</u>	<u>\$0</u>	<u>\$326,300,000</u>	<u>0.0</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$0	\$0	\$326,300,000	\$0	\$326,300,000	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$0	(\$112,700,000)	\$0	(\$112,700,000)	0.0
Percentage Change	n/a	n/a	-25.7%	n/a	-25.7%	n/a

Cash Funds Exempt Changes: The Transportation Commission has budgeted \$112.7 million less in TRANS bond proceeds to be used in FY 2001-02 than were used in FY 2000-01.

Gaming Impacts

This line item provides funds to the Department of Transportation for construction and maintenance associated with the impact of gaming on state highways. The appropriation provides funding for work to be completed on roads impacted by gaming activities. The source of cash funds is the Limited Gaming Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$5,089,000	\$0	\$0	\$5,089,000	0.0
TOTAL	\$0	\$5,089,000	\$0	\$0	\$5,089,000	0.0
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$8,893,000	\$0	\$0	\$8,893,000	0.0
TOTAL	\$0	\$8,893,000	\$0	\$0	\$8,893,000	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$3,804,000	\$0	\$0	\$3,804,000	0.0
Percentage Change	n/a	74.7%	n/a	n/a	74.7%	n/a

Cash Funds Changes: The increase of \$3,804,000 reflects additional construction-related expenditures on roads affected by gaming activities, including: road improvements, maintenance, rock fall mitigation, and safety measures. The appropriation is the second year of the five-year plan drafted by the Department in cooperation with the Gaming Commission to address highway needs in gaming communities.

County and Municipal Bridge Funds

This line provided for distributions of specifically earmarked HUTF revenues for priority bridge projects pursuant to Section 43-4-205 (7) (a), C.R.S. This program sunset at the end of FY 1996-97, however, moneys collected specifically for the purpose of funding priority local bridge projects still remain in the fund. While the fund balance is being spent by cities and counties within previously appropriated spending authority, any unspent fund balance earns interest that counts as additional revenue to the State under TABOR. The Department requires additional spending authority in order to make the interest earnings available to cities and counties.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$1,335,996	\$0	\$0	\$1,335,996	0.0
TOTAL	\$0	\$1,335,996	\$0	\$0	\$1,335,996	0.0
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$775,080	\$0	\$0	\$775,080	0.0
TOTAL	\$0	\$775,080	\$0	\$0	\$775,080	0.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	(\$560,916)	\$0	\$0	(\$560,916)	0.0
Percentage Change	n/a	-42.0%	n/a	n/a	-42.0%	n/a

Cash Funds Changes: The decrease of \$561,000 cash funds results from a reduction in spending authority required to cover additional interest income generated in the event county and municipal spending of the bridge funds ceases unexpectedly. Although the Department is anticipating that the fund balances will be exhausted by cities and counties by the end of FY 2000-01, \$775,080 was appropriated for FY 2001-02.

Recent Legislation

2000 Session Bills

H.B. 00-1164: Transfers funding for certain programs from the authority of the General Assembly to the Transportation Commission. This includes most of the programs from the Office of Transportation Safety and the Transportation Services for the Handicapped and Elderly Program.

As a result, these programs moved from the appropriated to the non-appropriated section of the Department of Transportation's budget.

S.B. 00-156: Changes the formula for distributing sales and use taxes collected on aviation fuel. Sales and use taxes collected on aviation fuel are earmarked for either distribution to the airport where the tax was collected or credited to the aviation fund to be distributed by the Colorado Aeronautical Board as discretionary grants to public-accessible airports in the state. Reduces the amount to be retained by airports and increases the amount to be used for discretionary grants. The amount retained by the airport of origin is reduced from 75 to 65 percent. The amount credited to the Aviation Fund for discretionary grants increases from 25 to 35 percent.

H.B. 00-1215: Increases the state contribution for employee health benefits.

H.B. 00-1451: General appropriations act for FY 2000-01.

H.B. 00-1458: Reduces the state contribution to employee retirement benefits.

2001 Session Bills

S.B. 01-198: Supplemental appropriation to the Department of Transportation to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

S.B. 01-217: Supplemental adjustment to FY 1999-00 Long Bill. Transfers \$3.0 million from the original amount (\$4.5 million) set-aside for highway construction within the Capital Construction section of the Long Bill to the Aviation Account of the State Infrastructure Bank.

DEPARTMENT OF TREASURY

The Department acts as the state's banker and investment officer, prepares financial and accounting reports for the state, administers the Elderly Property Tax Deferral Program, administers the Unclaimed Property Program, disburses the state's contribution to the Fire and Police Pension Association, and distributes formula shares of Highway Users Tax Fund (HUTF) revenues to counties and municipalities. The Department is comprised of the following two divisions: Administration, which provides accounting, investment services, and cash management for the state; and Unclaimed Property, which locates and returns dormant properties to their legal owners. In addition to these two divisions, the Department's section of the FY 2001-02 Long Bill also contains the following sections: Special Purpose (Elderly Property Tax Deferral Program), Fire and Police Pension Association (state contributions for local pension benefits), Appropriated Municipalities (HUTF disbursements), and Appropriated Counties (HUTF disbursements).

Department Budget: Recent Actual Expenditures and Appropriations

Funding Source	FY 1998-99 Actual	FY 1999-00 Actual	FY 2000-01 Approp.	FY 2001-02 Approp.
General Fund	\$31,469,753	\$30,948,539	\$31,144,144	\$31,296,524
Cash Fund	0	0	0	0
Cash Funds Exempt	235,057,322	247,917,981	245,000,000	265,440,000
Federal Funds	0	0	0	0
Total Funds	\$266,527,075	\$278,866,520	\$276,144,144	\$296,736,524
Full Time Equiv. Staff	24.0	24.2	25.0	25.0

FY 2001-02 Budget Changes

Significant changes in appropriations for FY 2001-02 compared to FY 2000-01 include the following:

- An increase of \$16.4 million cash funds exempt in order to provide spending authority to distribute the municipal and county shares of the Highway Users Tax Fund revenues;
- An increase of \$4,000 General Fund to allow the Department to continue replacing computer equipment.
- A decrease of \$2,774 General Fund for salary survey and anniversary increases anticipated to be awarded in FY 2001-02. The total FY 2001-02 appropriation for salary survey and anniversary increases is \$71,000, reflecting a 3.7 percent decrease from the FY 2000-01 base.

- An increase of \$90,000 General Fund to annualize anniversary increases awarded in FY 2000-01.

General Factors Driving the Budget

Funding for this department consists of 10.5 percent General Fund and 89.5 percent cash funds exempt. The cash funds exempt represents formula disbursements of the Highway Users Tax Fund (HUTF) to counties and municipalities, while most of the General Fund represents the state contribution to the Fire and Police Pension Association (FPPA) and is exempt from the statutory limit on General Fund appropriations. The remaining General Fund is the operating budget for the Department of Treasury.

Highway Users Tax Fund (HUTF) Disbursements

The Department of Treasury distributes revenues from the Highway Users Tax Fund (HUTF) to counties and municipalities pursuant to statute (Sections 43-4-207 and 208, C.R.S.). The appropriations made to the counties and municipalities in this line item are cash funds exempt. As revenues to the HUTF have increased, so have the counties' and municipalities' shares. The following table shows funding levels over the last several years.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Estimate	FY 01-02 Estimate
Counties	\$134,791,106	\$142,235,561	\$150,442,915	\$149,500,000	\$164,767,000
Municipalities	\$88,426,394	\$92,821,761	\$97,475,066	\$95,500,000	\$100,673,000

Fire and Police Pension Association (FPPA) Contributions

Sections 31-30.5-307 and 31-30-1112, C.R.S., require the state to make General Fund contributions to FPPA that are included in the Department of Treasury's budget for informational purposes. The contributions, exempt from the statutory limit on General Fund appropriations, are made for: (1) retirement pensions for police officers and firefighters hired before 1978 ("Old Hire Plans"); (2) local volunteer firefighter pension plans; and (3) volunteer death and disability plans for police and firefighters. The following table shows total state assistance levels over the last several years.

	FY 97-98 Actual	FY 98-99 Actual	FY 99-00 Actual	FY 00-01 Estimate	FY 01-02 Estimate
Fire and Police Pension Association	\$28,372,798	\$28,499,571	\$28,713,016	\$28,763,181	\$28,768,470

The state's largest annual contribution to FPPA is made to reduce the unfunded liability of Old Hire Plans. Statute requires this contribution to be \$25,321,079 and to continue until the liability is gone, but no later than December 31, 2009. A plan (H.B. 99-1369) to authorize the State Treasurer to issue bonds to retire the State's share of the unfunded liability for old hires was halted by the legislature during the 2000 Session (S.B. 00-187) in response to updated actuarial estimates that predicted an end to this liability as early as 2003 due to increased investment earnings.

Summary of FY 2000-01 and FY 2001-02 Appropriations

Total Department Appropriations

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Total Appropriation :	\$31,144,144	\$0	\$245,000,000	\$0	\$276,144,144	25.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	1,310,375	0	0	0	1,310,375	16.0
Special Purpose	340,933	0	0	0	340,933	0.0
Unclaimed Property	729,655	0	0	0	729,655	9.0
Fire and Police Pension Association (FPPA)	28,763,181	0	0	0	28,763,181	n/a
Appropriated Counties	0	0	149,500,000	0	149,500,000	n/a
Appropriated Municipalities	0	0	95,500,000	0	95,500,000	n/a
<u>Breakdown of Total Appropriation by Bill</u>						
HB 00-1451	31,079,342	0	245,000,000	0	276,079,342	25.0
HB 00-1215	3,822	0	0	0	3,822	n/a
HB 00-1458	(6,097)	0	0	0	(6,097)	n/a
SB 01-199	67,077	0	0	0	67,077	0.0
FY 2001-2002 Total Appropriation:	\$31,296,524	\$0	\$265,440,000	\$0	\$296,736,524	25.0
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	1,340,616	0	0	0	1,340,616	16.0

	GF	CF	CFE	FF	Total	FTE
Special Purpose	350,316	0	0	0	350,316	n/a
Unclaimed Property Program	837,122	0	0	0	837,122	9.0
Fire and Police Pension Association	28,768,470	0	0	0	28,768,470	n/a
Appropriated Counties	0	0	164,767,000	0	164,767,000	n/a
Appropriated Municipalities	0	0	100,673,000	0	100,673,000	n/a
<u>Breakdown of Total Appropriation by Bill</u>						
SB 01-212	31,296,524	0	265,440,000	0	296,736,524	25.0
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$152,380	\$0	\$20,440,000	\$0	\$20,592,380	0.0
Percentage Change	0.5%	n/a	8.3%	n/a	7.5%	0.0%

Detail of Appropriation by Administrative Section

Administration

This office is responsible for the management and administration of the Department, which provides accounting, cash management, and investment services for the State. In FY 2000-01, the Treasury earned approximately \$45 million in interest income on the General Fund, and \$316 million on all funds. The funding source is General Fund. Administrative staff include the State Treasurer, Deputy Treasurer, and a controller, as well as investment, accounting, and administrative personnel.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$1,304,973	\$0	\$0	\$0	\$1,304,973	16.0
HB 00-1215	3,822	0	0	0	3,822	0.0
HB 00-1458	(6,097)	0	0	0	(6,097)	0.0
SB 01-199	<u>7,677</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,677</u>	<u>0.0</u>
TOTAL	\$1,310,375	\$0	\$0	\$0	\$1,310,375	16.0

	GF	CF	CFE	FF	Total	FTE
FY 2001-02 Appropriation:						
SB 01-212	\$1,340,616	\$0	\$0	\$0	\$1,340,616	16.0
TOTAL	\$1,340,616	\$0	\$0	\$0	\$1,340,616	16.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$30,241	\$0	\$0	\$0	\$30,241	0.0
Percentage Change	2.3%	0.0%	0.0%	0.0%	2.3%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
State Treasurer, Deputy Treasurer	2.0	2.0
Investment Officers	8.0	8.0
Accounting Staff	3.0	3.0
Cash Manager	1.0	1.0
Administrative Staff	<u>2.0</u>	<u>2.0</u>
	16.0	16.0

General Fund Changes: The General Fund appropriation includes increases for the annualization of salary increases awarded in FY 2000-01 and a \$4,000 increase in funding for computer replacement.

Special Purpose

This section of the Long Bill includes the appropriation for the Elderly Property Tax Deferral Program pursuant to Section 39-3.5-106, C.R.S. The Treasury makes payments on July 15 of each year for property taxes deferred by participating citizens in the previous fiscal year. Under the program, all Colorado citizens over the age of 65 who live in a home on the property may defer their property tax up to the value of the property less any liens. The exact cost of the program is dependent upon the number of citizens who opt to have their property taxes deferred under the program. The Department identifies the number of actual participants at the beginning of each fiscal year.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$355,913	\$0	\$0	\$0	\$355,913	0.0
SB 01-145	<u>(14,980)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(14,980)</u>	<u>0</u>

	GF	CF	CFE	FF	Total	FTE
TOTAL	\$340,933	\$0	\$0	\$0	\$340,933	0.0
FY 2001-02 Appropriation:						
SB 01-212	<u>\$350,316</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$350,316</u>	<u>n/a</u>
TOTAL	\$350,316	\$0	\$0	\$0	\$350,316	n/a
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$9,383	\$0	\$0	\$0	\$9,383	n/a
Percentage Change	2.8%	n/a	n/a	n/a	2.8%	n/a

General Fund Changes: The General Fund appropriation includes an increase of \$9,000 for the Elderly Property Tax Deferral Program. The appropriation is based on a projected 263 participants who will each defer an estimated \$1,332 in property taxes for FY 2001-02.

Unclaimed Property Program

This section contains appropriations for the State's Unclaimed Property Program, established under Section 38-13-101, C.R.S. ("The Unclaimed Property Act"). Under the program, the state takes possession of dormant or abandoned properties from a wide range of business and public institutions in an effort to return the properties to their rightful owners.

To alert owners of properties that have been transferred into the program, the Department is required to publish an annual list of property owners in a newspaper circulated statewide, and it also maintains a searchable internet web site. Until July 1, 2001, identified abandoned properties are collected and placed into one of three funds pursuant to Section 38-13-116, C.R.S.:

- Abandoned Property Fund (primarily unclaimed properties from financial institutions)
- Unclaimed Insurance Moneys Fund
- Business Associations Unclaimed Moneys Fund

On July 1, 2001, these three funds will be consolidated into the newly created Unclaimed Property Trust Fund pursuant to S.B. 00-57. Principal expenditures from the fund will be for qualified claims, while investment earnings will be transferred to the Colorado Uninsurable Health Insurance Plan (CUHIP) cash fund. Unclaimed Property Trust Fund balances will not revert to the General Fund.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$729,655	\$0	\$0	\$0	\$729,655	9.0
TOTAL	\$729,655	\$0	\$0	\$0	\$729,655	9.0
FY 2001-02 Appropriation:						
SB 01-212	\$837,122	\$0	\$0	\$0	\$837,122	9.0
TOTAL	\$837,122	\$0	\$0	\$0	\$837,122	9.0
Change FY 01 - FY 02						
Increase/(Decrease)	\$107,467	\$0	\$0	\$0	\$107,467	0.0
Percentage Change	14.7%	0.0%	0.0%	0.0%	14.7%	0.0%

FTE Detail	FY 2000-01	FY 2001-02
Program Director	1.0	1.0
Program Admin.	2.0	2.0
Staff Auditor	3.0	3.0
Clerical	<u>3.0</u>	<u>3.0</u>
	9.0	9.0

General Fund Changes: The increase in General Fund includes an increase of \$51,000 in personal services primarily due to salary survey and anniversary increases awarded in FY 2000-01, offset by a PERA reduction of \$2,000. Also included is a one-time appropriation of \$28,000 for moving expenses, an increase of \$16,000 due to increased costs of publishing the list of persons having unclaimed property, and an increase of \$14,000 due to an increase in lease rates.

Fire and Police Pension Association

This section contains appropriations for the State's contributions to the Fire and Police Pension Association, which are continuously appropriated by statute and are exempt from the 6.0 percent statutory limit on General Fund appropriations. The contributions support: (1) retirement pensions for police officers and firefighters hired before 1978 ("Old Hire Plans"), (2) local volunteer firefighter pension plans, and (3) volunteer death and disability plans for police and firefighters. For Old Hire Plans, the state contribution is set forth in statute at \$25,321,079 until such time as the plans are fully-funded (but no later than 2009). The state contribution to volunteer firefighter pensions is capped at 90 percent of the local contribution. The contribution for volunteer death and disability plans

represents the cost of accidental death and disability insurance policies for volunteer firefighters as determined by the Board of Directors of the Fire and Police Pension Association.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$28,688,801	\$0	\$0	\$0	\$28,688,801	n/a
SB 01-145	<u>74,380</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>74,380</u>	<u>n/a</u>
TOTAL	\$28,763,181	\$0	\$0	\$0	\$28,763,181	n/a
FY 2001-02 Appropriation:						
SB 01-212	<u>\$28,768,470</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$28,768,470</u>	<u>n/a</u>
TOTAL	\$28,768,470	\$0	\$0	\$0	\$28,768,470	n/a
Change FY 01 - FY 02						
Increase/(Decrease)	\$5,289	\$0	\$0	\$0	\$5,289	n/a
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	n/a

General Fund Changes: The General Fund appropriation includes an increase of \$5,000 to reflect 90 percent of the estimated local contribution for volunteer firefighter pensions for FY 2001-02.

Appropriated Counties

This section contains appropriations for the formula distribution from the Highway Users' Tax Fund to counties as required by Section 43-4-207, C.R.S.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	<u>\$0</u>	<u>\$0</u>	<u>\$149,500,000</u>	<u>\$0</u>	<u>\$149,500,000</u>	<u>n/a</u>
TOTAL	\$0	\$0	\$149,500,000	\$0	\$149,500,000	n/a
FY 2001-02 Appropriation:						
SB 01-212	<u>\$0</u>	<u>\$0</u>	<u>\$164,767,000</u>	<u>\$0</u>	<u>\$164,767,000</u>	<u>n/a</u>
TOTAL	\$0	\$0	\$164,767,000	\$0	\$164,767,000	n/a

Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$0	\$15,267,000	\$0	\$15,267,000	n/a
Percentage Change	0.0%	0.0%	10.2%	0.0%	10.2%	n/a

Cash Funds Exempt Changes: The cash funds exempt appropriation increase reflects anticipated Highway Users Tax Fund revenues.

Appropriated Municipalities

This section contains appropriations for the formula distribution from the Highway Users' Tax Fund to municipalities as required by Section 43-4-208, C.R.S.

	GF	CF	CFE	FF	Total	FTE
FY 2000-01 Appropriation:						
HB 00-1451	\$0	\$0	\$95,500,000	\$0	\$95,500,000	n/a
TOTAL	\$0	\$0	\$95,500,000	\$0	\$95,500,000	n/a
FY 2001-02 Appropriation:						
SB 01-212	\$0	\$0	\$100,673,000	\$0	\$100,673,000	n/a
TOTAL	\$0	\$0	\$100,673,000	\$0	\$100,673,000	n/a
Change FY 01 - FY 02	GF	CF	CFE	FF	Total	FTE
Increase/(Decrease)	\$0	\$0	\$5,173,000	\$0	\$5,173,000	n/a
Percentage Change	0.0%	0.0%	5.4%	0.0%	5.4%	n/a

Cash Funds Exempt Changes: The cash funds exempt appropriation increase reflects anticipated revenues to the Highway Users Tax Fund.

Recent Legislation

2000 Session Bills

H.B. 00-1451: General appropriations act for FY 2000-01.

S.B. 00-57: Consolidates the three previously existing unclaimed property funds into the newly created Unclaimed Property Trust Fund effective July 1, 2001. Restricts principal expenditures to

qualified claims and investment earnings expenditures to the Colorado Uninsurable Health Insurance Plan cash fund. Prohibits the reversion of Unclaimed Property Trust Fund balances to the General Fund.

S.B. 00-181: Authorizes the State Treasurer to loan money from the Permanent School Fund to school districts for the purpose of funding capital construction projects. Allows the State Treasurer to determine the amount of the loan and the interest rate, so long as the average rate is equal to or greater than the percentage change in the Consumer Price Index for the previous fiscal year (Section 22-43.7-103.5, C.R.S.).

2001 Session Bills

S.B. 01-199: Supplemental appropriation to the Department of Treasury to modify the appropriation included in the FY 2000-01 Long Bill.

S.B. 01-212: General appropriations act for FY 2001-02.

CAPITAL CONSTRUCTION

This section summarizes state agency capital construction and controlled maintenance projects. Many of the appropriations are from the Capital Construction Fund. The primary source of revenue to the Capital Construction Fund is transfers and appropriations from the General Fund.

Recent Appropriations

Funding Source	FY 1998-99 Approp.	FY 1999-00 Approp.	FY 2000-01 Approp.	FY 2001-02 Approp.
Capital Construction Fund Exempt	\$507,618,381	\$244,236,578	\$319,256,771	\$351,633,766
Cash Fund	44,668,899	42,736,930	53,017,821	53,358,735
Cash Funds Exempt	173,633,816	370,752,157	136,663,563	157,326,670
Federal Funds	<u>11,501,252</u>	<u>70,915,520</u>	<u>65,523,842</u>	<u>21,011,732</u>
Total Funds	\$737,422,348	\$728,641,185	\$574,461,997	\$583,330,903

FY 2001-02 Budget Changes

Highlights of the capital construction funding for FY 2001-02 include the following:

- \$269.2 million General Fund for capital construction projects beginning July 1, 2001;
- An additional \$45.8 million General Fund for capital construction projects effective March 1, 2002, when the Legislature is in session and can make adjustments, if necessary, based on more up to date revenue projections; and
- \$36.6 million from the General Fund and \$18.8 million from interest earned on the Controlled Maintenance Trust Fund for a total of \$55.3 million in controlled maintenance projects.

General Factors Driving the Budget

In FY 2001-02, capital construction appropriations consist of 60.3 percent Capital Construction Fund Exempt, 9.1 percent cash funds, 27.0 percent cash funds exempt, and 3.6 percent federal funds. The departments with the largest percentage of Capital Construction Fund Exempt appropriations are listed in the table on the following page.

Department	Percent of CCFE
Higher Education	56.7%
Corrections	18.8%
Personnel	9.8%
Human Services	9.2%
All Others	5.5%

Summary of FY 2001-02 Appropriations

	CCFE	CF	CFE	FF	Total
FY 2001-02 Total Appropriation:	\$351,633,766	\$53,358,735	\$157,326,670	\$21,011,732	\$583,330,903
<u>Breakdown of Total Appropriation by Department</u>					
Agriculture	1,847,153	0	0	0	1,847,153
Corrections	66,303,582	0	7,465,845	5,880,400	79,649,827
Education	677,941	0	0	0	677,941
Governor/Lt. Governor/OSPB	0	0	2,199,834	0	2,199,834
Health Care Policy and Financing	804,550	0	0	718,379	1,522,929
Higher Education	199,397,395	19,560,496	108,293,013	5,221,403	332,472,307
Human Services	32,209,776	352,103	1,522,929	5,592,418	39,677,226
Judicial	582,005	0	0	0	582,005
Labor and Employment	0	31,305,274	0	800,000	32,105,274
Law	53,517	1,309	164,709	5,401	224,936
Local Affairs	5,000,000	0	0	0	5,000,000
Military Affairs	1,079,056	0	0	261,690	1,340,746
Natural Resources	0	1,000,000	17,531,826	582,041	19,113,867
Personnel	34,483,573	333,865	19,444,940	0	54,262,378
Public Health and Environment	3,000,000	0	500,000	1,950,000	5,450,000
Public Safety	4,708,064	0	0	0	4,708,064
Revenue	1,237,154	805,688	103,574	0	2,146,416
Transportation	250,000	0	100,000	0	350,000

	CCFE	CF	CFE	FF	Total
<u>Breakdown of Total Appropriation by Bill</u>					
SB 01-212	346,773,365	53,358,735	157,326,670	21,011,732	578,470,502
SB 01-46	69,467	0	0	0	69,467
SB 01-210	466,008	0	0	0	466,008
HB 01-1242	277,868	0	0	0	277,868
HIB01-1344	69,467	0	0	0	69,467
HB 01-1372	240,000	0	0	0	240,000
HB 00-1107	326,032	0	0	0	326,032
HB 00-1111	97,254	0	0	0	97,254
HB 00-1158	291,761	0	0	0	291,761
HB 00-1201	1,116,971	0	0	0	1,116,971
HB 00-1214	416,802	0	0	0	416,802
HB 00-1247	69,467	0	0	0	69,467
SB 98-21	9,890	0	0	0	9,890
HB 98-1160	349,055	0	0	0	349,055
HB 97-1077	905,723	0	0	0	905,723
HB 97-1186	154,636	0	0	0	154,636

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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DEPARTMENT OF AGRICULTURE

(1) CONTROLLED MAINTENANCE PROJECTS

Biochemistry Lab Bldg System
Replacement, Phase 2 of 2 \$ 259,325 \$ 259,325

The appropriation provides funds to improve poor ventilation in critical equipment rooms, to upgrade substandard restroom facilities, and to replace obsolescent lighting. Phase 2 will include improving roof drainage, installing an ADA ramp, tuckpointing parapet and a new airlock entry.

Metrology Lab Building System
Replacement, Phase 2 of 2 169,528 169,528

The appropriation provides funds to modify the airlock and loading area to prevent temperature and humidity changes that could affect the reliability of the measurement standards system at the Metrology Laboratory. Phase 2 includes upgrading restrooms, replacing a compressor, and repairing the roof and exterior walls.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
State Fair, Infrastructure Repair and Replacement, Phase 3 of 4	1,143,300	1,143,300		
The appropriation provides funds to upgrade utilities serving the State Fair. Much of the infrastructure is 50 years old and failing Phase 3 will continue all the remaining utility repair and replacement as well as finishing all asphalt repair.				
State Fair, Correct Accessibility Problems, Phase 1 of 4	275,000	275,000		
The appropriation provides funds to correct ADA compliance problems on the fairgrounds. Phase I addresses the Palace of Agriculture.				
TOTALS - AGRICULTURE	\$ 1,847,153	\$ 1,847,153	\$ 0	0

DEPARTMENT OF CORRECTIONS

(1) CONTROLLED MAINTENANCE PROJECTS

Arkansas Valley Correctional Facility,
Repair/Replace Security Components,
Phase 1 of 2

\$	408,548	\$	408,548
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The appropriation provides funds to replace security electronic components and locks.

Colorado State Penitentiary, Colorado Territorial, Arkansas Valley, and Fremont Correctional Facilities,
Repair/Replace Security Systems,
Phase 2 of 4

538,679	538,679
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The appropriation provides funds for the replacement of locks in cellhouses. This phase replaces locks at the Colorado Territorial Correctional facility.

Buena Vista Correctional Facility,
Replace Boiler Refractory

108,051	108,051
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The appropriation provides funds for the repair of 2 of the 3 boilers in the heating plant at Buena Vista Correctional Facility. The third boiler has already been repaired through an emergency project.

Colorado Correctional Center, Buena Vista, Centennial and Fremont Correctional Facilities, Upgrade Fire Detection/Alarm/Suppression Systems

2,905,290	2,905,290
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The appropriation provides funds for a facility-wide comprehensive fire alarm system at the Buena Vista, Centennial and Fremont Correctional Facilities.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Arkansas Valley Correctional Facility,
Repair/Replace Water Treatment and
Piping Systems

368,648 368,648

The appropriation provides funds for the initial monitoring of the water treatment plant softening system, replacement of the supply lines to the toilets and showers in the housing units, and replacing buried copper pipe with polyvinyl chloride pipe

Fremont Correctional Facility, Repair
Utility Tunnel,
Phase 2 of 2

1,246,228 1,246,228

The appropriation provides funds for completion of repairs to the utility tunnel at the Fremont Correctional Facility.

Colorado Territorial Correctional
Facility, Sanitary Sewer/Storm Sewer
Distribution Improvements, Phase 2
of 4

395,950 395,950

The appropriation provides funds to rebuild and replace three sewer outflow stations (two at the East Canon City Prison Complex and one at Colorado Territorial Correctional Facility). Phase 2 will correct cross-connection deficiencies.

Centennial Correctional Facility,
Repair/Replace Roofs,
Phase 3 of 4

345,540 345,540

The appropriation provides funds for replacement of the built-up roof at the Boiler Room/Industries Building at Centennial Correctional Facility, a standing seam metal roof at the Vocational Educational Building at Fremont Correctional Facility, and a roofing master plan at Colorado Territorial Correctional Facility. Phase 3 will replace roofs for housing units at the Centennial Correctional Facility.

(2) CAPITAL CONSTRUCTION PROJECTS

Arkansas Valley Correctional Facility,
High Custody Expansion

19,790,603 19,790,603

The appropriation provides funds for the design and construction of a 384 high custody bed expansion at the Arkansas Valley Correctional Facility. After the expansion, Arkansas Valley Correctional Facility will have a capacity of 1,391 inmates.

San Carlos Correctional Facility 250-
Bed Expansion

18,804,814 18,804,814

The appropriation provides funds for planning and construction related to the 250 bed phase II expansion of San Carlos Correctional Facility. After the 250 bed expansion is complete, San Carlos Correctional Facility will be at its maximum capacity of 500 beds

Denver Regional Diagnostic Center,
Expansion/Renovation

15,394,593 8,962,261 6,432,332

The appropriation provides funds for the expansion and renovation of the Denver Regional Diagnostic Center. This project will increase the bed count by 100 beds and includes the Transfer/Transportation Hub, intake, mailroom, and shell space for the second floor administration expansion.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Fort Lyon Acquisition and Renovation	12,312,239	6,431,839		5,880,400
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The appropriation provides funds to convert Fort Lyon Veterans Affairs Medical Center into a correctional facility.

Colorado Correctional Center, New Recreation Building	783,513			783,513
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The appropriation provides funds from the Canteen Fund for a new gymnasium at the Colorado Correctional Center.

Parole Electronic Records, Phase 2 of 3 - Available March 1, 2002	1,136,730	1,136,730		
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The appropriation provides funds to build an electronic records system for parole and community corrections.

Correctional Industries, Minor Construction Projects	250,000			250,000
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The appropriation provides funds for minor construction and land improvement projects over \$50,000 for Correctional Industries.

H.B. 01-1372	240,000	240,000		
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The appropriation provides funds for a new building at the east Cañon City prison complex to house the special operations response team, after the Department of Corrections sells the building currently housing the team to Cañon City.

(3) CORRECTIONS EXPANSION RESERVE FUND

S.B. 01-46	69,467	69,467		
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Institutes penalties for cheating at gaming establishments to include persons other than licensed operators.

S.B. 01-210	466,008	466,008		
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Increases the penalties for failure to register as a sex offender.

H.B. 01-1242	277,868	277,868		
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Makes several changes to criminal sentencing laws.

H.B. 01-1344	69,467	69,467		
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Eliminates the statute of limitations for crimes in which the identity of the defendant is determined through genetic means.

Appropriations from Prior Years to Comply with Section 2-2-703, C.R.S.	3,737,591	3,737,591		
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Includes \$326,032 appropriated by H.B. 00-1107; \$97,254 appropriated by H.B. 00-1111; \$291,761 appropriated by H.B. 00-1158; \$1,116,971 appropriated by H.B. 00-1201; \$416,802 appropriated by H.B. 00-1214; \$69,467 appropriated by H.B. 00-1247; \$9,890 appropriated by S.B. 98-021; \$349,055 appropriated by H.B. 98-1160; \$905,723 appropriated by H.B. 97-1077; and \$154,636 appropriated by H.B. 97-1186.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
TOTALS - CORRECTIONS	\$ 79,649,827	\$ 66,303,582	\$ 0	\$ 13,346,245

DEPARTMENT OF EDUCATION

(1) CONTROLLED MAINTENANCE PROJECTS

School for the Deaf and the Blind,
Electrical Distribution Upgrade,
Phase 2 of 3

\$212,128 \$212,128

The appropriation provides funds to replace the main distribution panels, sub-distribution panels, sub-panels, and conductors that are over thirty years old. Phase 2 will complete work at Palmer Group.

School for the Deaf and the Blind,
Roof Repair/Replacement Campus-
wide, Phase 3 of 3

164,813 164,813

The appropriation provides funds to replace approximately 40,000 square feet of flat and shingled roofing surfaces, and repairing an additional 15,000 square feet of roof. Phase 3 will finish the work and include the repair of valley gutters and down spouts.

School for the Deaf and the Blind,
Campus Safety/Fire Lanes Upgrade

301,000 301,000

The appropriation provides funds to create adequate fire lanes through the campus for the Colorado Springs Fire Department.

TOTALS - EDUCATION \$ 677,941 \$ 677,941 \$ 0 0

GOVERNOR-LIEUTENANT GOVERNOR-STATE PLANNING AND BUDGETING

(1) CAPITAL CONSTRUCTION PROJECT

Colorado Benefits Management
System

\$ 2,199,834 \$ 2,199,834

The appropriation provides funds for the Colorado Benefits Management System (CBMS) project. This is for the Independent Verification and Validation part of the CBMS project.

TOTALS - GOVERNOR-
LIEUTENANT GOVERNOR-STATE
PLANNING AND BUDGETING

\$ 2,199,834 \$ 0 \$ 0 2,199,834

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

(1) CAPITAL CONSTRUCTION PROJECT

Colorado Benefits Management System	\$	1,522,929	\$	804,550	\$	718,379
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The appropriation provides funds for the Colorado Benefits Management System (CBMS) project. This is for the Independent Verification and Validation part of the CBMS project.

TOTALS - HEALTH CARE POLICY AND FINANCING	\$	1,522,929	\$	804,550	\$	0	\$	718,379
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DEPARTMENT OF HIGHER EDUCATION

(1) ADAMS STATE COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

Various Buildings, Replace Doors and Windows, Phase 1 of 2	\$	393,657	\$	393,657
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The appropriation provides funds to replace deteriorated doors and windows with more energy efficient models in the following buildings: Facilities Services, Music, Leon Memorial, Plachy Hall, and Richardson Hall.

Upgrade Campus Irrigation System, Phase 1 of 3	25,000	25,000
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The appropriation provides funds to tap into and repair an existing irrigation well, and update sprinkler systems.

Stadium Field House, Repair/Replace Bleachers, Phase 1 of 2	368,267	368,267
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The appropriation will allow Adams to bring the Stadium Field House bleachers up to building and ADA code.

Various Buildings, Upgrade Fire Alarm System	600,390	600,390
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The appropriation is for life safety improvements related to fire emergency systems.

Stadium and Plachy Gymnasium, Replace/Resurface Track, Phase 2 of 2	174,296	174,296
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The appropriation provides for the replacement of the stadium running track.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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(B) CAPITAL CONSTRUCTION PROJECTS

Information Technology Upgrades, Phase 3 of 3	1,423,172	1,423,172		
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The appropriation provides funds to upgrade technology related to voice, data, and video networking throughout the campus. In addition, the project will upgrade cabling and distribution systems for all telecommunications applications on campus.

College Center Remodel	227,948			227,948
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The appropriation is to remodel the College Center and consolidate student services functions.

School of Business and Economics Renovation, Phase 2 of 2	5,603,596	5,603,596		
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The appropriation is to renovate a portion of the School of Business and Economics building and to construct an addition to the building. The renovation will address technology, equipment, and health and life safety needs, while the addition will be used as a case method classroom.

(2) MESA STATE COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

Walter Walker Fine Arts Center, Building Repairs, Phase 3 of 4	435,209		435,209	
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The appropriation provides funds for addressing major fire safety and exit code deficiencies for the Center, constructed in 1969. This phase provides new chiller, boiler and fire exits in accordance with current code.

Houston Hall, Building Repairs, Phase 4 of 4	325,493		325,493	
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The appropriation provides funds for a renovation of Houston Hall. Phase 4 replaces the roof.

(B) CAPITAL CONSTRUCTION PROJECTS

School of Humanities and Social Sciences, Expansion of the Walter Walker Fine Arts Center and New Construction, Phase 3 of 3	5,046,721	5,046,721		
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The appropriation is to construct a new academic building and expand the north wing of the Walter Walker Fine Arts Center. The project addresses academic space deficiencies and health, life, safety, and handicapped accessibility deficiencies at the School of Humanities and Social Sciences.

Property Acquisition	75,000			75,000
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The appropriation allows Mesa State to acquire ten residential properties on the West side of the campus from the Mesa State College Foundation.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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(3) WESTERN STATE COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

Various Buildings, Repair/Replace Fire Alarm System, Phase 2 of 2	94,050		94,050	
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The appropriation provides funds to install new fire alarm systems, new smoke detectors, wiring, hold open devices, horns, strobes, and new fire alarm control panels in Old Savage and Maintenance.

Various Buildings, Repair/Replace Roofing Systems, Phase 1 of 2	275,375		275,375	
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The appropriation is to repair a leaking roof on the maintenance building.

Paul W Wright Gymnasium, Repair/Replace Heating and HVAC Systems	396,210		396,210	
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The appropriation provides funds to repair leaking piping systems, install new system pumps, air separator, expansion tanks and boiler pumps and air handling units in the west gymnasium.

Campus wide, Repair/Replace Parking Lots and Streets, Phase 2 of 5	365,279		365,279	
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The appropriation provides funds to repair and replace parking lots, curbs and streets on campus

(4) COLORADO STATE UNIVERSITY

(A) CONTROLLED MAINTENANCE PROJECTS

Music Building, Replace Deteriorated Items, Phase 1 of 3	600,586		600,586	
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The appropriation provides funds to replace skylights, windows, flooring, fire alarm systems, and ceiling tiles.

Animal Sciences, Physiology, and Shepardson Buildings, Replace Deteriorated Refrigeration Units	527,495		527,495	
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The appropriation funds replacement walk-in coolers and freezers in the Animal Sciences, Physiology, and Shepardson buildings.

Aylesworth Hall, Replace Deteriorated Electrical System	397,895		397,895	
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The appropriation provides funds to replace the transformer, entrance cables, and main distribution panel and secondary panels

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Wagar Building, Replace
Deteriorated Systems,
Phase 2 of 3

684,877

684,877

The appropriation provides funds to replace heating in the north wing and electrical systems in the east wing.

Various Buildings, San Luis Valley
and Colorado State Forest Service,
Replace Deteriorated Items

294,042

294,042

The appropriation provides funds to replace the greenhouse at San Luis Valley and replaces or repairs items at the Fort Collins Colorado State Forest Service site, including roofing, windows, painting, caulking and emergency lighting.

Power Plant, Replace Deteriorated
Electrical Feeders and Main Campus
Feeders

632,996

632,996

The appropriation provides funds to replace transformers and primary electrical feeders to several buildings and provides a third primary feeder to the main campus substation.

Veterinary Teaching Hospital,
Replace Deteriorated HVAC Systems,
Phase 1 of 5

652,599

652,599

The appropriation provides funds to build a chiller building and installs a chiller, as phase 1 of a 5 phase project to replace the HVAC system for the Veterinary Teaching Hospital.

Install Steam Loop East Drive to
Center Street, Phase 3 of 3

619,386

619,386

The appropriation provides funds to install a steam loop to provide back-up heating to buildings in the Oval in the event of a failure in the main line.

Forestry Building, Replace
Deteriorated Items, Phase 1 of 3

450,700

450,700

The appropriation is to replace windows, provide asbestos abatement and build a mechanical room.

Campus wide, Replace Deteriorated
Roads and Sidewalks, Phase 2 of 5

293,191

293,191

The appropriation provides funds to replace roads and sidewalks throughout the campus. Phase 2 addresses Mason S. Dr. and N. Meridian.

Various Campus Buildings, Replace
Deteriorating Roofs, Phase 2 of 2

328,930

328,930

The appropriation is to replace the roofs on the Administration, Forestry, Insectary, Engineering Res. Center, CIRA Institute, Solar Houses, Animal Quarters and Heating Plant buildings.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Plant Sciences Building Renovation, Phase 2 of 3	5,460,916	5,460,916		
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The appropriation provides funds to renovate the Plant Sciences Building, which houses the bioagriculture sciences and pest management, as well as the soil and crop sciences departments. The renovation includes architectural, structural, mechanical, cooling and electrical upgrades.

(5) UNIVERSITY OF SOUTHERN COLORADO

(A) CONTROLLED MAINTENANCE PROJECTS

Replace Deteriorated Steam Distribution System, Phase 2 of 3	1,444,144		1,444,144	
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The appropriation provides funds for the second phase of a project to replace the steam lines on campus.

(B) CAPITAL CONSTRUCTION PROJECTS

Life Sciences and Physics/Math Buildings Renovation, Phase 3 of 3	2,187,681	2,187,681		
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The appropriation provides funds for the equipment phase to renovate the Life Sciences and Physics/Math buildings on campus. The goal of the project is to renovate the University's science and mathematics facilities.

Health, Physical Education and Recreation Building Renovation, Phase 1 of 3 - Available March 1, 2002	1,565,012	1,565,012		
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The appropriation provides funds to renovate the building, which is used by Exercise Science, Health Promotion and Recreation, Experiential Learning Center, Athletic Department, Intramural, and Student Recreation programs.

(6) FORT LEWIS COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

North Campus, Replace Sewers, Pavement and Sidewalks	1,221,885		1,221,885	
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The appropriation provides funds to replace the main sanitary sewer for the northern part of the campus, and replaces sidewalks and asphalt on Raider Avenue that have deteriorated due to the inadequate sewer.

Replace Deteriorated Tennis Courts, Phase 1 of 2	94,090		94,090	
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The appropriation provides funds to redo the tennis courts, which are currently unplayable.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Geology Storage Building, Repair/Replace Deteriorated Items	296,744		296,744	
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The appropriation provides funds to repair/replace the roof, siding, windows, electrical and mechanical systems of the Geology Storage Building and bring the facility into compliance with ADA standards.

(B) CAPITAL CONSTRUCTION PROJECTS

Berndt Hall Reconstruction Biology/Agriculture/Forestry, Phase 2 of 3	6,651,302	6,651,302		
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The appropriation provides funds to demolish part of Brendt Hall and replace it with space to house the Biology/Agriculture/Forestry Departments.

Hesperus Hall Replacement	734,612	734,612		
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The appropriation provides funds for the demolition and reconstruction of Hesperus Hall. The new facility is designed to fulfill the space requirements of the Schools of Business and Education and the Department of Psychology.

Child Development Center Addition	1,055,220			1,055,220
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The appropriation is to build an addition to the Child Development Center for 4- and 5-year old classrooms, an observation room, classrooms for college students, a gathering place for parents, faculty and children, and miscellaneous other improvements

Exercise Science/Athletic Facilities, Phase 2 of 2	3,602,540	3,602,540		
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The appropriation provides funds to upgrade the gymnasium, including addressing life safety and deferred maintenance needs for the three-court gym, lobby, and stair towers.

(7) UNIVERSITY OF COLORADO AT BOULDER

(A) CONTROLLED MAINTENANCE PROJECTS

Various Campus Buildings, Upgrade Central Fire Alarm System, Phase 3 of 4	430,703		430,703	
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The appropriation provides funds to upgrade the existing campus fire alarm system. The current system is obsolete and unreliable Phase 3 replaces smoke detectors in buildings throughout the campus.

Campus Steam Tunnel Structural Upgrades, Phase 2 of 3	527,391		527,391	
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The appropriation provides funds to repair structural damage, lighting, drainage, ventilation and waterproofing in section #46 of the tunnel system.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Various Buildings, Fire Sprinkler System Upgrades, Phase 3 of 6	646,512		646,512	
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The appropriation provides funds for fire safety improvements throughout the campus.

Chemical Engineering Building, HVAC Upgrades, Phase 1 of 3	885,876		885,876	
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The appropriation is to start work on the air distribution system, upgrade air handling units, exhaust fan and fume hood replacement, and HVAC control work.

Various Campus Buildings, Repair/Replace Obsolete Central HVAC Controls, Phase 3 of 3	177,942		177,942	
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The appropriation provides funds to upgrade the HVAC controls for various buildings. The current system, last manufactured in 1986, has become obsolete.

Engineering Center, Fire Sprinkler System Upgrades, Phase 2 of 2	597,240		597,240	
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The appropriation provides funds for fire sprinkler work in the North and South towers, classroom wing and computer science wing.

Main Campus Compressed Air System, Phase 1 of 2	348,780		348,780	
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The appropriation will repair/replace leaking and deteriorated piping from the Power House East, North and South.

Regents Administration Center, Repair/Replace Air Handling Systems, Phase 2 of 2	608,030		608,030	
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The appropriation is for fabrication and installation of ductwork, piping, VAV units and controls. Electrical, structural, miscellaneous cutting and patching, and crane work will also occur.

Various Campus Buildings, Repair/Replace Electrical Systems, Phase 1 of 5	487,526		487,526	
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The appropriation will replace and relocate the feeding transformers and main distribution switchboards in Engineering Center South Tower and Environmental Design.

Drainage Improvements, Phase 2 of 2	449,807		449,807	
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The appropriation is for storm sewer improvements for the drainage basin at Libby Drive, Baker Drive, and Wardenberg Drive.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Various Buildings, Code and Life Safety Upgrades, Phase 1 of 2	198,882		198,882	
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The appropriation is for numerous code and life safety upgrades campus-wide

(B) CAPITAL CONSTRUCTION PROJECTS

Alliance for Teaching, Learning and Society Center, Phase 2 of 3	19,310,311	13,308,284		6,002,027
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The appropriation provides funds to demolish the Hunter Sciences Building and construct a new building for the Alliance for Technology, Learning and Society (ATLAS) program.

New Law School, Phase 2 of 4	16,162,974	8,811,294		7,351,680
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The appropriation provides funds for construction of a new law school building, including an expansion and upgrade in technology for the library over the existing facility.

Business School Renovation and Addition, Phase 2 of 3	14,659,097	8,905,682		5,753,415
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The appropriation provides funds for construction of a new annex to the College of Business building to house outreach centers, new programs, and relocated library space and to renovate the existing building.

Information Technology Infrastructure Improvement Project, Phase 1 of 2 - Available March 1, 2002	7,412,895	7,412,895		
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The appropriation is to upgrade the information technology infrastructure of General Fund-supported buildings throughout the campus.

Nuclear Physics Laboratory Building, Remodel for Center for Visualization and Visual Simulation	1,495,000			1,495,000
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The appropriation provides funds to remodel a portion of the Nuclear Physics Laboratory to accommodate virtual reality equipment donated by a private company.

(8) UNIVERSITY OF COLORADO AT COLORADO SPRINGS

(A) CONTROLLED MAINTENANCE PROJECTS

Science Building, Replace HVAC Systems, Phase 2 of 5	590,867		590,867	
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The appropriation provides funds to replace the VAV terminals, provide a wet pipe fire sprinkler system with a new 4" water line, and replace two deteriorated cooling towers.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Campus Wide, Repair Infrastructure, Phase 1 of 3	297,812		297,812	
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The appropriation provides funds to address subsurface drainage around the Science Building and repair a damaged 21" storm sewer in the fire access road west of the Engineering Building. It will also address the main access road to Lot 4 and widen and resurface the fire lane behind the Campus Services Building.

Campus Wide, Repair/Replace Water Main Valves	73,986		73,986	
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The appropriation provides funds to repair or replace 26 water valves.

Network Campus Fire Alarm System	144,425		144,425	
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The appropriation will network all alarm systems to a central point in the Public Safety Department of the Campus Services Building.

(B) CAPITAL CONSTRUCTION PROJECTS

Main and Cragmor Halls, Renovation and Technology Upgrade, Phase 3 of 3	9,031,630	9,031,630		
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The appropriation provides funds to renovate utilities, equipment, and facilities in Main and Cragmor Halls for support and administrative space for the campus. Main Hall will house Admissions and Records, Student Support Services, Financial Aid, Accounting, and Personnel/Benefits. Cragmor Hall will house Student Affairs, Student Success Center, and other auxiliary functions.

Engineering Building, Expansion, Renovation and Technology Upgrade, Phase 2 of 3	13,234,622	10,338,967		2,895,655
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The appropriation provides funds to expand and renovate the engineering building to accommodate increased usage of computers and technology, introduce new technology-oriented teaching methods to classrooms, increase and improve the quality of research space, and reduce the use of off-campus leased space.

Beth El College of Nursing and Sciences and Natural Sciences and Physical Sciences New Building, Phase 1 of 3 - Available March 1, 2002	4,030,498	3,311,173		719,325
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The appropriation provides funds to construct space for the following programs: Beth El College of Nursing and Health Sciences; Natural and Physical Sciences; and the Science/Health Physical Sciences.

Dwire Hall, Renovation and Technology Upgrade, Phase 2 of 3	6,009,722	6,009,722		
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The appropriation provides funds to remodel and upgrade the utilities, facilities and equipment in Dwire Hall to better serve the business program.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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(9) UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER

(A) CONTROLLED MAINTENANCE PROJECTS

Replace Underground Storage Tanks, Phase 2 of 3	862,125	565,445	296,680	
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The appropriation provides funds for a project to replace underground storage tanks. Phase 2 includes tank installation and partial demolition of six existing tanks.

Power Plant, Cooling System Improvements, Phase 6 of 9	564,007	564,007		
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The appropriation provides funds to modify the piping system located in the individual campus buildings, at both the main piping take-off and at each air-handling-unit in the building.

School of Medicine, Exhaust System Replacement, Phase 2 of 4	596,695	596,695		
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The appropriation provides funds to replace exhaust fans at the School of Medicine with several variable-flow manifolded exhaust systems. The second phase of the project includes the central quadrant of the School of Medicine.

Colorado Psychiatric Hospital, Window and Door Replacement, Phase 1 of 2	515,000	515,000		
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The appropriation provides funds to replace north-facing windows and doors with more energy efficient models, and address issues with lead-based paint and asbestos.

Colorado Psychiatric Hospital Infrastructure, Phase 4 of 4	394,805	394,805		
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The appropriation provides funds to continue to restore the infrastructure of the Colorado Psychiatric Hospital. This phase includes correcting the plumbing system by replacing piping and plumbing fixtures.

(B) CAPITAL CONSTRUCTION PROJECTS

Fitzsimons, Infrastructure Development	943,000	471,500		471,500
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The appropriation provides funds for the continuing development of the infrastructure and utilities at Fitzsimons

Fitzsimons, Education Facility/Center for Studies in Clinical Performance, Phase 2 of 3	16,327,336	10,727,336		5,600,000
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The appropriation is to fund the construction phase for an 82,095 gross square foot academic building.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Fitzsimons, Barbara Davis Center for Childhood Diabetes	16,737,941			16,737,941
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The appropriation is to construct a building to house the research and clinical space related to the Barbara Davis Center.

Fitzsimons Trust Fund	7,800,000	7,800,000		
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The appropriation provides funds to be transferred to the Fitzsimons Trust Fund. House Bill 98-1318 created the Fitzsimons Trust Fund and funds from the Trust may be appropriated for future capital construction projects on the UC-Health Sciences Center Fitzsimons campus. The total includes \$7.8 million, which combined with interest earnings is the estimated average annual appropriation required to reach \$100 million in the trust fund after 10 years.

(10) COLORADO SCHOOL OF MINES

(A) CONTROLLED MAINTENANCE PROJECTS

Primary Electrical Power Distribution System Replacement	396,740	396,740		
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The appropriation provides funds to replace deteriorated overhead wires with buried electrical conductors and associated distribution components.

Green Center, Roof and Asbestos Abatement Assessment	48,620	48,620		
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The appropriation will provide funds for planning how to replace the roof and abate asbestos fire retardant that was sprayed on the roof.

Various Buildings, Secondary Electrical Power Assessment	55,176	55,176		
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The appropriation will provide funds for an assessment of the scope of identified secondary power distribution deficiencies and the steps necessary for remediation.

Volk Gymnasium, Pool HVAC Replacement, Phase 1 of 2	887,900	887,900		
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The appropriation will provide funds to bring ventilation of the swimming pool area up to modern air-quality standards and relieve current ventilation systems that pose a fire hazard.

(B) CAPITAL CONSTRUCTION PROJECTS

Green Center, Basement Renovation - Available March 1, 2002	6,398,741	6,398,741		
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The appropriation is to renovate a portion of the basement of the Green Center for teaching and experimental laboratories, undergraduate meeting and computing rooms, and staging areas for field work.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Brown Hall Addition, Phase 1 of 2 - Available March 1, 2002	1,288,335	1,288,335		
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The appropriation is to construct a three story addition to Brown Hall, which houses the Engineering Division and the Department of Mining Engineering.

(11) UNIVERSITY OF NORTHERN COLORADO

(A) CONTROLLED MAINTENANCE PROJECTS

Butler Hancock Gymnasium, Replace Deteriorated Systems, Phase 2 of 2	480,872	480,872		
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The appropriation provides funds to replace the deteriorated sound system, provide sound attenuation, and replace the deteriorated lighting systems in the Butler Hancock Gymnasium.

Campus wide, Water Main Improvements, Phase 1 of 2	75,418	75,418		
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The appropriation is to replace water pipes and valves to improve water pressure.

Frasier Hall, Replace Theater Ceiling	360,792	360,792		
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The appropriation provides funds to replace/repair the Frasier Hall ceiling, including asbestos abatement.

Various Campus Buildings, Exterior Building Systems Repair, Phase 3 of 3	393,197	393,197		
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The appropriation provides funds to repair exterior building systems at several campus buildings.

Campus wide, Replace Deteriorated Stairs and Walkways, Phase 2 of 2	580,480	580,480		
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The appropriation provides funds to replace deteriorated stairs and walkways at several central campus buildings.

(B) CAPITAL CONSTRUCTION PROJECTS

Ross Hall, Addition and Renovation, Phase 4 of 4	4,997,010	4,997,010		
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The appropriation provides for the renovation and expansion of Ross Hall to expand and upgrade the available academic space at this campus building

Butler Hancock Addition	1,253,500		1,253,500	
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The appropriation provides for constructing an addition to the Butler Hancock building to relocate the wrestling program from Gray Hall, and provide a small auxiliary gymnasium to support all the programs within the athletic department

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Off-Campus Housing	13,200,000			13,200,000
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The appropriation is to construct new student housing on university-owned property.

Cancer Rehabilitation Center	2,200,000			2,200,000
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The appropriation is to construct a federally funded facility on school property for the Rocky Mountain Cancer Rehabilitation Institute.

Parking Improvements	20,000,000			20,000,000
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The appropriation is to make several improvements to parking structures and roads throughout the campus, including closing 10th Avenue from 19th to 20th Streets, reconfiguring lots F and G, removing the existing frontage road and constructing new access along 11th Avenue and a possible parking structure south of the University Center.

Crabbe Hall Renovation, Phase 1 of 2 - Available March 1, 2002	324,490	324,490		
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The appropriation is to remediate deteriorated conditions in Crabbe Hall.

Candelaria Hall Renovation, Phase 1 of 3 - Available March 1, 2002	1,045,376	1,045,376		
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The appropriation is to renovate the building, which houses Arts and Sciences programs.

Michener Library Renovation, Phase 1 of 3 - Available March 1, 2002	1,967,904	1,967,904		
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The appropriation provides funding to remove classrooms in Michener Library to accommodate growth in Library Services. Academic programs that previously used the classrooms will be moved to the renovated Bishop-Lehr Building.

Bishop-Lehr Building, Renovations, Phase 2 of 4	2,523,702	2,523,702		
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The appropriation is to renovate the Bishop-Lehr Building, which formerly housed the laboratory school, in lieu of constructing a new building to address academic space needs. In addition to new classroom space, the renovation will allow the University to consolidate several student service and administrative offices and reduce the school's reliance on leased space.

(12) ARAPAHOE COMMUNITY COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

Main Annex, Repair Structural and Exterior Concrete, Phase 2 of 2	375,573	375,573		
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The appropriation provides funds to repair structural and exterior concrete deterioration of the Main Annex decks.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Annex Building, Replace HVAC Equipment, Phase 1 of 2	383,179	383,179		
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The appropriation provides funds to replace equipment serving the Automotive Technology Center and the Gym/Fitness Center.

Campus Buildings, Replace Windows and Doors, Phase 2 of 2	186,538	186,538		
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The appropriation provides funds to replace 128 steel frame windows with energy efficient double pane units and three wood entrance doors with storefront systems at the North Building.

(13) COMMUNITY COLLEGE OF AURORA

(A) CAPITAL CONSTRUCTION PROJECT

Campus Maintenance Facility Construction - Available March 1, 2002	112,670	112,670		
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The appropriation is to erect a prefabricated modular building to house grounds maintenance vehicles and motorized equipment and supplies, and to provide shop space for building maintenance.

(14) FRONT RANGE COMMUNITY COLLEGE

(A) CONTROLLED MAINTENANCE PROJECT

Larimer Campus, New Central Plant and Repair Deficiencies in HVAC System, Phase 1 of 2	1,605,604	1,605,604		
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The appropriation will provide funds to design and construct a mini-central plant, and install underground piping to replace parts of the current HVAC system.

(B) CAPITAL CONSTRUCTION PROJECT

Larimer Campus, Mount Antero and Blanco Peak Buildings Renovation, Phase 2 of 2	6,007,196	6,007,196		
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The appropriation provides funds to renovate the Mount Antero and Blanco Peak buildings to better accommodate academic and vocational programs.

(15) LAMAR COMMUNITY COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

Bowman and Trustees Buildings, Window Upgrades, Phase 2 of 2	135,192	135,192		
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The appropriation provides funds to replace the windows on the Bowman and Trustees Buildings

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Bowman and Trustees Building, Fire Alarm/Emergency Lighting Replacement, Phase 1 of 2	207,211	207,211		
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The appropriation provides funds to bring fire systems up to code in the Bowman Building.

(16) MORGAN COMMUNITY COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

Campus Fire Alarm System Integration	130,406	130,406		
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The appropriation provides funds to install new visual/audible fire devices in the Spruce and Cottonwood buildings.

Spruce Hall, Repair HVAC Systems, Phase 2 of 2	237,738	237,738		
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The appropriation provides funds to replace the HVAC units at the shops with the correct size units (including digital controls) to efficiently heat and cool the building.

(B) CAPITAL CONSTRUCTION PROJECT

Automotive Programs Relocation, Phase 2 of 2	1,461,484	1,461,484		
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The appropriation is to construct new space to house the Auto Service Technology and Collision Repair Technology programs and meet physical plant operations needs; and renovate Spruce Hall to expand undersized academic program classrooms and laboratories, including the distance learning studio, while adding another science laboratory and art program studio.

(17) NORTHEASTERN JUNIOR COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

Campus Buildings, Accessibility Design and Improvements	103,481	103,481		
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The appropriation will provide funds to identify ADA non-compliance problems campus-wide and determine the cost to repair.

Campus Buildings, Replace Roofs, Phase 3 of 3	525,938	525,938		
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The appropriation will provide funds to install pitched roofs on the Walker, Beedle-Hamil, Hays and Knowles buildings.

(B) CAPITAL CONSTRUCTION PROJECTS

Livestock Facility	200,000			200,000
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The appropriation is to construct a metal building that will accommodate laboratory and practicum instruction, as well as hold

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Phillips Whyman Hall Renovation,
Phase 1 of 2 - Available March 1,
2002

535,430 535,430

The appropriation is to remodel the Phillips Whyman Hall, including resizing classrooms, adding information technology capacity, upgrading laboratories, and correcting life safety, code, and handicapped accessibility deficiencies

(18) NORTHWESTERN COMMUNITY COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

Rangley Campus, Replace Sewer and
Electrical Utility Lines

273,333 273,333

The appropriation provides funds to replace collapsing sewage lines, and bury deteriorated overhead electrical lines.

Rangely Campus, HVAC
Modifications and Upgrades

611,500 611,500

The appropriation provides funds to replace noncompliant components of the system and standardize the equipment.

(19) OTERO JUNIOR COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

Koshare Indian Museum, Repair and
Code Corrections, Phase 2 of 2

335,851 335,851

The appropriation provides funds to correct major code compliance issues in the Koshare Indian Museum.

Wheller Hall and Life Science
Building, Replace HVAC Systems,
Phase 1 of 2

202,118 202,118

The appropriation provides funds to replace the ventilators in Wheeler Hall and the Life Science Building.

(B) CAPITAL CONSTRUCTION PROJECTS

McBride Hall, Renovation - Available
March 1, 2002

488,509 488,509

The appropriation provides funds to renovate part of McBride Hall used for the Student Services Center and classrooms, including major structural renovations and minor renovations such as new carpet and energy efficient lighting.

Koshare Indian Museum Remodel

207,456 207,456

The appropriation provides funds to remodel the interior walls, floors and lighting of the museum, including reconfiguring and modernizing offices.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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(20) PIKES PEAK COMMUNITY COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

Aspen and Breckenridge Buildings, Roof Replacement, Phase 2 of 4	315,543	315,543		
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The appropriation provides funds to continue replacing the roofs on the Aspen and Breckenridge buildings.

Aspen and Breckenridge Buildings, Lighting and Control Systems Upgrade, Phase 1 of 2	325,629	325,629		
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The appropriation provides funds to upgrade the electrical systems to accommodate additional computers and related support systems in the Aspen and Breckenridge buildings.

(B) CAPITAL CONSTRUCTION PROJECT

Centennial Campus, Breckenridge Building Renovation, Phase 1 of 3 - Available March 1, 2002	1,341,783	1,341,783		
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The appropriation provides funds to renovate and make technological upgrades to the Breckenridge Building and nearby former steam plant on the Centennial Campus.

(21) PUEBLO COMMUNITY COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

Boiler House, Replace Boilers and Associated Equipment	197,495	197,495		
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The appropriation provides funds to replace deteriorated boilers with a series of smaller and more energy efficient boilers.

Health Science Annex Building, Replace HVAC System and Repair Roof	162,659	162,659		
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The appropriation provides funds to replace roof-top HVAC units that are not providing adequate cooling.

(B) CAPITAL CONSTRUCTION PROJECTS

Academic Building, Learning Center, Renovation - Available March 1, 2002	2,251,389	2,251,389		
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The appropriation provides funds to renovate the lower level of the Academic Building in order to expand the Learning Center.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Industrial Technology / Technical Education Renovation, Phase 2 of 2	5,656,482	5,656,482		
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The appropriation is to renovate the Industrial Technology and Technical Education Buildings to provide additional classroom, studio and office space for the Fine Arts and Humanities Department, and relocate the Welding and Machning Technology programs and the Physical Plant Department.

(22) RED ROCKS COMMUNITY COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

West Building, Correct Groundwater Problem	221,088	221,088		
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The appropriation provides funds to repair and/or extend perimeter and drain line storm collection systems and install manholes, sump pumps and clean outs.

West Building, Exterior Kilns, Safety Improvements	76,336	76,336		
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The appropriation provides funds to address fire safety issues near the exterior kilns.

Campus Buildings, Replace Expansion Tank	38,284	38,284		
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The appropriation provides funds to replace the 10-year old expansion tank that regulates water pressure to the Main and West buildings.

(B) CAPITAL CONSTRUCTION PROJECT

Multi-purpose Fields	805,251		805,251	
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The appropriation is for grading, sod and grounds infrastructure to create multipurpose athletic fields on the north end of the Lakewood campus.

(23) TRINIDAD STATE JUNIOR COLLEGE

(A) CONTROLLED MAINTENANCE PROJECTS

Campus Streets, Parking Lots, and Basketball/Volleyball Courts, Repairs	253,710	253,710		
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The appropriation provides funds for resurfacing deteriorated areas.

Campus Buildings, Electric Power Upgrades, Phase 2 of 2	271,175	271,175		
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The appropriation provides funds to relieve code violations and overloaded circuits in the Berg and Davis buildings.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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(B) CAPITAL CONSTRUCTION PROJECT

Telephone System Replacement - Available March 1, 2002	374,325	374,325		
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The appropriation is to replace the telephone system, including acquiring a telecommunications switch and new office phones, and installing connections to the campus' fiber optic cable network.

(24) AURARIA HIGHER EDUCATION CENTER

(A) CONTROLLED MAINTENANCE PROJECTS

Repair/Replace Campus Storm Drain System, Phase 4 of 5	667,900	667,900		
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The appropriation provides funds to repair the campus storm drain system. Heavy to intense storms cause extensive water damage.

Repair/Replace Campus Electrical High Voltage Cable System, Phase 3 of 4	1,056,200	1,056,200		
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The appropriation provides funds for the third phase of a project to repair the high voltage cable system. The current system contains load break terminals located in the manholes, which periodically contain water.

Campus Buildings, Repair/Replace Roofing and Install Weathertight Enclosures, Phase 2 of 2	805,600	805,600		
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The appropriation provides funds to continue repair and replacement of roofs on campus buildings.

(B) CAPITAL CONSTRUCTION PROJECTS

Arts Building Renovation, Phase 2 of 3	6,281,377	6,281,377		
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The appropriation provides funds to remediate code violations, replace obsolete building systems and components, and redesign the building. The renovation will focus on speciality space, including the photography laboratories, metal foundry and broadcast studios, while classes that can be taught in traditional classrooms will be relocated to other parts of the campus.

(25) COLORADO HISTORICAL SOCIETY

(A) CONTROLLED MAINTENANCE PROJECTS

Trinidad Facilities, Site Accessibility and Building Improvements	293,572	293,572		
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The appropriation provides funds to upgrade site walkways and restrooms, add site lighting and other exterior improvements, and install an elevator in the Barglow House to improve accessibility to the site. The project also includes new furnaces at the Baca House and Bloom House

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Fort Vasquez, Energy and Site Security Upgrades	150,877	150,877		
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The appropriation provides funds to improve various energy deficiencies and security.

Cumbres & Toltec Scenic Railroad Commission, Antonito Shop, Mechanical and Electrical Upgrades	122,800	61,400		61,400
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The appropriation provides funds to improve heating and electrical systems in the Antonito shop.

Ft. Garland, Code/Safety Upgrade, Phase 2 of 2	134,645	134,645		
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The appropriation provides funds to address site security, accessibility and maintenance concerns with the addition of a security fence, site lighting, drainage and walkway improvements.

(B) CAPITAL CONSTRUCTION PROJECTS

Ute Indian Museum, Addition and Renovation - Available March 1, 2002	885,050	775,050		110,000
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The appropriation is to build an addition to the Ute Indian Museum in Montrose and rehabilitate the existing space.

Colorado History Museum Remodel	261,294			261,294
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The appropriation is to remodel two classrooms into historic themes, add security features to the building, install new furnishings and computers, and replace deteriorated flooring.

Fort Vasquez Museum Renovation	91,250			91,250
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The appropriation is to improve access from US Highway 87, conduct archeological research on the museum's sub-surface resources, restore the fort, and make landscaping and parking improvements.

Regional Museum Preservation Projects	250,000			250,000
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The appropriation is to address historic preservation issues at Fort Vasquez, Trinidad History Museum, Fort Garland, Dexter Cabin, Georgetown Loop, and McAllister Cottage.

Cumbres and Toltec Scenic Railroad Commission, Locomotive Boilers	560,000	280,000		280,000
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The appropriation provides funds to replace steam locomotive tubes.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Cumbres and Toltec Scenic Railroad Commission, Railroad Track Upgrades - Available March 1, 2002	1,000,000	100,000		900,000
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The appropriation provides funds to upgrade railroad track, including purchasing rock ballast, tamping, surfacing and aligning tracks, and installing new ties.

TOTALS - HIGHER EDUCATION	\$ 332,472,307	\$ 199,397,395	\$ 19,560,496	\$ 113,514,416
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DEPARTMENT OF HUMAN SERVICES

(1) EXECUTIVE DIRECTOR'S OFFICE

(A) CONTROLLED MAINTENANCE PROJECTS

Various Department Campuses, Suicide Risk Assessment and Prevention	\$ 796,300	\$ 796,300		
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The appropriation provides funds for modifications to reduce the risk of self-harm to patients with mental illness. This includes modifications to areas where patients are not under continuous staff observation, such as bathrooms and sleeping rooms.

Various Department Campuses, Fire Alarm System Upgrades, Phase 2 of 2	436,056	436,056		
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The appropriation provides funds to upgrade and replace fire alarm systems at the Zebulon Pike Youth Service Center, the Pueblo Youth Services Center, and the Homelake State Veterans Nursing Home. This project will bring these facilities up to the National Fire Protection Association codes and accreditation requirements for both juvenile and nursing home environments. Phase 2 replaces internal boards in the main fire alarm panels at Grand Mesa and Gilliam Youth Service Centers.

(B) CAPITAL CONSTRUCTION PROJECT

Colorado Benefits Management System	4,387,581	688,631	352,103	3,346,847
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The appropriation provides funds for the Colorado Benefits Management System (CBMS) project. This is for the Independent Verification and Validation part of the CBMS project.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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(2) OFFICE OF DIRECT SERVICES

(A) CONTROLLED MAINTENANCE PROJECTS

Colorado Mental Health Institute at Pueblo, Repair/Replace Campus Tunnel and Utility Infrastructure System, Phase 1 of 5

1,057,801	1,057,801
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The appropriation provides funds to repair utility systems in tunnels at the Colorado Mental Health Institute at Pueblo.

Colorado Mental Health Institute at Fort Logan, Repair/Replace HVAC Systems, Phase 3 of 4

375,000	375,000
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The appropriation provides funds to provide new boilers, piping, fix radiators, and a steam generator at the Colorado Mental Health Institute at Fort Logan.

Colorado Mental Health Institute at Pueblo, Repair Structural Problems in Building 54

180,000	180,000
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The appropriation provides funds to repair structural problems along the loading dock and adjacent north wall.

Colorado Mental Health Institute at Fort Logan, Replace Deteriorated Campus Infrastructure System, Phase 1 of 5

575,000	575,000
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The appropriation provides funds to repair and replace utilities infrastructure.

Colorado Mental Health Institute at Fort Logan, Repair/Replace Secondary Electrical Systems

698,750	698,750
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The appropriation provides funds to repair and replace aging electrical systems at the Colorado Mental Health Institute at Fort Logan.

(B) CAPITAL CONSTRUCTION PROJECTS

Colorado Mental Health Institute at Pueblo, Forensics Medium and Maximum Security Replacement

20,448,960	20,448,960
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The appropriation funds the design phase for the construction phase of the expansion and replacement of maximum and medium security units in the Institute of Forensic Psychiatry at the Colorado Mental Health Institute at Pueblo. This phase will include construction of the new facility, demolition of existing buildings, and the relocation of occupants of buildings to be demolished.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Colorado Mental Health Institute at Pueblo, Hospital Equipment - Available March 1, 2002

	598,598	598,598		
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The appropriation provides funds to purchase required medical equipment for the Colorado Mental Health Institute at Pueblo.

Colorado Mental Health Institute at Pueblo, Kitchen, Warehouse, Heating Plant Expansion

	4,750,250	4,750,250		
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The appropriation provides funds for the year-two construction phase of the Colorado Mental Health Institute at Pueblo central kitchen and central boiler/chiller plant. Additions and modifications are necessary to meet the requirements of the proposed 250-bed expansion of the Department of Corrections San Carlos program.

Colorado Mental Health Institute at Fort Logan, Renovation of Locked Adult Unit - Available March 1, 2002

	304,900	304,900		
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The appropriation provides funds to renovate an unlocked adult unit at the Colorado Mental Health Institute at Fort Logan into a locked adult unit.

Pueblo Regional Center, Group Home Remodeling - Available March 1, 2002

	177,730	177,730		
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The appropriation provides funds to remodel the garages of 2 of the 11 group homes at the Pueblo Regional Center. The remodel will widen corridors, modify and enlarge two bathrooms, remodel the garages to expand storage space to handle large equipment, and install fencing.

(3) DIVISION OF YOUTH CORRECTIONS

(A) CAPITAL CONSTRUCTION PROJECTS

Division of Youth Corrections, Colorado Mental Health Institute, Secure 20-Bed Mental Health Unit

	4,890,300	1,121,800		3,768,500
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The appropriation provides funds for construction of a 20-bed secure residential treatment unit for delinquent youth with severe mental health problems, who are committed to the Division of Youth Corrections for violent offenses, including sexual assaults.

TOTALS - HUMAN SERVICES	\$ 39,677,226	\$ 32,209,776	\$ 352,103	\$ 7,115,347
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Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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JUDICIAL DEPARTMENT

(1) CONTROLLED MAINTENANCE PROJECTS

Judicial Heritage Building,
Waterproof Sloped Roof and Plaza
Deck, Phase 2 of 3

\$ 539,325 \$ 539,325

The appropriation provides funds to waterproof the sloped roof by replacing caulked joints, waterproofing the sloped brick and plaza deck, and by providing improved drainage.

Judicial Heritage Building, Repair
Building Exterior

42,680 42,680

The appropriation provides funds to replace a damaged large window pane and restore damaged exterior stone panels.

TOTALS - JUDICIAL \$ 582,005 \$ 582,005 \$ 0 \$ 0

DEPARTMENT OF LABOR AND EMPLOYMENT

(1) CAPITAL CONSTRUCTION PROJECTS

Genesis Project

\$ 13,105,274 \$ 13,105,274

The appropriation provides cash funds from the Employment Support Fund to re-engineer the Unemployment Insurance (UI) program.

Petroleum Storage Tank Site Cleanup

19,000,000 18,200,000 800,000

The appropriation provides funds for reimbursement of costs for remediation of contaminated petroleum storage tank sites. The sites have been approved and prioritized by the State Petroleum Storage Tank Advisory Committee.

TOTALS - LABOR AND
EMPLOYMENT

\$ 32,105,274 \$ 0 \$ 31,305,274 \$ 800,000

DEPARTMENT OF LAW

(1) CAPITAL CONSTRUCTION PROJECT

Law Office Information and Billing
System

\$ 224,936 \$ 53,517 \$ 1,309 \$ 170,110

The appropriation provides funds for purchase of a new system which will manage legal time and billings, docketing, and project tracking.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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TOTALS - LAW	\$ 224,936	\$ 53,517	\$ 1,309	\$ 170,110
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DEPARTMENT OF LOCAL AFFAIRS

(1) CAPITAL CONSTRUCTION PROJECT

Community-Based Access Grant Program - Available March 1, 2002	\$ 5,000,000	\$ 5,000,000		
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The appropriation provides funds to help local communities access advanced telecommunication services via a state-funded multi-use telecommunications system.

TOTALS - LOCAL AFFAIRS	\$ 5,000,000	\$ 5,000,000	\$ 0	0
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DEPARTMENT OF MILITARY AFFAIRS

(1) CONTROLLED MAINTENANCE PROJECTS

State Armories, Heating, Ventilation and Air Conditioning Modifications, Phase 1 of 5	\$ 425,561	\$ 299,104	\$	126,457
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The appropriation provides funds to replace aging HVAC systems at various locations.

State Armories, Emergency Lighting/Electrical Violations, Phase 2 of 3	314,126	236,293		77,833
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The appropriation provides funds to upgrade various buildings' electrical fixtures and wiring, including the installation of egress signs and fire alarm system upgrades so that safety code standards are met. The Aurora Armory and ten other buildings will be worked on.

State Armories, Armory Roof Projects, Phase 2 of 5	271,813	214,413		57,400
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The appropriation provides funds to replace and repair 21 armory roofs. Six roofs were repaired in Phase 1.

State Armories, Safety Standards Compliance, Phase 1 of 3	329,246	329,246		
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The appropriation provides funds to bring armories up to State safety standards compliance.

TOTALS - MILITARY AFFAIRS	\$ 1,340,746	\$ 1,079,056	\$ 0	261,690
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Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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DEPARTMENT OF NATURAL RESOURCES

(1) DIVISION OF PARKS AND OUTDOOR RECREATION

(A) CAPITAL CONSTRUCTION AND CONTROLLED MAINTENANCE PROJECTS

Major Repairs, Minor Recreation Improvements	\$	2,475,000		\$ 2,475,000
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The appropriation provides funds for on-going repair, replacement, and improvement of park facilities. Typical projects include picnic and campsite renovations; water, sewer, and electrical utility system improvements; building and toilet repairs, dock and ramp work; technology upgrades; and emergency contingencies. The source of funding is Lottery proceeds

Jackson State Park Lease		200,000		200,000
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The appropriation provides funds for a 30-year lease with the Jackson Lake Reservoir and Irrigation Company. The lease is for an irrigation reservoir, which consists of 2,426 surface acres, together with dam, inlet, and outlet canal, and associated irrigation structures. The source of funding is Lottery proceeds.

Water Acquisitions/Lease Options and Dam Repairs		400,000		400,000
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The appropriation provides on-going funds to secure water for parks whose water availability is insufficient relative to recreational needs and to support new facilities. Specific parks include Boyd Lake, Chatfield, Cherry Creek, Arkansas Headwaters, and Trinidad Reservoir. The source of funding is Lottery proceeds.

Park Improvements and Buffer Acquisitions		300,000		300,000
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The appropriation provides continuing funds for land acquisitions within, adjacent to, or adjoining existing park and recreation areas. Potential parks include Roxborough, Barr Lake, Lory, Arkansas Headwaters Recreation Area, Highline Lake, and others. The source of funding is Lottery proceeds.

Renovation of Bureau of Reclamation State Parks		1,200,000		1,200,000
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The appropriation provides 50 percent matching funds for the management and redevelopment of Vega, Paonia, Crawford, Rifle Gap, and Navajo State Parks under long-term lease from the U.S. Bureau of Reclamation. Specific projects include new campgrounds, a shower building, boat ramps, visitor centers, and underground utilities. The source of funding is Lottery proceeds

Grants for State Trails Program		100,000		100,000
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The appropriation provides continuing funds to match local funds for the Colorado Greenway Project. Local governments must agree to operate, maintain, and patrol completed trails within their jurisdictions in order to receive grants. The source of funding is Lottery proceeds.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Great Outdoors Colorado Legacy Projects	405,000			405,000
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The appropriation provides funds for leveraging Legacy grants awarded by the Great Outdoors Colorado Board. These projects are large in scale, and have statewide or regional significance. The source of funding is Lottery proceeds

Colorado Riverfront Greenway Legacy Project	200,000			200,000
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The appropriation provides funds for acquisition and development of five main recreation sections of the Colorado River State Park. These include Island Acres, Corn Lake, Colorado River Wildlife Area, Connected Lakes, and Fruita. The source of funding is Lottery proceeds.

Renovation of Chatfield State Park	325,000			325,000
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The appropriation provides first-year funds for a multi-year renovation project to renovate Chatfield State Park. The money will only be spent if the division is successful in securing the Corps of Engineers match for Chatfield, Cherry Creek, and Trinidad State Parks through Congress this year. The source of funding is Lottery proceeds.

Cheyenne Mountain State Park Development	825,000			825,000
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The appropriation provides funds to develop a new park in El Paso county. Estimated for completion in 2005, the total project cost is estimated at \$8.6 million, to be supported with Lottery proceeds and grants from the Great Outdoors Colorado Board. The source of FY 2001-02 funds is Lottery proceeds.

Lone Mesa State Park Development	200,000			200,000
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The appropriation provides funds to develop a new park in southwest Colorado. Total costs are estimated at \$10.0 million, to be supported with Lottery proceeds and grants from the Great Outdoors Colorado Board. The source of FY 2001-02 funds is Lottery proceeds.

Improvements at Visitor Centers	100,000			100,000
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The appropriation provides funds to renovate the visitor center at Lathrop Park. The source of funding is Lottery proceeds.

Trail Linkages in State Parks	300,000			300,000
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The appropriation provides funds to build connecting and internal trails within state parks. The source of funding is Lottery proceeds.

Watchable Wildlife in Parks Projects and Visitor Center Exhibits	100,000			100,000
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The appropriation provides continuation funds for visitor center interpretive exhibits at Lathrop State Park, as well as maintenance of existing facilities at various parks. The source of funds is Lottery proceeds.

Shower Conversion	50,000			50,000
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The appropriation provides funds to install pay showers at camper services buildings at selected state parks.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Road Maintenance and Improvements	300,000			300,000
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The appropriation provides funds to construct, improve, and provide major maintenance of park roads with Highway Users Tax Fund and lottery moneys

Land and Water Protection	489,000			489,000
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The appropriation provides funds for Land and Water Protection that represent a portion of Great Outdoors Colorado Board Grants that were moved from the operating budget as a technical change in FY 2001-02.

Parks Enhancements	1,650,000			1,650,000
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The appropriation provides funds for State Parks Enhancements that represent a portion of Great Outdoors Colorado Board Grants that were moved from the operating budget as a technical change in FY 2001-02.

Statewide Programs	566,000			566,000
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The appropriation provides funds for Statewide Parks Programs that represent a portion of Great Outdoors Colorado Board Grants that were moved from the operating budget as a technical change in FY 2001-02.

Legacy Projects	1,957,000			1,957,000
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The appropriation provides funds for Legacy Projects that represent a portion of Great Outdoors Colorado Board Grants that were moved from the operating budget as a technical change in FY 2001-02.

Park Road Repairs	1,000,000			1,000,000
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The appropriation provides funds to supplement HUTF funds for repairing roads within the park system. Total project costs are estimated at \$5.0 million, over a four-year period. The source of funding is Lottery proceeds.

Off-Highway Vehicle Program Grants and Minor New Construction and Renovation	1,900,000		1,000,000	900,000
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The appropriation funds grants for trail construction and maintenance, trail marking, and provision of safety information. The source of funds is the Off-Highway Vehicle Fund, as well as reserves in the Fund.

(2) DIVISION OF WILDLIFE

(A) CAPITAL CONSTRUCTION AND CONTROLLED MAINTENANCE PROJECTS

Dam Maintenance, Repair, and Improvement	153,615			153,615
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The appropriation provides funds for the maintenance and repair of two dam structures maintained by the Division. The source of funds is reserves in the Wildlife Cash Fund.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Fish Unit Maintenance and Improvement	100,000			100,000
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The appropriation provides funds for repairs and improvements at fish hatcheries owned by the Division. The source of funds is reserves in the Wildlife Cash Fund.

Property Maintenance, Improvement, and Development	380,856			380,856
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The appropriation provides funds to improve and develop wildlife habitats on Division owned or leased lands and other public properties. The source of funds is reserves in the Wildlife Cash Fund.

Waterfowl Habitat Projects	200,000			200,000
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The appropriation provides funds for the development and rehabilitation of waterfowl habitats. The source of funds is reserves in the Waterfowl Stamp Fund.

Motorboat Access on Lakes and Streams	776,055			776,055
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The appropriation provides funds for improved motorboat access to fishing waters through the construction and improvement of boat ramps, docks, roads, parking lots, and other authorized facilities. The source of funds is reserves in the Wildlife Cash Fund and federal funds.

Stream and Lake Improvements	219,450			219,450
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The appropriation provides funds to finance habitat improvement projects for selected streams and lakes that have sustained damage or are in poor condition. The source of funds is reserves in the Wildlife Cash Fund.

Uncompahgre Ecosystem Restoration Project	500,000			500,000
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The appropriation provides funds to make large-scale improvements of the deer winter range to achieve long-term increases in the productivity of the mule deer population. The source of funds is reserves in the Wildlife Cash Fund.

Cooperative Habitat Improvements	500,000			500,000
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The appropriation provides funds for programs that protect and enhance wildlife habitats on private lands through cooperative habitat projects with landowners. One of the programs major goals is to improve small game hunting opportunities. The source of funds is reserves in the Wildlife Cash Fund.

Wetlands Improvement Projects	600,000			600,000
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The appropriation provides funds for the Division to enter into partnerships with other state agencies, the Great Outdoors Colorado (GOCO) Board, and non-profit groups to support wetlands conservation and development. The source of funds is reserves in the Wildlife Cash Fund.

Miscellaneous Small Projects	641,891			641,891
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The appropriation provides funds for emergency repairs, as well as unforeseen maintenance and improvements not covered by other

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
TOTALS - NATURAL RESOURCES	\$ 19,113,867	\$	0 \$ 1,000,000	\$ 18,113,867

DEPARTMENT OF PERSONNEL

(1) CERTIFICATES OF PARTICIPATION PROJECTS

1992 Issue (Refunding of 1979 DD, 1986 DYS, 1988 Prison Issue, and 1995-2005 Part of AHEC North Classroom) \$ 2,749,488 \$ 2,749,488

The appropriation provides funds for the ninth of fourteen payments. This certificate of participation issue has funded various facilities, including facilities for the Division of Developmental Disabilities, Division of Youth Corrections, various correctional issues, and part of the Auraria North Classroom issue.

Lease Purchase of 700 Kipling Street Building 858,488 858,488

The appropriation provides funds for the payment on the lease purchase of a building located at 700 Kipling, which is scheduled to be completed by May, 2003. This facility currently houses the Departments of Agriculture, Personnel, Public Safety, and Transportation.

Lease Purchase of 1881 Pierce Street Building 1,770,228 973,271 333,865 463,092

The appropriation provides funds for the fifth year of a ten year lease purchase agreement authorized by S.B. 96-216 for the Department of Revenue.

(2) CONTROLLED MAINTENANCE PROJECTS

Emergency Fund 1,000,000 1,000,000

The appropriation provides funds for all state agencies in the event of unforeseen maintenance problems.

State Capitol Building, Renovate First Floor Lights 466,375 466,375

The appropriation provides funds to clean, rewire, and repair antique lighting fixtures on the first floor of the Capitol Building.

State Capitol Building, House and Senate Chambers, Brass Handrail Safety Improvements 193,735 193,735

The appropriation provides funds to repair the existing handrail installation in the House and Senate Chambers in order to bring them up to current code requirements.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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State Capitol Building, Repairs/Replace Roof	511,890	511,890		
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The appropriation provides funds to repair deteriorated and damaged areas of the flat surfaces on the Capitol Building roof.

State Office, Centennial, and Power Plant Buildings, Replace Deteriorated Roofs	607,180	607,180		
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The appropriation provides funds to replace roofs at the State Office Building, Centennial Building, and the Power Plant.

Centennial and Annex Buildings, Repair Passenger and Freight Elevators, Phase 1 of 3	325,670	325,670		
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The appropriation provides funds to repair elevators in the Centennial and Annex Buildings.

Camp George West, Repair Paving and Removal of Buildings	122,346	122,346		
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The appropriation provides funds to repair deteriorated paving and to remove two hazardous and deteriorated buildings from the site.

Remote Telecommunications Buildings, Roof Replacement, Phase 3 of 5	53,280	53,280		
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The appropriation provides funds to install new roofs at various remote telecommunications buildings. This phase includes buildings at Mead, Point of Rocks, and Reiradon Hill.

Centennial Building, Replace Variable Air Volume Boxes	1,396,800	1,396,800		
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The appropriation provides funds to replace the existing variable air volume boxes and terminals at the Centennial Building.

Telecommunications Buildings, Emergency Generator Replacement, Phase 3 of 5	71,060	71,060		
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The appropriation provides funds to replace the generators at remote radio sites. This phase addresses Storm King, Eagle, Walton Mountain, Akron, and Pool Table.

Centennial, Power Plant, and State Services Buildings, Upgrade/Replace Domestic Water Pump Systems and Heat Exchanges	326,315	326,315		
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The appropriation provides funds to replace outdated water pump systems.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Telecommunications Buildings,
Replace Batteries for Back-Up
Generators, Phase 2 of 3

87,780 87,780

The appropriation provides funds to replace 60 sets of batteries at remote telecommunications sites that are used to operate the public safety communication system in the event of a commercial power outage. Phase I funded battery replacements at 28 sites.

1881 Pierce Street Building, Replace
Fire Alarm System

398,360 398,360

The appropriation provides funds to replace the fire alarm system at 1881 Pierce Street.

(3) CAPITAL CONSTRUCTION PROJECTS

Capitol Complex Master Plan

1,000,000 1,000,000

The appropriation provides funds to develop a master plan for construction, renovation and leased space needs in the capitol complex area.

Telecommunications Services,
Replacement of Durango
Maintenance Building - Available
March 1, 2002

112,322 112,322

The appropriation provides funds for replacement of the maintenance building in Durango.

Statewide Multi-Use Network
Implementation

2,450,000 2,450,000

The appropriation provides funds to develop a statewide telecommunications infrastructure for voice, data, and video transmissions for governmental and eventually private entities. This network will aggregate telecommunications traffic to single network access points in order to maximize purchasing power across Colorado. This is the final phase of the project.

Statewide Multi-Use Network
Implementation - Available March 1,
2002

250,000 250,000

The appropriation provides funds to develop a statewide telecommunications infrastructure for voice, data, and video transmissions for governmental and eventually private entities. This network will aggregate telecommunications traffic to single network access points in order to maximize purchasing power across Colorado. This is the final phase of the project.

Public Safety Communications Trust
Fund

17,725,000 17,725,000

The appropriation appropriates moneys to the Public Safety Communications Trust Fund for the fourth phase of a multi-phase project to develop and implement a two-way digital radio system for voice communications for state and local governmental agencies.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
Digital Trunked Radio System	17,725,000			17,725,000
The appropriation provides moneys from the Public Safety Communications Trust Fund for the fourth phase of a multi-phase project to develop and implement a two-way digital radio system for voice communications for state and local governmental agencies				
Telecommunications Cash Deficit	2,256,061	2,256,061		
The appropriation provides funds to repay the Telecommunication Fund, which has been operating in a deficit.				
Human Resources/Financial System Project - Available March 1, 2002	1,555,000	1,555,000		
The appropriation provides funds for the first step in implementing a new Human Resources/Financial System for the State that would serve the State's 35,000 employees. The project is referred to as the Colorado State Management and Resources Tracking System.				
Statewide Security Assessment and Firewall Implementation	250,000	250,000		
The appropriation provides funds to study the vulnerability of state computer systems to security breaches and plan remediation.				
TOTALS - PERSONNEL	\$ 54,262,378	\$ 34,483,573	\$ 333,865	\$ 19,444,940

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

(1) CAPITAL CONSTRUCTION PROJECTS

Small Community Wastewater Treatment Facilities Construction Grants	\$ 1,500,000	\$ 1,500,000		
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The appropriation provides funds for grants for sewage treatment facility construction and upgrades for communities with populations of 5,000 or less.

Contaminated Sites Redevelopment	2,450,000			2,450,000
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The appropriation provides spending authority from the Hazardous Substance Response Fund and federal funds to reclaim contaminated sites pursuant to H.B. 00-1306.

Small Community Drinking Water Treatment Facilities Construction Grants	1,500,000	1,500,000		
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The appropriation provides funds for grants for drinking water treatment facilities for communities with populations of 5,000 or less.

TOTALS - PUBLIC HEALTH AND ENVIRONMENT	\$ 5,450,000	\$ 3,000,000	\$ 0	\$ 2,450,000
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Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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DEPARTMENT OF PUBLIC SAFETY

(1) CONTROLLED MAINTENANCE PROJECT

Colorado State Patrol Academy/Camp George West Repairs, Phase 2 of 3	\$	304,962	\$	304,962
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The appropriation provides funds for the second of three phases to upgrade the State Patrol Academy at Camp George West. This phase would repair electrical systems and repair the roof, windows, and doors.

(2) CAPITAL CONSTRUCTION PROJECTS

Colorado Bureau of Investigation, Colorado Crime Information Center, Capacity Upgrade for Automated Fingerprinting Identification System	1,560,352	1,560,352
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The appropriation provides funds to upgrade the Colorado Crime Information Center's (CCIC) computer capacity for the Automated Fingerprinting Identification System. The CCIC operates 24 hours per day in order to provide information to federal, state, and local law enforcement agencies.

Colorado State Patrol, Communications System Maintenance and Building Acquisition	572,790	572,790
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The appropriation provides funds for the maintenance and expansion of the Colorado State Patrol's communications system. This request will fund the final land acquisition and purchase a digital voice recorder for the Denver Regional Communications Center.

Colorado State Patrol, Mobile Data Computer Initiative	424,168	424,168
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The appropriation provides funds to purchase mobile data computers, associated equipment, operating system applications, and installation. Mobile data computers (MDC) collect accident and citation data for the State Patrol as well as link directly into state and federal criminal database systems.

Colorado State Patrol, Mobile Data Computer Initiative - Available March 1, 2002	227,252	227,252
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The appropriation provides funds to purchase mobile data computers, associated equipment, operating system applications, and installation. Mobile data computers (MDC) collect accident and citation data for the State Patrol as well as link directly into state and federal criminal database systems.

Colorado State Patrol, Security Video Surveillance System - Available March 1, 2002	164,220	164,220
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The appropriation provides funds to expand and modify the video surveillance system in the Capitol Complex.

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
Colorado State Patrol, Frisco Troop Office Construction	227,252	227,252		
The appropriation provides funds to construct a Colorado State Patrol office in Summit County near Frisco and to demolish the current facility.				
Colorado State Patrol, Frisco Troop Office Construction - Available March 1, 2002	1,227,068	1,227,068		
The appropriation provides funds to construct a Colorado State Patrol office in Summit County near Frisco and to demolish the current facility.				
TOTALS - PUBLIC SAFETY	\$ 4,708,064	\$ 4,708,064	\$ 0	\$ 0

DEPARTMENT OF REVENUE

(1) CONTROLLED MAINTENANCE PROJECT

1881 Pierce Street Building, Replace Fire Alarm System	\$ 398,360	\$ 219,098	\$ 75,688	\$ 103,574
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The appropriation provides funds to replace the fire alarm system in the 1881 Pierce Street Building.

(2) CAPITAL CONSTRUCTION PROJECTS

Central City Building Acquisition	730,000		730,000	
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The appropriation provides funds to purchase the Clark Annex building in Central City to house the Central City/Black Hawk gaming field office. The source of funds is the Limited Gaming Fund.

Colorado Tax Application Feasibility Study - Available March 1, 2002	517,500	517,500		
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The appropriation provides funds to study the feasibility of implementing an integrated tax system (the Colorado Tax Application) within the Department.

Ports of Entry, Pre-engineering Studies - Available March 1, 2002	30,000	30,000		
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The appropriation provides funds for the Motor Carrier Services Division/Port of Entry to identify and prepare cost estimates for construction projects at the Ports of Entry.

Ports of Entry, Semi-portable Scale Replacement - Available March 1, 2002	122,400	122,400		
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The appropriation provides funds to purchase three sets of 11-foot semi-portable scales to replace like equipment that is at the

Project	Total	Capital Construction Fund Exempt	Other Funds	Other Funds Exempt
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Trinidad Port of Entry, Building Replacement - Available March 1, 2002	178,156	178,156		
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The appropriation provides funds to replace the Trinidad Port of Entry building.

Limon Port of Entry, Building Renovation - Available March 1, 2002	170,000	170,000		
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The appropriation provides funds to remodel the two Port of Entry facilities at Limon.

TOTALS - REVENUE	\$ 2,146,416	\$ 1,237,154	\$ 805,688	\$ 103,574
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DEPARTMENT OF TRANSPORTATION

(1) CAPITAL CONSTRUCTION PROJECT

Automated Weather Observation Systems for Aircraft	\$ 350,000	\$ 250,000	\$	\$ 100,000
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The appropriation provides funds to install remote Automated Weather Observation Systems that will provide up-to-date weather information to pilots. The source of the cash funds is Aviation Discretionary Grant funds from the Colorado Aeronautical Board.

TOTALS - TRANSPORTATION	\$ 350,000	\$ 250,000	\$ 0	\$ 100,000
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GRAND TOTALS - CAPITAL CONSTRUCTION	\$ 583,330,903	\$ 351,633,766	\$ 53,358,735	\$ 178,338,402
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Recent Legislation

2001 Session Bills

S.B. 01-046: Institutes penalties for cheating at gaming establishments to include persons other than licensed operators. This bill contains a five year sentencing appropriation in compliance with Section 2-2-703, C.R.S. as follows:

- FY 2001-02: Transfers \$69,467 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.

- FY 2002-03: Appropriates \$23,833 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2002-03.
- FY 2003-04: Appropriates \$23,833 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.

S.B. 01-210: Increases the penalties for failure to register as a sex offender. This bill contains a five year sentencing appropriation in compliance with Section 2-2-703, C.R.S. as follows:

- FY 2001-02: Transfers \$466,008 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- FY 2002-03: Appropriates \$176,013 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2002-03.
- FY 2003-04: Appropriates \$176,013 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.
- FY 2004-05: Appropriates \$176,013 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.
- FY 2005-06: Appropriates \$176,013 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.

S.B. 01-212: General appropriations act for FY 2001-02.

S.B. 01-232: Transfers \$197,947,562 from the General Fund to the Capital Construction Fund. This transfer is exempt from the Arveschoug-Bird six percent limit.

H.B. 01-1078: Authorizes the Department of Human Services to sell land adjacent to the Lookout Mountain Youth Services Center to the City of Golden. The bill specifies that proceeds will include in-kind services to ameliorate the impacts of development on the Lookout Mountain Youth Services Center, and any remaining funds shall be deposited in the state General Fund.

H.B. 01-1242: Makes several changes to criminal sentencing laws. This bill contains a five year sentencing appropriation in compliance with Section 2-2-703, C.R.S. as follows:

- FY 2001-02: Transfers \$277,868 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- FY 2002-03: Transfers \$138,934 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$106,756 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2002-03.
- FY 2003-04: Transfers \$138,934 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$160,134 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.
- FY 2004-05: Transfers \$79,887 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit. Appropriates \$213,512 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.
- FY 2005-06: Appropriates \$244,204 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.

H.B. 01-1344: Eliminates the statute of limitations for crimes in which the identity of the defendant is determined through genetic means. This bill contains a five year sentencing appropriation in compliance with Section 2-2-703, C.R.S. as follows:

- FY 2001-02: Transfers \$69,467 General Fund to the Capital Construction Fund, then to the Corrections Expansion Reserve Fund. This mechanism allows the bed construction costs to be exempt from the Arveschoug-Bird six percent limit.
- FY 2002-03: Appropriates \$26,689 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2002-03.
- FY 2003-04: Appropriates \$26,689 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2003-04.

- FY 2004-05 Appropriates \$26,689 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2004-05.
- FY 2005-06: Appropriates \$26,689 General Fund for the operating costs associated with the bill. The operating costs will need to be included within the Arveschoug-Bird six percent limit in FY 2005-06.

H.B. 01-1372: Authorizes the Department of Corrections to sell approximately 58,080 square feet of property and a 4,976 square foot building that are currently used by the special operations response team to Cañon City for \$240,000. Requires that these proceeds be deposited in the Capital Construction Fund. Appropriates \$240,000 from the Capital Construction Fund to the Department of Corrections for a new building at the east Cañon City prison complex for use by the special operations response team.

H.B. 01-1409: Authorizes the Department of Personnel to purchase a building at 1570 Grant Street in Denver. Appropriates \$5.0 million from the Capital Construction Fund to the Department of Personnel for FY 2000-01 to purchase and remodel the building, and makes the following related adjustments:

- Reduces a FY 1998-99 appropriation from the Capital Construction Fund to the Department of Revenue for a new building by \$2,860,531;
- Reduces the transfer from the General Fund to the Capital Construction Fund authorized in S.B. 01-232 to take place on **July 1, 2001** by \$2,139,469;
- Makes a new transfer from the General Fund to the Capital Construction Fund of \$2,139,469 for FY 2000-01;
- Delays from July 1, 2001 to March 1, 2002 the effective date of a total of \$2,139,469 in Capital Construction Funds appropriated in S.B. 01-212 for two projects (\$1,069,735 of the Department of Corrections, Arkansas Valley Correctional Facility, High Custody Expansion project and, \$1,069,735 of the Public Safety Communications Trust Fund project);
- Increases the transfer from the General Fund to the Capital Construction Fund authorized in S.B. 01-232 to take place on **March 1, 2001** by \$2,139,469.

APPENDICES

A. GLOSSARY OF TERMS

Capital Construction Fund: Fund into which General Fund and Lottery Fund transfers for capital construction purposes are deposited. This fund is used to build, renovate, and repair state buildings, to purchase major equipment, and to acquire land.

Cash Funds: Separate funds set up to receive earmarked revenues, such as fees and fines. These funds pay for the programs for which the revenues are collected. Examples are the Wildlife Cash Fund and the Disabled Telephone Users Fund.

Cash Funds Exempt: A category added in the FY 1993-94 Long Bill for cash funds appropriations that are exempt from the provisions of Article X, Section 20 of the state constitution. Examples of exempt appropriations are those paid for from donations and from reserves in a cash fund.

Federal Funds: Funds from the federal government. Some federal funds are grants for identified limited purposes. Other federal funds support ongoing state-federal programs and may require state matching. Examples of matching programs are Medicaid and highway construction. Federal funds are exempt from the provisions of Article X, Section 20 of the state constitution.

FTE: Full time equivalent (one position filled all year).

General Fund: Fund into which general tax revenues, such as state sales and income taxes, are deposited. The General Fund is used to pay, in whole or in part, for state programs which benefit the majority of state citizens. Examples are education and corrections.

Long Bill: Colorado's annual general appropriations act.

B. COMMON POLICIES

The appropriations for many line items are determined by common policies uniformly applied to all state agencies. A brief explanation of each line item is provided below.

Administrative Law Judge Services

Funds for Administrative Law Judge (ALJ) services are included for the seven departments that use such services. The methodology for establishing agency appropriations changed this year from a rate-based method using projected hourly usage for each agency, to a cost allocation method based on data from the last complete year of actual usage by each agency. The percentages of actual usage were applied to the total projected costs of Division of Administrative Hearings to produce each agency's appropriation. An amount of cash funds exempt spending authority, matching total agency ALJ appropriations, is included for the Department of Personnel, Administrative Hearings. For FY 2001-02, that spending authority is sufficient to fund personal services, operating expenses, and indirect costs for an estimated 34,482 total hours, of which 29,363 hours are for ALJ services and 5,119 hours are for paralegal services. Although they are no longer used to determine billing rates, the projected number of hours are still provided as a means of tracking the intended use of Administrative Hearings services.

ADP Capital Outlay and Information Technology Asset Maintenance

This line item funds replacement or additional Automated Data Processing (ADP) equipment. Requests for these items are also reviewed by the Commission on Information Management (IMC). Overall, the appropriated amounts are consistent with the IMC recommendations. Information Technology Asset Maintenance is the common title for appropriations related to the scheduled replacement of personal computers, printers, and related equipment. These plans are typically designed to replace existing technology every four years and are also approved by the IMC. ADP Capital Outlay is the common title for one-time, incidental information technology appropriations.

Capitol Complex Leased Space

This line item is for departments occupying space in the Capitol Complex, the North Campus facility, the Grand Junction State Office Building, Camp George West, and the Pierce Street Building. This line item appears in each department's executive director's office. The appropriation is based on a rate of \$9.41 per square foot for the Capitol Complex, \$3.53 per square foot for the North Campus, \$5.81 per square foot for the Grand Junction State Office Building, \$0.71 for Camp George West (which excludes utility payments that are otherwise included for other facilities), and \$4.28 for the Pierce Street Building. These appropriations may not be used for leased space outside of these facilities, which are administered by the Department of Personnel, Central Services. A matching amount of transfer spending authority is appropriated to the Department of Personnel to pay all costs associated with maintenance and upkeep for 684,743 square feet of space in the Capital Complex, 44,597 square

feet of space in the North Campus, 33,622 square feet in the Grand Junction State Office Building, 293,196 square feet at Camp George West, and 125,000 square feet for the Pierce Street Building

Community Provider Rates

For FY 2001-02, a 2.5 percent increase is appropriated to provide inflationary adjustments for community providers in the following areas. (1) child welfare services, child care assistance programs, youth corrections, mental health, developmental disabilities, vocational rehabilitation, and alcohol and drug abuse programs within the Department of Human Services; (2) community corrections programs within the Department of Public Safety; and (3) county jails and private facilities housing state inmates within the Department of Corrections. The 2.5 percent rate increase is also appropriated for county administration associated with certain programs in the Department of Human Services. Although the overall funding increase provided for child welfare services and the child care assistance program is based on a 2.5 percent inflationary increase, counties are statutorily authorized to negotiate provider rates and to determine county staff salaries for these programs.

Health, Life, and Dental

This line item appears in each department's executive director's office. The state contribution rate for employee benefits is made pursuant to Section 24-50-609, C.R.S. Eligible 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. The state contribution rate is \$160.00 per month for a single employee, \$230.00 per month for an employee with one dependant, and \$316.00 per month for an employee with two or more dependents. Not including the Department of Higher Education, the State appropriated \$49.4 million for Health, Life, and Dental line items for FY 2001-02. Of this amount, \$33.2 million is General Fund.

Indirect Costs

Indirect costs are the overhead costs associated with the state administration and operation of government programs. Indirect cost recoveries are intended to offset overhead costs with cash and federally-funded sources that otherwise would have been supported by the General Fund. Recoveries from cash and federally-funded programs are calculated for two areas: 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 do not charge a fee for services provided. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. Departmental indirect cost recoveries are specific to the general administrative functions of each department that are typically located in 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 identified as cash funds exempt in an executive director's office and as cash funds, cash funds exempt, or federal funds at the division level, where they are earned and appropriated in the Indirect Cost Assessment line item. In FY 2001-02,

the statewide indirect cost recovery plan is estimated to recover \$16.8 million from cash and federally-funded sources, which is \$844,165 more than was recovered in FY 2000-01.

Lease Purchase

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

Leased Space

This line item funds rental property that is not part of the capital complex. It generally appears in each department's executive director's office. The intent is to ensure that each executive director reviews and manages a department's use of leased space. No funds may be expended for leased space unless appropriated for that purpose.

Legal Services

This line item appears in each department's executive director's office, with some exceptions. Funding is appropriated so each department can purchase necessary legal services from the Department of Law. For FY 2001-02, agencies will pay a rate of \$58.43 per hour, which provides for the purchase of services from both attorneys and paralegals. The appropriation to the Department of Law is sufficient to fund personal services, operating expenses, litigation expenses and indirect costs for 272,210 hours of statewide legal services.

Operating Expenses

For FY 2001-02, the appropriations for operating expenses, in general, are at a continuation level of funding. Inflationary increases for food and medical expenses were appropriated for FY 2001-02. Two-year inflationary increases of 2.82 percent for food and 5.84 percent for medical costs were applied to FY 1999-00 actual expenses for food and medical. It is estimated that the food and medical inflationary increases resulted in a \$5.1 million increase over the FY 2000-01 appropriation for these expenses. Of this amount, \$2.9 million is estimated to be General Fund.

Payments to Risk Management and Property Funds

This line item appears in each department's executive director's office. The appropriation represents each department's share of the statewide cost of property and liability insurance coverage, based on a three-year average loss history verified by an independent actuarial firm. A matching amount of cash funds exempt spending authority is provided to the Department of Personnel to pay administration, legal, and claims costs for the State's liability self-insurance and to pay premiums and the aggregate deductible of \$500,000 for the State's property insurance policies of \$500.0 million in total coverage. Excluding the Department of Higher Education, which will pay \$4.2 million for risk management,

Payments to Risk Management and Property Funds will cost \$6.6 million, in FY 2001-02. Of this amount, \$3.4 million is supported by the General Fund.

Personal Services

In FY 2001-02, the Joint Budget Committee adopted a common policy for calculating personal services costs that included estimates for the cost of salary survey and the annualizing anniversary payments awarded in FY 2001-02, and a 1.5 percent base reduction. The base appropriation was intended to capture savings associated with state retirements, employee turnover, and statewide reversions of spending authority in previous fiscal years. This policy reduced total funds to all departments by \$15.7 million (\$8.9 million General Fund).

Public Employees' Retirement Association (PERA)

Each personal services and salary survey and anniversary appropriation includes the designated State retirement contribution to PERA for all eligible employees. Pursuant to Section 24-51-401, C.R.S., the contribution rate is 9.9 percent of base salary for state employees in FY 2001-02. However, the rates for Troopers and Judges are 12.6 percent and 11.82 percent of base salary, respectively. In general, state employees also contribute 8.0 percent of base salary to this defined benefit plan.

Purchase of Services from Computer Center

The operating costs of the General Government Computer Center (GGCC) are completely cash-funded. Each agency has a line item appropriation for FY 2001-02, which cannot be expended for any other purpose. The methodology for establishing agency appropriations changed this year from a rate-based method using projected hourly usage for each agency, to a cost allocation method based on an average of the prior last three years of actual usage by each agency. These percentages of actual usage were then applied to the total projected costs for providing computer services, in order to produce each agency's appropriation. The corresponding cash funds exempt spending authority appropriated to the Department of Personnel, Colorado Information Technology Services, for the operation of the computer center, does not exceed its anticipated revenues pursuant to Section 24-30-1606, C.R.S.

Salary Survey and Senior Executive Service

This line item appears in each department's executive director's office. Appropriated funding for salary survey adjustments is based on the "2001 Total Compensation Survey" published on December 1, 2001, and submitted by the State Personnel Director pursuant to Section 24-50-104, C.R.S. This survey used 48 third-party surveys to measure prevailing wages and adjust compensation for the ten occupational groups in the state's classified employee system. Salary increases resulting from the survey are effective on July 1, 2001. The average salary survey increase is 5.2 percent. However, increases range from 3.6 percent to 18.0 percent. The survey results are reflective of a strong statewide economy. The total cost of salary survey increases for all classified and exempt state

employees, excluding those in the Department of Higher Education, is approximately \$58.6 million, including approximately \$34.6 million from the General Fund.

Anniversary Increases

This line item appears in each department's executive director's office. Funding for anniversary increases is based upon projections provided by each department depending upon the seniority of its classified workforce. After one year of employment, classified state employees receive a 5.0 percent increase for the first five years of employment. These increases are awarded throughout the fiscal year, depending upon an employee's original date-of-hire. The total cost of anniversary increases for all classified and exempt state employees, except those in the Department of Higher Education, is approximately \$15.0 million, including approximately \$10.4 million from the General Fund.

Pursuant to the provisions of S.B. 00-211, the Department of Personnel developed a performance-based pay plan, which was submitted to the General Assembly on September 1, 2000. The Department of Personnel intends to implement this plan effective July 1, 2002.

Shift Differential

This line item appears in each department's executive director's office. Shift differential payments provide higher wages for evening, night and weekend shifts. In FY 2001-02, shift differential payments for all state employees total approximately \$8.5 million, including approximately \$7.1 million from the General Fund.

Short-term Disability

This line item appears in each department's executive director's office and cannot be expended for any other purpose. All state employees are eligible for employer-paid short-term disability insurance. Costs are estimated to be 0.174 percent of base salaries. The amount appropriated is less than this rate in order to reduce the reserves in the Short-term Disability Account of the Group Benefits Plans Reserve Fund. At the beginning of FY 2001-02, this account was estimated to have a balance of \$5.3 million. At the end of FY 2001-02, the account is projected to have a balance of \$3.8 million. In FY 2001-02, the appropriation amounts are based on a factor of 0.06 percent of each employee's base salary. In FY 2000-01, the appropriation was based on a factor of 0.04 percent of base salaries.

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 appropriation for FY 2001-02 does not include an increase for inflation.

Vehicle Lease Payments

This line item appears in each department's executive director's office. Motor vehicles can only be purchased through the Fleet Management Program in the Department of Personnel, pursuant to Section 24-30-1117, C.R.S. The appropriation 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. In FY 2001-02, the Joint Budget Committee approved the replacement of 488 vehicles and the acquisition of 92 additional vehicles. Statewide vehicle variable costs (including fuel, maintenance, and insurance) are estimated to be \$12.3 million in FY 2001-02 to maintain approximately 6,000 vehicles at an average annual cost of \$2,050 per vehicle.

Workers' Compensation

This line item appears in each department's executive director's office. The appropriation represents each department's share of the statewide cost of workers' compensation coverage, based on a three year average loss history verified by an independent actuarial firm. This is a self-insured program administered by Pinnacle Assurance (formerly Colorado Compensation Insurance Authority) that covers employees in all departments, except the University of Colorado, which operates a separate self-insured program. A matching amount of spending authority is provided to the Department of Personnel to pay administration, legal, and claims costs. In FY 2001-02, the General Assembly appropriated \$15.3 million for Worker's Compensation, of which \$7.1 million is supported by the General Fund. These figures do not include approximately \$5.4 million, which is estimated to be paid by the Department of Higher Education.

C. SUPPLEMENTAL ADJUSTMENTS

**SUMMARY OF 2001 SESSION SUPPLEMENTAL ADJUSTMENTS
TO FY 1998-99 APPROPRIATIONS**

<u>DEPARTMENT / DIVISION</u>	<u>GENERAL FUND</u>	<u>CASH FUNDS</u>	<u>CASH FUNDS EXEMPT</u>	<u>FEDERAL FUNDS</u>	<u>TOTAL</u>	<u>FTE</u>
<u>DEPARTMENT OF HEALTH CARE POLICY AND FINANCING:</u>						
S.B. 01-212:						
Department of Human Services Medicaid-Funded Programs	\$1,250,490	\$0	\$0	\$0	\$1,250,490	0.0
TOTAL - Health Care Policy and Financing	\$1,250,490	\$0	\$0	\$0	\$1,250,490	0.0
<u>CAPITAL CONSTRUCTION*:</u>						
H.B. 01-1409:						
Revenue	(2,860,531)	0	0	0	(2,860,531)	0.0
S.B. 01-212:						
Corrections	(4,000,000)	0	0	0	(4,000,000)	0.0
TOTAL - Capital Construction	(\$6,860,531)	\$0	\$0	\$0	(\$6,860,531)	\$0

*The General Fund Column for the Capital Construction section reflects appropriations from the Capital Construction Fund.

**SUMMARY OF 2001 SESSION SUPPLEMENTAL ADJUSTMENTS
TO FY 1999-00 APPROPRIATIONS**

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
<u>DEPARTMENT OF AGRICULTURE:</u>						
S.B. 01-179:						
Brand Board	\$0	\$37,458	\$0	\$0	\$37,458	0.0
TOTAL - Agriculture	\$0	\$37,458	\$0	\$0	\$37,458	0.0
<u>DEPARTMENT OF HEALTH CARE POLICY AND FINANCING:</u>						
S.B. 01-212:						
Various	20,737,120	0	0	0	20,737,120	0.0
TOTAL - Health Care Policy and Financing	\$20,737,120	\$0	\$0	\$0	\$20,737,120	0.0
<u>DEPARTMENT OF HIGHER EDUCATION:</u>						
S.B. 01-184:						
State Historical Society	0	0	65,640	0	65,640	0.0
TOTAL - Higher Education	\$0	\$0	\$65,640	\$0	\$65,640	0.0
<u>DEPARTMENT OF HUMAN SERVICES:</u>						
S.B. 01-185:						
Self-Sufficiency	0	0	251,837	0	251,837	0.0
S.B. 01-212:						
Health and Rehabilitation Services	0	0	8,115,267	0	8,115,267	0.0
TOTAL - Human Services	\$0	\$0	\$8,367,104	\$0	\$8,367,104	0.0

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
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JUDICIAL BRANCH:

S.B. 01-186:

Administration	(110,656)	0	0	0	(110,656)	0.0
Alternate Defense Counsel	<u>110,656</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>110,656</u>	<u>0.0</u>
Subtotal - S.B. 01-186	0	0	0	0	0	0.0

S.B. 01-212:

Alternate Defense Counsel	0	0	0	0	0	0.0
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TOTAL - Judicial	\$0	\$0	\$0	\$0	\$0	0.0
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DEPARTMENT OF PERSONNEL:

S.B. 01-192:

Motor Pool/ Garage/ Fleet Management	0	0	296,706	0	296,706	0.0
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TOTAL - Personnel	\$0	\$0	\$296,706	\$0	\$296,706	0.0
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DEPARTMENT OF PUBLIC SAFETY:

S.B. 01-194:

Colorado State Patrol	0	1,322	18,800	0	20,122	0.0
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TOTAL - Public Safety	\$0	\$1,322	\$18,800	\$0	\$20,122	0.0
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CAPITAL CONSTRUCTION*:

S.B. 01-212:

Higher Education	0	0	1,692,538	2,632,841	4,325,379	0.0
Human Services	275,000	0	0	0	275,000	0.0
Revenue	<u>47,629</u>	<u>0</u>	<u>(27,451)</u>	<u>0</u>	<u>20,178</u>	<u>0.0</u>
Subtotal - S.B. 01-212	322,629	0	1,665,087	2,632,841	4,620,557	0.0

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
H.B. 01-1408:						
Education	0	0	209,480	0	209,480	0.0
TOTAL - Capital Construction	\$322,629	\$0	\$1,874,567	\$2,632,841	\$4,830,037	0.0

*The General Fund Column for the Capital Construction section reflects appropriations from the Capital Construction Fund

**SUMMARY OF 2001 SESSION SUPPLEMENTAL ADJUSTMENTS
TO FY 2000-01 APPROPRIATIONS**

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
<u>DEPARTMENT OF AGRICULTURE:</u>						
S.B. 01-179:						
Commissioner's Office and Administrative Services	\$9,740	\$718	\$0	\$0	\$10,458	0.0
Agricultural Services	0	0	(5,177)	0	(5,177)	0.0
Brand Board	0	45,133	0	0	45,133	0.0
Soil Conservation Board	707	0	0	0	707	0.0
TOTAL - Agriculture	\$10,447	\$45,851	(\$5,177)	\$0	\$51,121	0.0

DEPARTMENT OF CORRECTIONS:

S.B. 01-180:

Management	994,890	0	500	(1,130,048)	(134,658)	(0.3)
Institutions	3,661,077	0	0	0	3,661,077	(56.6)
Support Services	166,566	0	0	0	166,566	(0.5)
Inmate Programs	(926,409)	229,000	(612,562)	734,736	(575,235)	(10.2)
Community Services	(689,231)	0	0	0	(689,231)	(13.5)
Parole Board	2,046	0	0	0	2,046	0.0
Correctional Industries	0	0	2,590,858	0	2,590,858	0.0
TOTAL - Corrections	\$3,208,939	\$229,000	\$1,978,796	(\$395,312)	\$5,021,423	(81.1)

DEPARTMENT OF EDUCATION:

S.B. 01-129:

Public School Finance	(5,853,255)	0	5,853,255	0	0	0.0
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DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
S.B. 01-181:						
School District and Library Assistance	6,266	1,735	964	0	8,965	0.0
Distributions	970,983	0	3,954,323	0	4,925,306	0.0
Public School Finance	98,921	0	(7,808,824)	0	(7,709,903)	0.0
Appropriated Sponsor Programs	0	0	0	11,374	11,374	0.0
School for the Deaf and Blind	41,889	0	0	0	41,889	0.0
Subtotal - S.B. 01-181	1,118,059	1,735	(3,853,537)	11,374	(2,722,369)	0.0
S.B. 01-212:						
Distributions	0	0	14,752,181	0	14,752,181	0.0
Public School Finance	(7,965,651)	0	7,922,775	0	(42,876)	0.0
Subtotal - S.B. 01-212	(7,965,651)	0	22,674,956	0	14,709,305	0.0
TOTAL - Education	(512,700,847)	\$1,735	\$24,674,674	\$11,374	\$11,986,936	0.0

GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING:

S.B. 01-182:						
Office of the Governor	5,316	0	0	0	5,316	0.0
Office of the Lieutenant Governor	8,680	0	0	0	8,680	0.3
Office of State Planning and Budgeting	0	0	739	0	739	0.0
Economic Development Programs	1,597				1,597	(0.4)
Office of Innovation and Technology	1,890	0	0	0	1,890	0.0
TOTAL - Governor	\$17,483	\$0	\$739	\$0	\$18,222	(0.1)

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING:

S.B. 01-183:						
Executive Director's Office	204,903	0	0	(203,587)	1,316	0.0

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
Medical Programs Administration	480,815	139,063	0	1,190,560	1,810,438	3.0
Indigent Care Program	9,032,946	252,832	37,627,146	44,234,810	91,147,734	(3.0)
Other Medical Services	(9,422,937)	(1,523,129)	(17,175,813)	(23,210,545)	(51,332,424)	0.0
Department of Human Services Programs	<u>4,578,239</u>	<u>0</u>	<u>0</u>	<u>4,627,468</u>	<u>9,205,707</u>	<u>0.0</u>
Subtotal - S.B. 01-183	4,873,966	(1,131,234)	20,451,333	26,638,706	50,832,771	0.0
S.B. 01-212:						
Medical Programs Administration	(47,568)	0	0	(47,568)	(95,136)	0.0
Medical Services Premiums	12,815,556	0	0	11,622,072	24,437,628	0.0
Indigent Care Program	74,733	0	5,411,124	2,316,366	7,802,223	0.0
Department of Human Services Programs	<u>(1,378,090)</u>	<u>0</u>	<u>0</u>	<u>(1,378,091)</u>	<u>(2,756,181)</u>	<u>0.0</u>
Subtotal - S.B. 01-212	11,464,631	0	5,411,124	12,512,779	29,388,534	0.0
TOTAL - Health Care Policy and Financing	\$16,338,597	(\$1,131,234)	\$25,862,457	\$39,151,485	\$80,221,305	0.0
 <u>DEPARTMENT OF HIGHER EDUCATION:</u>						
S.B. 01-184:						
Colorado Commission on Higher Education	75,000	0	0	0	75,000	0.0
State Board of Agriculture	197,645	0	0	0	197,645	0.0
Council on the Arts	1,840	0	0	0	1,840	0.0
State Historical Society	<u>2,738</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,738</u>	<u>0.0</u>
Subtotal - S.B. 01-184	277,223	0	0	0	277,223	0.0
S.B. 01-212:						
Regents of the University of Colorado	0	0	199,367	0	199,367	0.0
TOTAL - Higher Education	\$277,223	\$0	\$199,367	\$0	\$476,590	0.0

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
<u>DEPARTMENT OF HUMAN SERVICES</u>						
S.B. 01-129:						
Children, Youth and Families	5,853,255	0	(5,853,255)	0	0	0.0
S.B. 01-185:						
Executive Director's Office	(731,298)	(4,686)	(245,368)	(149,456)	(1,130,808)	0.0
Office of Information Technology Services	436,914	(1,509)	5,082	387,465	827,952	0.0
Office of Operations	454,827	2,915,619	(2,858,071)	0	512,375	0.0
Self-Sufficiency	(5,581,613)	(58,854)	611,143	35,874,390	30,845,066	0.0
Children, Youth and Families	2,005,344	2,594	10,779,724	6,652,334	19,439,996	0.0
Division of Youth Corrections	(1,003,322)	0	(129,643)	0	(1,132,965)	0.0
Health and Rehabilitation Services	1,007,492	100,255	(385,730)	9,631	731,648	0.0
Direct Services	<u>148,665</u>	<u>3,788,885</u>	<u>(3,477,475)</u>	<u>0</u>	<u>460,075</u>	<u>10.1</u>
Subtotal - S.B. 01-185	(3,262,991)	6,742,304	4,299,662	42,774,364	50,553,339	10.1
S.B. 01-212:						
Office of Adult and Veterans Services	0	0	24,921	0	24,921	0.0
Health and Rehabilitation Services	<u>295,978</u>	<u>0</u>	<u>(2,765,849)</u>	<u>0</u>	<u>(2,469,871)</u>	<u>0.0</u>
Subtotal - S.B. 01-212	295,978	0	(2,740,928)	0	(2,444,950)	0.0
H.B. 01-1107:						
Self-Sufficiency	0	10,000,000	0	0	10,000,000	0.0
TOTAL - Human Services	\$2,886,242	\$16,742,304	(\$4,294,521)	\$42,774,364	\$58,198,389	10.1

JUDICIAL BRANCH

S.B. 01-186:

Supreme Court	(7,077)	0	0	0	(7,077)	0.0
Court of Appeals	(15,424)	0	0	0	(15,424)	0.0

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
Courts Administration	155,707	(361,319)	431,233	0	225,621	0.0
Trial Courts	(21,515)	0	0	0	(21,515)	0.0
Probation and Related Services	0	(450,000)	824,107	0	374,107	6.5
Public Defender	25,000	0	0	0	25,000	0.0
Alternate Defense Council	236,400	0	0	0	236,400	0.0
TOTAL - Judicial	\$373,091	(\$811,319)	\$1,255,340	\$0	\$817,112	6.5

DEPARTMENT OF LABOR AND EMPLOYMENT:

S.B. 01-187:

Division of Employment and Training	0	0	0	600,000	600,000	0.0
Division of Labor	0	6,744	717	1,898	9,359	0.0
Division of Workers' Compensation	0	400,000	122,100	0	522,100	0.0

TOTAL - Labor and Employment	\$0	\$406,744	\$122,817	\$601,898	\$1,131,459	0.0
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DEPARTMENT OF LAW:

S.B. 01-188:

Administration	(373,353)	600	276,391	(24,424)	(120,786)	0.0
General Enforcement and Appellate Sections	(186,016)	0	112	0	(185,904)	0.0
Legal Services to State Agencies	0	50,229	81,648	0	131,877	0.5
Special Purpose	(197,479)	0	(2,060)	0	(199,539)	0.0

TOTAL - Law	(\$756,848)	\$50,829	\$356,091	(\$24,424)	(\$374,352)	0.5
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DEPARTMENT OF LOCAL AFFAIRS:

S.B. 01-189:

Executive Director's Office	7,264	0	0	295	7,559	0.0
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DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
Property Taxation	1,565	0	0	0	1,565	0.0
Community Development	5,477	0	30,656	(991,287)	(955,154)	0.4
TOTAL - Local Affairs	\$14,306	\$0	\$30,656	(\$990,992)	(\$946,030)	0.4

DEPARTMENT OF MILITARY AFFAIRS:

S.B. 01-190:

Executive Director and Army National Guard	(51,148)	0	0	(127,147)	(178,295)	(2.6)
Air National Guard	(17,924)	0	0	(262,824)	(280,748)	(16.5)
Civil Air Patrol	3,703	0	0	0	3,703	0.0
TOTAL - Military Affairs	(\$65,369)	\$0	\$0	(\$389,971)	(\$455,340)	(19.1)

DEPARTMENT OF NATURAL RESOURCES:

S.B. 01-191:

Executive Director's Office	(7,878)	(114,667)	128,656	0	6,111	0.0
Minerals and Geology	2,225	1,499	0	4,815	8,539	0.0
Geological Survey	692	2,912	0	0	3,604	0.0
Oil and Gas Conservation Commission	0	4,929	0	0	4,929	0.0
State Board of Land Commissioners	0	1,539	1,539	0	3,078	0.0
Parks and Outdoor Recreation	16,952	28,049	3,808	0	48,809	0.0
Water Conservation Board	730	0	730	189	1,649	0.0
Water Resources Division	33,971	1,006	2,960	0	37,937	0.0
Division of Wildlife	0	154,909	0	0	154,909	0.0
TOTAL - Natural Resources	\$46,692	\$80,176	\$137,693	\$5,004	\$269,565	0.0

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
<u>DEPARTMENT OF PERSONNEL:</u>						
S.B. 01-192:						
Executive Director's Office	181,000	0	0	0	181,000	0.0
Central Services	0	0	1,804,954	0	1,804,954	0.0
Finance and Procurement	(199,000)	0	199,000	0	0	0.0
Colorado Information Technology Services	<u>0</u>	<u>0</u>	<u>138,500</u>	<u>0</u>	<u>138,500</u>	<u>0.0</u>
Subtotal - S.B. 01-192	(18,000)	0	2,142,454	0	2,124,454	0.0
S.B. 01-212:						
Central Services	0	0	97,752	0	97,752	0.0
Colorado Information Technology Services	<u>174,371</u>	<u>0</u>	<u>(308,416)</u>	<u>0</u>	<u>(134,045)</u>	<u>0.0</u>
Subtotal - S.B. 01-212	174,371	0	(210,664)	0	(36,293)	0.0
TOTAL - Personnel	\$156,371	\$0	\$1,931,790	\$0	\$2,088,161	0.0

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT:

S.B. 01-193:						
Administration and Support	(45,951)	3,790	249,426	4,498	211,763	0.0
Center for Health and Environment Information	13,289	0	0	0	13,289	0.3
Laboratory and Radiation Services	91,828	0	0	0	91,828	0.0
Local Health Services	(602,304)	0	602,304	0	0	0.0
Water Quality Control Division	0	0	46,292	0	46,292	0.0
Family and Community Health Services Division	0	0	0	0	0	0.0
Prevention and Intervention Services for Children and Youth	<u>(8,971)</u>	<u>0</u>	<u>0</u>	<u>992,744</u>	<u>983,773</u>	<u>(2.5)</u>
Subtotal - S.B. 01-193	(552,109)	3,790	898,022	997,242	1,346,945	(2.2)

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
S.B. 01-212:						
Center for Health and Environment Information	(580,113)	38,869	518,482	94,294	71,532	0.0
Family and Community Health Services Division	0	0	74,763	0	74,763	0.0
Emergency Medical Services and Prevention Division	0	0	373,813	0	373,813	0.0
Subtotal - S.B. 01-212	(580,113)	38,869	967,058	94,294	520,108	0.0
TOTAL - Public Health and Environment	(\$1,132,222)	\$42,659	\$1,865,080	\$1,091,536	\$1,867,053	(2.2)

DEPARTMENT OF PUBLIC SAFETY:

S.B. 01-194:

Executive Director's Office	(15,804)	0	131,871	0	116,067	0.0
Colorado State Patrol	109,267	74,307	1,376,142	6,185	1,565,901	0.0
Division of Criminal Justice	(648,802)	0	24,010	1,534	(623,258)	0.0
Colorado Bureau of Investigation	910,552	9,507	57,879	0	977,938	3.0
TOTAL - Public Safety	\$355,213	\$83,814	\$1,589,902	\$7,719	\$2,036,648	3.0

DEPARTMENT OF REGULATORY AGENCIES:

S.B. 01-195:

Executive Director's Office and Administrative Services	0	(200,000)	1,902,532	0	1,702,532	0.0
Division of Banking	0	7,080	0	0	7,080	0.0
Civil Rights Division	1,504	0	0	0	1,504	0.0
Division of Insurance	0	3,426	0	0	3,426	0.0
Public Utilities Commission	0	4,529	0	0	4,529	0.0
Division of Real Estate	0	1,224	0	0	1,224	0.0
Division of Registrations	0	23,742	0	0	23,742	0.0
Division of Securities	0	603	0	0	603	0.0

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
TOTAL - Regulatory Agencies	\$1,504	(\$159,396)	\$1,902,532	\$0	\$1,744,640	0.0
<u>DEPARTMENT OF REVENUE:</u>						
S.B. 01-196:						
Executive Director's Office	591,021	9,060	95,703	0	695,784	0.0
Cash and Document Processing Division	285,064	0	0	0	285,064	0.0
Information Technology Division	5,335	0	0	0	5,335	0.0
Motor Vehicle Division	3,144,214	0	0	0	3,144,214	0.0
Motor Carrier Services Division	5,995	0	0	0	5,995	0.0
Special Purpose	0	739	174,953	0	175,692	2.2
Taxation and Compliance Division	(271,609)	0	0	0	(271,609)	0.0
Taxpayer Service Division	6,651	0	0	0	6,651	0.0
Liquor Enforcement Division	359	784	0	0	1,143	0.0
State Lottery Division	0	0	(410,568)	0	(410,568)	0.0
Limited Gaming Division	0	10,373	0	0	10,373	0.0
Division of Racing Events	<u>3,598</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,598</u>	<u>0.0</u>
Subtotal - H.B. 01-196	3,770,628	20,956	(139,912)	0	3,651,672	2.2
H.B. 01-1402:						
Information Technology Division	0	0	46,490	0	46,490	0.6
TOTAL - Revenue	\$3,770,628	\$20,956	(\$93,422)	\$0	\$3,698,162	2.8

DEPARTMENT OF STATE:

S.B. 01-197:

Administration	0	38,376	0	0	38,376	0.0
Special Purpose	0	(38,376)	0	0	(38,376)	0.0

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
Information Technology Services	0	(579,197)	579,197	0	0	0.0
Subtotal - S.B. 01-197	0	(579,197)	579,197	0	0	0.0
H.B. 01-1307:						
Information Technology Services	0	0	786,915	0	786,915	0.0
Subtotal - H.B. 01-1307	0	0	786,915	0	786,915	0.0
TOTAL - State	\$0	(\$579,197)	\$1,366,112	\$0	\$786,915	0.0

DEPARTMENT OF TRANSPORTATION:

S.B. 01-198:

Construction, Maintenance, and Operations	0	0	5,700,000	0	5,700,000	0.0
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TOTAL - Transportation	\$0	\$0	\$5,700,000	\$0	\$5,700,000	0.0
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DEPARTMENT OF TREASURY:

S.B. 01-199:

Administration	7,677	0	0	0	7,677	0.0
Special Purpose	(14,980)	0	0	0	(14,980)	0.0
Fire and Police Pension Association	74,380	0	0	0	74,380	0.0

TOTAL - Treasury	\$67,077	\$0	\$0	\$0	\$67,077	0.0
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CAPITAL CONSTRUCTION*:

S.B. 01-212:

Corrections	0	(225,913)	225,913	0	0	0.0
Health Care Policy and Financing	43,987	0	0	43,987	87,974	0.0
Higher Education	(90,453)	0	3,670,678	(3,600,225)	(20,000)	0.0

DEPARTMENT / DIVISION	GENERAL FUND	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	TOTAL	FTE
Military Affairs	0	0	8,810	0	8,810	0.0
Natural Resources	0	0	(297,412)	0	(297,412)	0.0
Personnel	2,256,061	0	0	0	2,256,061	0.0
Public Health and Environment	0	0	2,900,000	26,100,000	29,000,000	0.0
Public Safety	576,275	0	(494,521)	0	81,754	0.0
Revenue	116,200	0	58,100	0	174,300	0.0
Transportation	0	0	0	0	0	0.0
Subtotal - S.B. 01-212	2,902,070	(225,913)	6,071,568	22,543,762	31,291,487	0.0
H.B. 01-1409:						
Personnel	5,000,000	0	0	0	5,000,000	0.0
TOTAL - Capital Construction	\$7,902,070	(\$225,913)	\$6,071,568	\$22,543,762	\$36,291,487	0.0

*The General Fund Column for the Capital Construction section reflects appropriations from the Capital Construction Fund.

**D. SUMMARY OF 2001 REVENUE REDUCTION
AND TABOR SURPLUS REFUND BILLS**

In the 2001 Session, the General Assembly passed four bills that reduced revenues received by the State. The table below summarizes the estimated fiscal impact of these bills. For more details on this legislation, see the June 13, 2001, Legislative Council Staff Issue Brief Number 01-9 entitled "Tax Reduction Measures Passed in 2001", which can be obtained from the Research Publications link on the Legislative Council web site (http://www.state.co.us/gov_dir/leg_dir/lcs.htm).

**Table D-1
General Fund Revenue Impact of Tax Relief Bills Passed in 2001 (\$ in millions)**

Bill Number	Description	FY 2001-02	FY 2002-03
H.B. 01-1090	Increases the income tax credit available for the donation of perpetual conservation easements.	\$ N/A	\$ (1.5)
H.B. 01-1097	Provides a credit against the insurance premiums tax owed by insurance companies that make an investment of certified capital in a certified capital company.	(0.2)	(0.2)
H.B. 01-1223	Exempts sales of equipment to a bingo-raffle licensee from the state's sales and use tax.	(0.1)	(0.1)
H.B. 01-1256	Expands the existing definition of "farm equipment" to include "dairy equipment" for the purposes of the state sales and use tax exclusion.	N/A	(4.9)
TOTAL		\$ (0.3)	\$ (6.7)

The General Assembly passed five bills in the 2001 session to refund excess state revenues. Of these, two bills expanded existing refund mechanisms, and three bills created new refund mechanics. These bills are reflected in the table below. Once these measures take effect, the state will have 20 different methods of refunding revenues that exceed the amounts allowed to be retained by the state. For more details on the 2001 legislation and the 20 refund mechanisms, see the June 12, 2001, Legislative Council Staff Issue Brief Number 01-7 entitled "TABOR Refund Mechanisms", which can be obtained from the Research Publications link on the Legislative Council web site (http://www.state.co.us/gov_dir/leg_dir/lcs.htm).

Table D-2
General Fund Impact of TABOR Refund Bills Passed in 2001 (\$ in millions)
(FY 2002-03 Surplus Revenues to be Refunded in FY 2003-04)

Bill Number	Short Description	Amt. Refunded in FY 2003-04
H.B. 01-1081	Creates a refund of sales and use tax paid on purchases of tangible personal property. Applies if TABOR surplus revenues exceed \$415.3 million in FY 2002-03.	\$ (6.6)
H.B. 01-1086	Creates income tax credits that may be earned through value-added investments. Applies if TABOR surplus revenues exceed \$463.5 million in FY 2002-03.	(4.0)
H.B. 01-1257	Expands the definition of health care professionals who qualify for an income tax credit for working in health care shortage areas. The bill will increase the amount refunded by \$36,000 in FY 2001-02 when dentists are added, and by \$76,000 per year thereafter when dental hygienists are added. Applies if TABOR surplus revenues exceed \$365.9 million in FY 2002-03.	Minimal
H.B. 01-1287	Expands the business personal property tax refund created by H.B. 99-1311. Applies if TABOR surplus revenues exceed \$235.7 million in FY 2002-03.	(16.5)
H.B. 01-1313	Creates an income tax credit to taxpayers who incur non-reimbursed expenses in connection with providing foster care to children under the age of 18. Applies if TABOR surplus revenues exceed \$231.8 million in FY 2002-03.	(2.0)
TOTAL		\$ (29.1)

E. APPROPRIATIONS FROM THE STATE EDUCATION FUND

On November 7, 2000, a majority of Colorado voters approved Amendment 23, which added Section 17 to Article IX of the Colorado Constitution. Beginning in FY 2001-02, this provision requires the General Assembly to provide annual inflationary increases for kindergarten through twelfth grade education. This provision also makes more state funds available for spending on education by creating the State Education Fund, consisting of one-third of one percent of income tax revenues and any interest earned on the fund balance. Beginning in FY 2001-02, the General Assembly may annually appropriate moneys from the State Education Fund for the following education-related purposes:

- to comply with the requirement to annually increase base per pupil funding for public school finance, as long as it is in addition to the required increases in General Fund appropriations;
- to comply with the requirement to annually increase funding for categorical programs;
- for accountable education reform;
- for accountable programs to meet state academic standards;
- for class size reduction;
- for expanding technology education;
- for improving student safety;
- for expanding the availability of preschool and kindergarten programs;
- for performance incentives for teachers;
- for accountability reporting; or
- for public school building capital construction.

State Education Fund revenues are not subject to the Taxpayer Bill of Rights (TABOR) limitation on fiscal year spending, and any appropriation from the State Education Fund is not subject to the six percent statutory limitation on state General Fund appropriations.

The following table summarizes appropriations from the State Education Fund for FY 2001-02.

Table E		
FY 2001-02 Appropriations from the State Education Fund		
Description	Bill Number	Amount
Public School Finance, State Share of Districts' Total Program Funding:		
Partial funding for required inflationary increase	S.B. 01-212	\$64,639,512
Changes to at-risk factor and expansion of Colorado Preschool Program, offset by reduction related to increased General Fund ("maintenance of effort") appropriation	S.B. 01-129	<u>3,015,225</u>
Subtotal		67,654,737
Funding for new textbooks	H.B. 01-1272	14,095,340
Teacher Pay Incentive Program	S.B. 01-98	12,630,000

Table E
FY 2001-02 Appropriations from the State Education Fund

Description	Bill Number	Amount
School capital construction:		
Charter school capital construction	S.B. 01-129	5,308,961
School Capital Construction Expenditure Reserve	S.B. 01-129	<u>5,308,961</u>
Subtotal		10,617,922
Required inflationary increase for categorical programs	S.B. 01-212	7,215,347
School improvement grants	S.B. 01-129	2,900,000
Pilot Full-day Kindergarten Program	S.B. 01-91	2,853,075
Science and Technology Education Center Grant Program	H.B. 01-1365	1,400,000
Summer School Grant Program	S.B. 01-129	945,800
Colorado Student Assessment Program:		
Annual review and update of non-English assessments	S.B. 01-98	411,953
Longitudinal analyses of results	S.B. 01-129	388,000
Study concerning administration of non-English assessments	S.B. 01-98	50,000
Study concerning administration of American College Test (ACT)	S.B. 01-98	<u>50,000</u>
Subtotal		899,953
Modifications to accountability reports and the state data reporting system	S.B. 01-98	75,000
Total		\$121,287,174

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