STATE OF COLORADO

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Fiscal Year 2009-10

APPROPRIATIONS REPORT

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FISCAL YEAR 2009-10 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 2009 Regular Session. This report provides an overview of state general tax revenues and expenditures, comparative and historical information regarding appropriations made during the 2009 Regular Session, and a detailed explanation of major funding changes for each state department. The FY 2009-10 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, as well as a discussion of related statutory requirements and limitations; (B) a discussion of constitutional revenue and spending limits; and (C) a series of charts identifying the sources of General Fund revenues 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 2009-10 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 and 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 for FY 2008-09 and FY 2009-10. The format reflects appropriations by bill and by division or program area. Narrative sections describe major changes in funding from FY 2008-09 to FY 2009-10, factors impacting departmental budgets, fund sources for each division, and division activities. This section also includes brief summaries of bills adopted in the 2008 and 2009 Regular Sessions that contained an appropriation or implemented a major policy change.

The footnotes to the 2009 Long Bill (S.B. 09-259) can be found at the end of each departmental section in the 2009 Session Laws, or they can be accessed via the internet at the following address:

http://www.leg.state.co.us/CLICS/CLICS2009A/csl.nsf/lbcontainer/SB09-259?OpenDocument

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/jbchome.htm

Note that these documents, unlike information included in this appropriations report, reflect staff recommendations rather than final funding decisions made by the General Assembly.

Appendices

The following appendices are included in this report:

A - glossary of terms used in this report;
B - descriptions of the general policies that have been applied to determine funding for operations of state departments;
C - tables summarizing 2009 Regular Session adjustments to operating and capital construction appropriations for years prior to FY 2008-09;
D - a table summarizing appropriations from the State Education Fund;
E - a table summarizing appropriations from the Highway Users Tax Fund;
F - a summary of severance tax allocations;
G - a summary of tobacco settlement allocations;
H - a summary of General Fund moneys that were deemed exempt from the restrictions on General Fund appropriations; and
I - copies of letters sent by the Joint Budget Committee to the Governor and other elected officials requesting information on programs and expenditures.

Index

Finally, this 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 the March 2009 Legislative Council Staff's revenue estimate, which was used to prepare the FY 2009-10 budget.

Summary of Actions Taken to Balance the FY 2008-09 Budget:

The September 2008, December 2008, and March 2009 revenue forecasts prepared by Legislative Council Staff reflected lower than anticipated General Fund revenues than had been forecasted in March 2008. These lower than anticipated revenues were the result of an economic downturn. As a result of the economic downturn, the General Assembly was required to take action in order to maintain a balanced budget for FY 2008-09. The following Table 1 highlights the major actions taken during the 2009 regular session, to balance the FY 2008-09 budget. Each bill can be referenced for specific information about the changes within each category.

Table 1
Summary of Highlights of Actions Taken to Balance FY 2008-09 Budget

Type of Action	Dollar Amount (millions)	Bills
Cash Fund Transfers	$361.5	SBs 09-208, 09-210, 09-217, 09-269, 09-270, and 09-279
Revenue Increases	31.3	SBs 09-212 and 09-264
Net Supplemental Reductions and Separate Legislation	108.5	SBs 09-132, 09-206, 09-207, 09-209, 09-215, 09-261, 09-263, 09-264, 09-275, 09-183 through 09-203, and HB 09-1342
ARRA Discretionary Funds	24.6	Reflected on General Fund Overview
FMAP Moneys	196.6	Reflected on General Fund Overview
Delayed Contributions for "Old-hire" Fire and Police Pensions	34.8	SBs 09-203 and 09-227
Reduced Statutory Reserve	148.2	SB 09-219
Total Actions	$905.5	

FY 2008-09 and FY 2009-10 General Fund Overview:

Table 2 provides an overview of General Fund revenues, spending obligations, and ending reserves for both FY 2008-09 and FY 2009-10. Please note that some of these amounts will change in the future with revised revenue forecasts.

Table 2
General Fund Overview (In Millions)

Description	FY 2008-09	FY 2009-10
General Fund Available		
Beginning General Fund Reserve	$326.6	$149.2
Gross General Fund Nonexempt Revenues	6,839.0	6,833.2
Gross General Fund Exempt Revenues	92.3	0.0
Transfer to Older Coloradans Cash Fund	(8.8)	(10.9)
Transfers from/(to) Other Funds	374.1	395.9
Additional ARRA Moneys from Governor's Discretionary Funds	24.6	45.4
S.B. 97-001 Diversion to Highway Fund	0.0	0.0
Excess Article X, Section 20 Revenues	0.0	0.0
Total General Fund Available	$7,647.8	$7,412.8
General Fund Obligations		
Capital Construction Transfer	$24.9	$2.0
Rebates and Expenditures	131.2	139.4
Excess Reserve to HUTF	28.7	0.0
Excess Reserve to Capital Construction	14.4	0.0
Senior & Disabled Veteran Property Tax Homestead Exemption	85.2	1.0
Amounts Deemed Exempt from Statutory Restrictions	0.2	0.0
Estimated Federal Medical Assistance Percentage (FMAP) Changes	(196.6)	(345.4)
General Fund Appropriations	7,410.6	7,456.5
Total General Fund Obligations	$7,498.6	$7,253.5
Ending General Fund Reserve (Available Funds Less Obligations)	**$149.2**	**$159.3**
General Fund Reserve Information		
Statutorily Required General Fund Reserve	$148.2	$149.1
General Fund Reserve in Excess of Statutory Requirement	$1.0	$10.2

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 4.0 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 revenue estimates indicate the reserve would fall to 2.0 percent or less. However, S.B. 09-219 decreases the General Fund reserve to 2.0 percent for FY 2008-09 and permits the reserve to fall to zero, if necessary, based on

revenue estimates. Senate Bill 09-277 permits the General Fund reserve to decrease to 2.0 percent for FY 2009-10, as well.

Gross General Fund Nonexempt Revenues - These figures represent estimates of the total General Fund revenues as reflected in the March 2009 Legislative Council Staff's 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 as described below.

Gross General Fund Exempt Revenues - As a result of the passage of Referendum C in the November 2005 election, the State is permitted to retain excess revenues that otherwise would have been refunded under TABOR. These figures represent the estimate of those retained amounts as reflected in the March 2009 Legislative Council Staff's revenue estimate. Please see Part B - ARTICLE X, SECTION 20 (TABOR) OVERVIEW of this section for a more detailed overview of TABOR and Referendum C.

Transfer to Older Coloradans Cash Fund - Moneys are transferred to this fund pursuant to Section 39-26-123 (3), C.R.S.

Transfers from/(to) Other Funds - This line item identifies miscellaneous transfers to or from the General Fund. There is a table in the Department of Labor and Employment section of this report that identifies the bills that transferred moneys to the General Fund and the associated amounts.

Additional ARRA Moneys from Governor's Discretionary Funds - In a letter dated April 24, 2009, the Office of State Planning and Budgeting committed to transfer $70.0 million of discretionary American Reinvestment and Recovery Act (ARRA) moneys to the General Fund over two fiscal years (FY 2008-09 and FY 2009-10) in order to help fill the budget gap. These moneys are reflected in this line item.

S.B. 97-001 Diversion to Highway Fund - Senate Bill 97-001 requires 10.355 percent of the total sales tax revenues to be transferred to the State Highway Users Tax Fund for transportation projects as long as there is enough revenue in the General Fund to fund a 6.0 percent increase in annual General Fund appropriations and the 4.0 percent statutory reserve. This provision was repealed by S.B. 09-228 (see the Capital Construction section of this report for a detailed description of SB 09-228) beginning in FY 2009-10.

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 March 2009 Legislative Council Staff's revenue estimate, the State would have had excess refunds in FY 2008-09; however, due to the passage of Referendum C in the November 2005 general election, the State is permitted to retain these revenues. No excess revenues are estimated for FY 2009-10.

Capital Construction Transfer - Section 24-75-302 (2), C.R.S., provides for transfers from the General Fund to the Capital Construction Fund. These transfers are not subject to the statutory limitation on General Fund appropriations. The General Assembly can, and has, changed the amount of the annual transfer when necessary.

Rebates and Expenditures - These statutory obligations include the Old Age Pension program, cigarette tax rebates to local governments, State contributions for local fire and police pensions, and Old Age Heat and Fuel Property Tax Assistance Grants. These statutory obligations are not subject to the statutory limitation on

General Fund appropriations. Appendix H provides more detail concerning rebates and expenditures for FY 2008-09 and FY 2009-10.

Excess Reserve to HUTF and Excess Reserve to Capital Construction - Section 24-75-218, C.R.S., provides that any General Fund surplus in excess of the four percent statutory reserve be transferred, including two-thirds to the Highway Users Tax Fund and one-third to the Capital Construction Fund. Amounts shown in these line items reflect those transfers. These provisions were repealed by S.B. 09-228 (see the Capital Construction section of this report for a detailed description of SB 09-228) beginning in FY 2009-10.

Senior and Disabled Veteran Property Tax Homestead Exemption - In the 2000 general election, Colorado voters approved a constitutional amendment that reduces property taxes for qualifying senior citizens. The property tax reduction, or "homestead exemption", is available to senior citizens 65 years of age or older who have owned and lived in their homes for at least ten years. In the 2006 general election, Colorado voters approved a constitutional amendment extending the homestead exemption to veterans who are 100.0 percent disabled as a result of a service-connected disability. The cost of the exemption is borne by the State rather than by local governments or other property owners. The amounts shown for FY 2008-09 and FY 2009-10 represent the estimates as reflected in the March 2009 Legislative Council Staff's revenue estimate (also shown in Appendix H) and adjusted by S.B. 09-276. Senate Bill 09-276 eliminated the senior property tax exemption for FY 2009-10.

*Amounts Deemed Exempt from Statutory Restriction*s - These amounts represent the level of funds that are appropriated for purposes that are exempt from the statutory limitation on General Fund appropriations as reflected in Section 24-75-201.1, C.R.S. Appendix H reflects the items that were deemed exempt for FY 2008-09 and FY 2009-10.

Estimated Federal Medical Assistance Percentage (FMAP) Changes - These amounts represent the federal funds that are estimated to be received as a result of the American Reinvestment and Recovery Act (ARRA). These moneys will be received due to changes in the FMAP rates that the federal government pays to states for Medicaid reimbursement.

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 not subject to the statutory limitation on General Fund appropriations.

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 4.0 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 revenue estimates indicate the reserve would fall to 2.0 percent or less. However, S.B. 09-219 decreases the General Fund reserve to 2.0 percent for FY 2008-09 and permits the reserve to fall to zero, if necessary, based on revenue estimates. Senate Bill 09-277 permits the General Fund reserve to decrease to 2.0 percent for FY 2009-10, as well.

Statutory Restriction on General Fund Appropriations - Prior to FY 2009-10, Section 24-75-201.1, C.R.S., limited the increase in state General Fund appropriations to the lesser of 5.0 percent of Colorado personal income or 6.0 percent over the total General Fund appropriations of the previous fiscal year. Since the passage

of this provision, the lesser amount has been 6.0 percent over the previous fiscal year's General Fund appropriations. Thus, this provision was commonly referred to as the "6.0 percent limit." It was also referred to as the Arveschoug or Arveschoug/Bird limit after the prime sponsors of the legislation that added this provision, Representative Arveschoug and Senator Bird. Subsequently, S.B. 09-228 amended Section 24-75-201.1, C.R.S. so that, beginning in FY 2009-10, the statutory limitation on General Fund appropriations will be 5.0 percent of Colorado personal income (see the Capital Construction section of this report for a detailed description of SB 09-228).

This provision exempts certain appropriations from the limitation, including those associated with new federal mandates, requirements of final court orders, and voter-approved increases.

Statutory Restriction on Appropriations:

Table 3 shows the calculation of the allowable General Fund appropriations for FY 2009-10. The table also shows the General Fund appropriations that are exempt from or not subject to the statutory limitation on General Fund appropriations in FY 2009-10, and the difference between General Fund appropriations and the restricted amount for FY 2009-10.

Table 3
Section 24-75-201.1, C.R.S., Statutory Restriction on Appropriations (in Millions)

Calendar Year 2007 Personal Income (base as defined in Section 24-75-201.1 (1) (a) (VII), C.R.S.)	$199,414.0
Multiplied by 5.0 Percent	X 0.05
FY 2009-10 General Fund Appropriations Limitation	$9,970.7
FY 2009-10 General Fund Appropriations	$7,483.5
Less: General Fund Appropriations Exempt from/ Not Subject to Statutory Limitation	(26.9)
FY 2009-10 General Fund Appropriations Subject to Limitation	$7,456.6
Over/(Under) FY 2009-10 General Fund Appropriations Limitation	($2,514.1)

While Section 24-75-201.1, C.R.S. would theoretically allow appropriations of $9,970.8 million, the March 2009 Legislative Council Staff revenue forecast indicates only $7,412.3 million is available for appropriation.

B. ARTICLE X, SECTION 20 (TABOR) OVERVIEW

Description of TABOR

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 (TABOR) 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 percentage change in the general price level due to inflation plus the percentage change in State population in the prior calendar year, adjusted for revenue changes approved by the voters after 1991; and
- The base for calculating the allowable growth is the *lesser* of either actual revenues or the allowable limit.

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 is necessary to make forecasts of all the separate cash funds as well as the General Fund. The estimated totals 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.

Passage of Referendum C at the November 2005 General Election

Referendum C was referred to and passed by the registered electors of the State at the November 2005 general election. This measure authorized the State to retain and spend moneys in excess of the constitutional limitation on state fiscal year spending as follows:

- For FY 2005-06 through FY 2009-10, authorizes the State to retain and spend all state revenues in excess of the limitation on state fiscal year spending; and

- For FY 2010-11 and each succeeding year, authorizes the State to retain and spend all state revenues in excess of the limitation on state fiscal year spending, but less than the excess state revenues cap for the given fiscal year.

Within the state General Fund, the measure established the General Fund Exempt account, which consists of the amount of state revenues in excess of the limitation on state fiscal year spending that the State would have refunded had Referendum C not passed. The measure further established that moneys in the account would be appropriated or transferred to fund:

- health care;
- education, including related capital construction projects;
- retirement plans for firefighters and police officers, so long as the General Assembly determines that such funding is necessary; and
- strategic transportation projects included in the Department of Transportation's strategic transportation project investment program.

The measure clarified that the statutory limitation on General Fund appropriations, and the exceptions or exclusions thereto, apply to the moneys in the General Fund Exempt account.

The measure requires the Director of Research of the Legislative Council Staff to prepare an excess state revenues legislative report that includes the amount of excess state revenues that the State retained and a description of how the excess state revenues were expended.

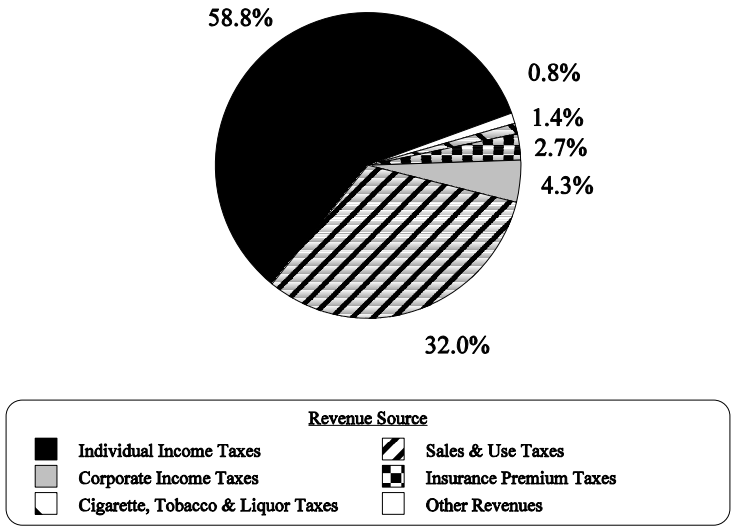
Table 4 summarizes the General Fund Exempt appropriations made in compliance with Section 24-77-103.6 (2) and Section 24-77-104.5 (1) (a), C.R.S.:

Table 4
"Referendum C" General Fund Exempt Appropriations by Programs in S.B. 09-259 (Long Bill)
(Dollars in Millions)

Department	Long Bill Line Item/Bill Number	FY 07-08	FY 08-09	FY 09-10
Education	State Share of Districts' Total Program Funding	$381.3	$39.3	$0.0
Health Care Policy and Financing	Medical Services Premiums Totals	381.3	39.3	0.0
Higher Education	College Opportunity Fund Program - Stipends	348.1	0.8	0.0
Local Affairs	Volunteer Firefighter Retirement Plans	3.8	4.0	0.0
Treasury	Fire and Police Pension Association - Old Hire Plans	34.8	0.0	0.0
Transportation	H.B. 08-1376 - Capital Construction Transfer Bill	20.0	9.0	0.0
	Total General Fund Exempt	$1,169.3	$92.4	$0.0

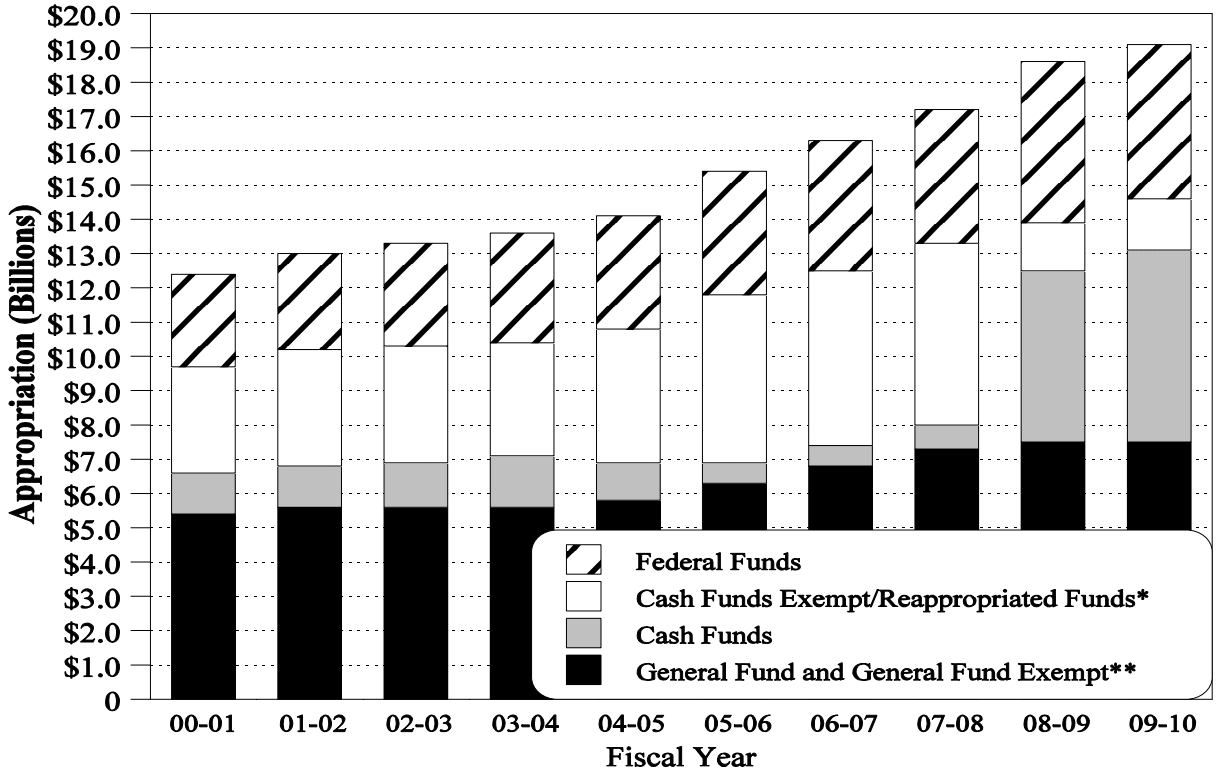
COLORADO STATE BUDGET
SOURCES OF GENERAL FUND REVENUE
(Fiscal Year 2009-10)

Estimated Gross General Fund Revenues = $6.833 Billion*



* Source: Colorado Legislative Council Staff's March 2009 Economic and Revenue Forecast. These percentages are net of income tax receipts that are transferred to the State Education Fund ($346.7 million).

COLORADO STATE OPERATING BUDGET
HISTORY OF APPROPRIATIONS BY FUNDING SOURCE
(Fiscal Years 2000-01 through 2009-10)



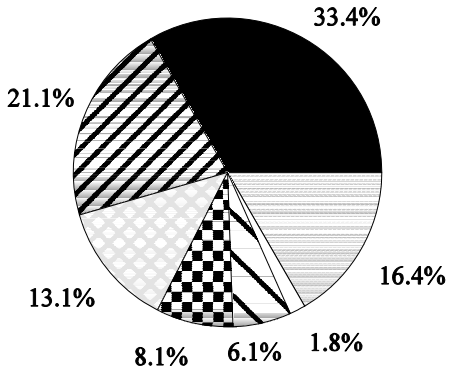
NOTE: Appropriated amounts have not been adjusted for inflation.

* Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories. Reappropriated Funds amounts are reflected for FY 2008-09 and FY 2009-10.

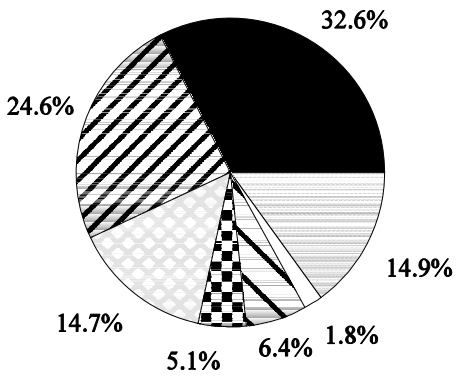
** General Fund Exempt amounts are reflected for FY 2005-06, FY 2006-07, FY 2007-08, FY 2008-09, and FY 2009-10.

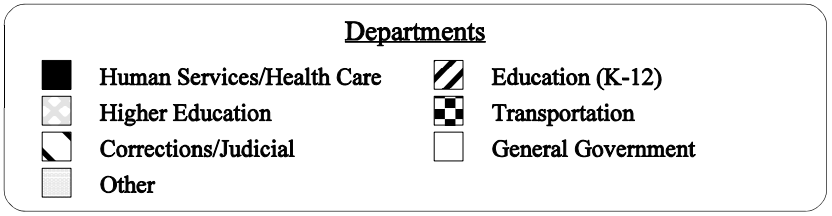
COLORADO STATE OPERATING BUDGET
COMPARISON OF TOTAL APPROPRIATIONS BY PROGRAM

FY 1999-00 = $11.15 billion



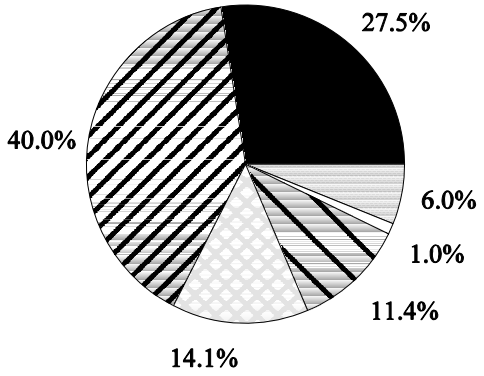
FY 2009-10 = $19.03 billion



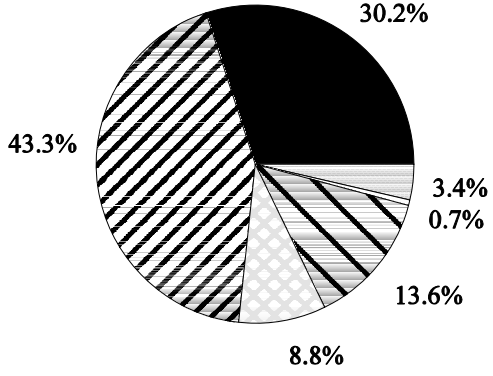


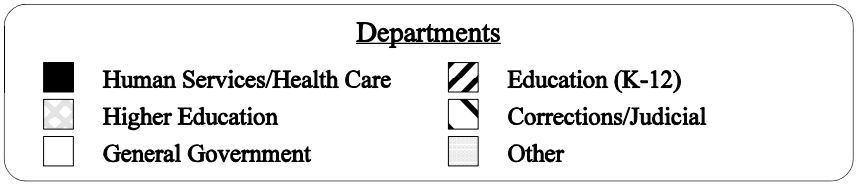
COLORADO STATE OPERATING BUDGET
COMPARISON OF GENERAL FUND APPROPRIATIONS BY PROGRAM

FY 1999-00 = $5.10 billion



FY 2009-10 = $7.48 billion





PART II: SUMMARY TABLES

A. FY 2009-10 OPERATING APPROPRIATIONS BY DEPARTMENT AND FUND SOURCE

Department	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	TOTAL
Agriculture	$6,860,955	$27,141,156	$1,120,606	$3,990,184	$39,112,901
Corrections	677,839,527	40,369,505	42,342,342	595,507	761,146,881
Education	3,239,416,000	814,265,994	22,758,378	610,508,104	4,686,948,476
Governor	14,283,355	25,512,170	50,183,795	32,978,780	122,958,100
Health Care Policy and Financing	1,587,903,164	430,809,756	25,546,139	1,971,530,872	4,015,789,931
Higher Education	660,575,732	1,373,468,595	585,643,182	170,881,054	2,790,568,563
Human Services	670,638,807	359,676,315	449,135,870	700,743,466	2,180,194,458
Judicial	336,357,516	102,266,844	7,608,876	4,430,420	450,663,656
Labor and Employment	0	61,457,522	1,612,070	95,701,612	158,771,204
Law	10,008,042	8,155,331	29,883,133	1,293,062	49,339,568
Legislature	35,162,475	223,640	1,053,816	0	36,439,931
Local Affairs	11,889,613	258,645,041	6,108,376	93,374,504	370,017,534
Military and Veterans Affairs	5,862,332	1,410,190	803,509	195,680,391	203,756,422
Natural Resources	29,680,331	173,426,573	7,310,734	17,400,564	227,818,202
Personnel and Administration	6,291,404	8,408,070	166,632,569	0	181,332,043
Public Health and Environment	28,232,074	158,912,259	34,469,429	224,938,456	446,552,218
Public Safety	83,212,852	118,861,504	21,216,916	26,639,101	249,930,373
Regulatory Agencies	1,666,729	69,304,782	8,453,406	1,349,679	80,774,596
Revenue	75,719,920	607,205,180	1,409,966	1,525,374	685,860,440
State	0	20,930,034	0	0	20,930,034
Transportation	0	614,161,434	3,955,873	355,397,188	973,514,495
Treasury	1,933,721	293,707,810	0	0	295,641,531
OPERATING TOTAL /1	**$7,483,534,549**	**$5,568,319,705**	**$1,467,248,985**	**$4,508,958,318**	**$19,028,061,557**

/1 For information about Capital Construction, see the Capital Construction section of this report.

B. FOUR-YEAR SUMMARY OF APPROPRIATIONS:

TOTAL FUNDS

Department	FY 2006-07 Appropriation	FY 2007-08 Appropriation	FY 2008-09 Appropriation	FY 2009-10 Appropriation
Agriculture	$35,221,241	$36,343,350	$39,050,930	$39,112,901
Corrections	647,276,841	710,611,718	753,884,358	761,146,881
Education	3,852,761,716	3,957,180,035	4,371,057,290	4,686,948,476
Governor	67,105,243	70,777,257	135,455,255	122,958,100
Health Care Policy and Financing	3,344,028,832	3,571,189,627	3,881,177,546	4,015,789,931
Higher Education	2,349,266,631	2,555,973,789	2,639,891,885	2,790,568,563
Human Services	1,920,878,647	2,033,711,435	2,138,299,488	2,180,194,458
Judicial	341,391,982	390,126,495	432,637,718	450,663,656
Labor and Employment	153,792,419	160,004,291	161,288,257	158,771,204
Law	40,031,464	46,038,992	47,777,945	49,339,568
Legislature	31,935,105	33,863,925	35,902,707	36,439,931
Local Affairs	239,227,560	228,645,092	263,367,107	370,017,534
Military and Veterans Affairs	152,556,920	172,664,889	203,354,874	203,756,422
Natural Resources	194,758,787	211,142,943	234,769,579	227,818,202
Personnel and Administration	172,488,035	190,266,484	148,884,216	181,332,043
Public Health and Environment	451,141,126	460,801,638	469,965,999	446,552,218
Public Safety	222,378,600	224,565,711	245,735,484	249,930,373
Regulatory Agencies	65,799,947	72,348,057	77,722,749	80,774,596
Revenue	583,520,574	604,476,068	687,174,978	685,860,440
State	28,055,767	20,782,602	27,569,394	20,930,034
Transportation	1,035,382,953	1,062,120,060	1,277,611,752	973,514,495
Treasury	368,007,955	397,833,647	389,434,258	295,641,531
TOTAL	**$16,297,008,345**	**$17,211,468,105**	**$18,662,013,769**	**$19,028,061,557**

FOUR-YEAR SUMMARY OF APPROPRIATIONS:

GENERAL FUND

Department	FY 2006-07 Appropriation	FY 2007-08 Appropriation	FY 2008-09 Appropriation	FY 2009-10 Appropriation
Agriculture	$5,221,517	$7,325,509	$7,223,168	$6,860,955
Corrections	581,296,317	624,606,171	666,948,257	677,839,527
Education	2,883,126,616	3,023,327,981	3,215,359,907	3,239,416,000
Governor	12,115,742	17,294,433	13,443,436	14,283,355
Health Care Policy and Financing	1,379,862,672	1,481,718,670	1,567,671,367	1,587,903,164
Higher Education	694,142,988	747,717,300	661,973,800	660,575,732
Human Services	618,419,127	649,483,006	679,623,093	670,638,807
Judicial	264,610,489	299,604,040	325,942,329	336,357,516
Labor and Employment	140,666	0	0	0
Law	9,080,436	8,675,523	8,855,044	10,008,042
Legislature	30,931,554	32,740,151	34,889,177	35,162,475
Local Affairs	10,303,099	10,989,371	12,352,639	11,889,613
Military and Veterans Affairs	5,215,526	5,530,793	5,685,713	5,862,332
Natural Resources	28,427,902	30,258,368	31,057,499	29,680,331
Personnel and Administration	9,466,191	11,439,122	5,784,722	6,291,404
Public Health and Environment	22,819,173	23,932,469	26,586,357	28,232,074
Public Safety	68,158,776	73,311,297	79,735,441	83,212,852
Regulatory Agencies	1,297,219	1,416,831	1,465,862	1,666,729
Revenue	93,811,579	95,291,960	100,649,490	75,719,920
State	0	0	0	0
Transportation	0	0	0	0
Treasury	100,187,249	114,153,460	86,966,576	1,933,721
OPERATING SUBTOTAL	**$6,818,634,838**	**$7,258,816,455**	**$7,532,213,877**	**$7,483,534,549**
Capital Construction Fund /1	0	7,132,239	441,529	0
LESS: Amount Exempt From Statutory Restrictions on Increases in Appropriations	(139,490,967)	(152,140,220)	(122,075,781)	(26,949,912)
GRAND TOTAL	**$6,679,143,871**	**$7,113,808,474**	**$7,410,579,625**	**$7,456,584,637**

/1 These figures reflect appropriations from the General Fund into the Capital Construction Fund.

FOUR-YEAR SUMMARY OF APPROPRIATIONS:

CASH FUNDS

Department	FY 2006-07 Appropriation	FY 2007-08 Appropriation	FY 2008-09 Appropriation /1	FY 2009-10 Appropriation /1
Agriculture	$14,058,984	$19,248,656	$26,796,487	$27,141,156
Corrections	2,628,871	2,974,432	43,346,045	40,369,505
Education	14,636,398	15,090,644	640,392,536	814,265,994
Governor	33,074,603	8,776,099	38,831,138	25,512,170
Health Care Policy and Financing	695,047	3,439,333	389,157,525	430,809,756
Higher Education	24,345,935	23,204,523	1,224,926,051	1,373,468,595
Human Services	105,029,794	110,605,461	350,035,263	359,676,315
Judicial	64,937,225	77,689,182	98,439,018	102,266,844
Labor and Employment	30,931,121	36,406,500	62,309,957	61,457,522
Law	3,926,951	6,817,942	8,117,746	8,155,331
Legislature	90,000	90,000	207,030	223,640
Local Affairs	29,211,540	29,959,987	190,783,749	258,645,041
Military and Veterans Affairs	76,413	119,124	1,308,889	1,410,190
Natural Resources	40,311,776	49,707,409	179,001,019	173,426,573
Personnel and Administration	12,559,141	14,676,758	6,667,669	8,408,070
Public Health and Environment	32,566,551	40,390,291	164,440,239	158,912,259
Public Safety	12,259,049	13,869,163	117,842,353	118,861,504
Regulatory Agencies	54,044,598	61,289,916	66,343,403	69,304,782
Revenue	45,263,855	53,730,841	583,661,442	607,205,180
State	19,130,770	16,820,907	27,569,394	20,930,034
Transportation	81,343,825	84,007,659	512,824,049	614,161,434
Treasury	2,584,606	2,642,009	302,467,682	293,707,810
TOTAL	**$623,707,053**	**$671,556,836**	**$5,035,468,684**	**$5,568,319,705**

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

FOUR-YEAR SUMMARY OF APPROPRIATIONS:

REAPPROPRIATED FUNDS / CASH FUNDS EXEMPT

Department	FY 2006-07 Appropriation Cash Funds Exempt	FY 2007-08 Appropriation Cash Funds Exempt	FY 2008-09 Appropriation /1 Reappropriated Funds	FY 2009-10 Appropriation /1 Reappropriated Funds
Agriculture	$14,055,641	$5,861,194	$1,065,306	$1,120,606
Corrections	60,986,913	79,809,826	42,294,502	42,342,342
Education	467,057,042	421,921,521	17,651,668	22,758,378
Governor	4,692,262	31,676,275	50,198,695	50,183,795
Health Care Policy and Financing	360,771,458	364,968,810	22,770,129	25,546,139
Higher Education	1,610,697,386	1,764,573,730	582,085,866	585,643,182
Human Services	593,954,220	634,002,276	429,009,532	449,135,870
Judicial	9,548,021	10,541,809	5,966,106	7,608,876
Labor and Employment	19,874,799	20,402,867	1,621,481	1,612,070
Law	26,140,331	29,450,172	29,708,104	29,883,133
Legislature	913,551	1,033,774	806,500	1,053,816
Local Affairs	101,962,367	107,433,892	5,324,722	6,108,376
Military and Veterans Affairs	1,475,343	1,580,665	653,509	803,509
Natural Resources	109,269,434	114,273,379	7,377,769	7,310,734
Personnel and Administration	150,341,703	164,029,604	136,431,825	166,632,569
Public Health and Environment	185,371,937	186,347,402	69,325,687	34,469,429
Public Safety	106,745,824	113,814,201	21,669,859	21,216,916
Regulatory Agencies	9,305,868	8,486,488	8,595,150	8,453,406
Revenue	442,883,386	453,907,053	1,392,448	1,409,966
State	8,924,997	3,851,101	0	0
Transportation	538,767,263	536,695,262	3,923,580	3,955,873
Treasury	265,236,100	281,038,178	0	0
TOTAL	**$5,088,975,846**	**$5,335,699,479**	**$1,437,872,438**	**$1,467,248,985**

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

FOUR-YEAR SUMMARY OF APPROPRIATIONS:

FEDERAL FUNDS

Department	FY 2006-07 Appropriation	FY 2007-08 Appropriation	FY 2008-09 Appropriation	FY 2009-10 Appropriation
Agriculture	$1,885,099	$3,907,991	$3,965,969	$3,990,184
Corrections	2,364,740	3,221,289	1,295,554	595,507
Education	487,941,660	496,839,889	497,653,179	610,508,104
Governor	17,222,636	13,030,450	32,981,986	32,978,780
Health Care Policy and Financing	1,602,699,655	1,721,062,814	1,901,578,525	1,971,530,872
Higher Education	20,080,322	20,478,236	170,906,168	170,881,054
Human Services	603,475,506	639,620,692	679,631,600	700,743,466
Judicial	2,296,247	2,291,464	2,290,265	4,430,420
Labor and Employment	102,845,833	103,194,924	97,356,819	95,701,612
Law	883,746	1,095,355	1,097,051	1,293,062
Legislature	0	0	0	0
Local Affairs	97,750,554	80,261,842	54,905,997	93,374,504
Military and Veterans Affairs	145,789,638	165,434,307	195,706,763	195,680,391
Natural Resources	16,749,675	16,903,787	17,333,292	17,400,564
Personnel and Administration	121,000	121,000	0	0
Public Health and Environment	210,383,465	210,131,476	209,613,716	224,938,456
Public Safety	35,214,951	23,571,050	26,487,831	26,639,101
Regulatory Agencies	1,152,262	1,154,822	1,318,334	1,349,679
Revenue	1,561,754	1,546,214	1,471,598	1,525,374
State	0	110,594	0	0
Transportation	415,271,865	441,417,139	760,864,123	355,397,188
Treasury	0	0	0	0
TOTAL	**$3,765,690,608**	**$3,945,395,335**	**$4,656,458,770**	**$4,508,958,318**

FOUR-YEAR SUMMARY OF APPROPRIATIONS:

FTE

Department	FY 2006-07 Appropriation	FY 2007-08 Appropriation	FY 2008-09 Appropriation	FY 2009-10 Appropriation
Agriculture	282.0	284.0	291.8	293.0
Corrections	6,098.1	6,310.9	6,583.9	6,637.7
Education	466.0	476.1	536.1	557.3
Governor	138.0	121.5	376.7	376.6
Health Care Policy and Financing	231.8	257.3	269.2	287.8
Higher Education	18,876.2	19,277.9	19,803.3	20,948.0
Human Services	5,365.7	5,489.3	5,528.1	5,581.8
Judicial	3,544.6	3,854.2	4,084.7	4,148.2
Labor and Employment	1,098.8	1,099.5	1,124.7	1,121.6
Law	362.2	378.4	392.4	396.2
Legislature	276.3	277.1	277.1	277.1
Local Affairs	192.8	184.0	180.5	186.5
Military and Veterans Affairs	1,187.8	1,383.8	1,386.9	1,386.9
Natural Resources	1,466.8	1,515.4	1,546.8	1,545.1
Personnel and Administration	541.3	567.5	392.9	392.1
Public Health and Environment	1,150.2	1,188.2	1,224.8	1,289.5
Public Safety	1,285.8	1,319.6	1,350.9	1,363.4
Regulatory Agencies	536.7	556.7	576.1	596.4
Revenue	1,422.1	1,480.0	1,496.8	1,512.7
State	126.5	125.5	127.1	133.9
Transportation	3,307.2	3,316.0	3,365.5	3,366.5
Treasury	26.0	26.0	29.5	31.5
TOTAL	**47,982.9**	**49,488.9**	**50,945.8**	**52,429.8**

PART III: EXPENDITURE AND APPROPRIATION DETAIL BY DEPARTMENT

DEPARTMENT OF AGRICULTURE

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

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$5,221,517	$7,325,509	$7,223,168	$6,860,955
Cash Funds/1	14,058,984	19,248,656	26,796,487	27,141,156
Cash Funds Exempt/1	14,055,641	5,861,194	n/a	n/a
Reappropriated Funds/1	n/a	n/a	1,065,306	1,120,606
Federal Funds	1,885,099	3,907,991	3,965,969	3,990,184
Total Funds	**$35,221,241**	**$36,343,350**	**$39,050,930**	**$39,112,901**
Full Time Equiv. Staff	282.0	284.0	291.8	293.0

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Funding for this department in FY 2009-10 consists of 17.5 percent General Fund, 69.4 percent cash funds, 10.2 percent federal funds, and 2.9 percent reappropriated funds. Some of the most important factors driving the budget are reviewed below.

Funding from Unclaimed Property Moneys

House Bill 08-1399 reallocated the interest earned on the Unclaimed Property Tourism Trust Fund from the sale of securities (determined to be abandoned property) credited to the Colorado Travel and Tourism Promotion Fund. Of the interest deposited into this fund (forecasted to be $3.2 million in 2009-10), 65.0 percent ($2.1 million) is transferred into the Agriculture Management Fund – for use by the Commissioner of Agriculture to fund both program and employee costs of agricultural efforts, 25.0 percent ($802,000) is

transferred to the Colorado State Fair Authority Cash Fund – for use by the Colorado State Fair Authority towards the operation, maintenance, and support of the Colorado State Fair, and 10.0 percent ($321,000) will remain in the fund for use by the Colorado Tourism Office in the Governor's Office of Economic Development and International Trade to promote agritourism in coordination with the Commissioner. The bill required that all debt service on the Events Center on the grounds of the State Fair be paid in full in order to implement the provisions of the bill. On February 27, 2009, the debt on the Events Center was fully repaid, enacting H.B. 08-1399 and providing an estimated $1.0 million in unclaimed property moneys for the Department for the remainder of FY 2008-09. These moneys are anticipated to be used to offset some of the mid-year reductions made to balance the state's budget as a result of the revenue shortfall and to fund other programs including noxious weeds, Colorado Proud, and the Agriculture Products Utilization and Marketing Program.

As a result of securing a funding source from unclaimed property moneys, the Department has been able to fully subsidize the State Fair's operational deficit and backfill General Fund reductions made to the Distributions to Soil Conservation Districts and Matching Grants to Districts line items in the Conservation Board division in FY 2008-09 ($200,000) and for FY 2009-10 ($225,000) as a result of the state's revenue shortfall. Further this funding stream offers the Department latitude in either backfilling existing programs should their appropriations be reduced, or funding new programs it is statutorily permitted to administer.

Employee Salaries and Benefits

The Long Bill appropriation includes increases to centrally-appropriated line items for state contributions to health, life, and dental benefits, short-term disability, and state contributions to the Public Employees' Retirement Association (PERA) pension fund. The appropriation includes an increase of $328,477 from assorted fund sources for such employee benefits for FY 2009-10.

Consistent with statewide policy, no funding was provided for salary increases for FY 2009-10. The FY 2008-09 cost of salary increases in this department was $793,370 (including $313,771 General Fund), most of which is continued in the base for FY 2009-10.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Agriculture

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$39,050,930**	**$7,223,168**	**$26,796,487**	**$1,065,306**	**$3,965,969**	**291.8**
Breakdown of Total Appropriation by Administrative Section						
Commissioner's Office and Administrative Services	8,720,046	2,193,819	2,612,637	1,020,306	2,893,284	28.1
Agricultural Services Division	12,262,530	3,755,353	7,934,492	0	572,685	152.3
Agricultural Markets Division	1,099,731	425,474	629,257	45,000	0	5.2
Brand Board	3,921,832	0	3,921,832	0	0	66.3
Special Purpose	2,132,342	0	2,132,342	0	0	7.5
Colorado State Fair	9,115,927	0	9,115,927	0	0	26.9

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Conservation Board	1,798,522	848,522	450,000	0	500,000	5.5
Breakdown of Total Appropriation by Bill						
HB 08-1375	37,909,491	7,695,912	25,307,229	914,335	3,992,015	290.5
SB 08-155	0	0	0	0	0	(1.0)
HB 08-1399	1,348,763	0	1,348,763	0	0	2.4
SB 09-183	(207,324)	(472,744)	140,495	150,971	(26,046)	(0.1)
FY 2009-10 Total Appropriation:	**$39,112,901**	**$6,860,955**	**$27,141,156**	**$1,120,606**	**$3,990,184**	**293.0**
Breakdown of Total Appropriation by Administrative Section						
Commissioner's Office and Administrative Services	8,313,462	1,996,652	2,350,325	1,075,606	2,890,879	31.7
Agricultural Services Division	12,734,048	3,782,691	8,352,052	0	599,305	152.3
Agricultural Markets Division	1,121,079	446,927	629,152	45,000	0	5.2
Brand Board	4,036,382	0	4,036,382	0	0	66.3
Special Purpose	2,862,369	0	2,862,369	0	0	5.4
Colorado State Fair	8,460,876	0	8,460,876	0	0	26.9
Conservation Board	1,584,685	634,685	450,000	0	500,000	5.2
Breakdown of Total Appropriation by Bill						
SB 09-259	39,063,248	6,860,955	27,091,503	1,120,606	3,990,184	291.1
SB 09-118	49,653	0	49,653	0	0	1.0
SB 09-154	0	0	0	0	0	0.9
Increase/(Decrease)	$61,971	($362,213)	$344,669	$55,300	$24,215	1.2
Percentage Change	0.2%	(5.0)%	1.3%	5.2%	0.6%	0.4%

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation for matching grants to soil conservation districts is reduced by $200,000 General Fund.

2. The General Fund appropriation for indirect costs is reduced by $151,000, which is offset by an increase of $177,000cash funds, $151,000 reappropriated funds, and a decrease of $26,000 federal funds.

3. The General Fund appropriation is reduced by $126,000 as a result of one-time and ongoing reductions related to the phytosanitary and seed analysis programs and savings generated from the hiring freeze.

FY 2009-10 Appropriation Highlights:

1. The appropriation increases $750,000 cash funds spending authority from the Agriculture Management Fund and reduces 3.0 FTE appropriated in the previous fiscal year by H.B. 08-1399.

2. The appropriation provides $100,000 cash funds spending authority for the replacement of a large-scale measurement standards test truck, a complete set of test weights, and a hoist.

3. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $793,000, including $314,000 General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

Detail of Appropriation by Administrative Section

Commissioner's Office and Administrative Services

The Commissioner's Office, in conjunction with the Colorado Agricultural Commission, is responsible for the development and implementation of agricultural policies throughout the state. The Administrative Services section provides administrative and technical support for various programs within the Department, such as accounting, budgeting, human resources, and computer programming. The major source of funding for the division is from federal grants and General Fund. Reappropriated funds are received from various cash funds within the Department for centrally appropriated items.

Commissioner's Office and Administrative Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$8,823,969	$2,422,197	$2,612,637	$869,335	$2,919,800	32.7
SB 08-155	0	0	0	0	0	(1.0)
HB 08-1399	0	0	0	0	0	(3.6)
SB 09-183	(103,923)	(228,378)	0	150,971	(26,516)	0.0
TOTAL	**$8,720,046**	**$2,193,819**	**$2,612,637**	**$1,020,306**	**$2,893,284**	**28.1**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$8,720,046	$2,193,819	$2,612,637	$1,020,306	$2,893,284	28.1
Centrally-appropriated line items	300,831	87,397	203,375	0	10,059	0.0
Annualize salary and benefits adjustments	94,116	94,116	0	0	0	0.0
Annualize FY 2008-09 hiring freeze	82,011	82,011	0	0	0	0.0
Indirect cost assessment	25,827	(55,300)	0	55,300	25,827	0.0
Postage increase	796	211	0	0	585	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Federal grants staffing	0	0	0	0	0	3.6
Eliminate salary survey and performance-based pay	(839,590)	(336,747)	(463,967)	0	(38,876)	0.0
General Fund base reduction	(60,000)	(60,000)	0	0	0	0.0
Operating adjustments	(10,575)	(8,855)	(1,720)	0	0	0.0
SB 09-259	**$8,313,462**	**$1,996,652**	**$2,350,325**	**$1,075,606**	**$2,890,879**	**31.7**
TOTAL	**$8,313,462**	**$1,996,652**	**$2,350,325**	**$1,075,606**	**$2,890,879**	**31.7**
Increase/(Decrease)	($406,584)	($197,167)	($262,312)	$55,300	($2,405)	3.6
Percentage Change	(4.7)%	(9.0)%	(10.0)%	5.4%	(0.1)%	12.8%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-183 reduced the General Fund appropriated for indirect costs by $151,971 and reduced the personal services appropriation by $82,011 General Fund, reflecting savings generated from the hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

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

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

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

General Fund base reduction: The appropriation includes a reduction of $60,000 General Fund related to the annual production of the agriculture statistics bulletin. This reduction is a part of a 5 percent reduction to the Department's FY 2009-10 General Fund appropriation.

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

Agricultural Services Division

This division administers most of the Department's major programs and various statutory responsibilities. The major source of funding for this division is cash funds (65.6 percent) followed by General Fund (29.7 percent). The division is divided among three distinct programs:

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

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

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

Agricultural Services Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$12,320,521	$3,799,719	$7,948,587	$0	$572,215	152.4
SB 09-183	(57,991)	(44,366)	(14,095)	0	470	(0.1)
TOTAL	**$12,262,530**	**$3,755,353**	**$7,934,492**	**$0**	**$572,685**	**152.3**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$12,262,530	$3,755,353	$7,934,492	$0	$572,685	152.3
Annualize salary and benefits adjustments	500,690	177,862	286,012	0	36,816	0.0
Measurement standards test truck	100,069	0	100,069	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize FY 2008-09 hiring freeze	70,888	0	70,888	0	0	0.0
Indirect cost assessment	24,063	0	24,692	0	(629)	0.0
Postage increase	14,175	6,428	7,747	0	0	0.0
Personal services base adjustment	(192,569)	(64,456)	(118,546)	0	(9,567)	0.0
General Fund base reduction	(91,926)	(91,926)	0	0	0	(1.0)
Operating adjustments	(3,525)	(570)	(2,955)	0	0	0.0
SB 09-259	**$12,684,395**	**$3,782,691**	**$8,302,399**	**$0**	**$599,305**	**151.3**
SB 09-118	49,653	0	49,653	0	0	1.0
TOTAL	**$12,734,048**	**$3,782,691**	**$8,352,052**	**$0**	**$599,305**	**152.3**
Increase/(Decrease)	$471,518	$27,338	$417,560	$0	$26,620	0.0
Percentage Change	3.8%	0.7%	5.3%	n/a	4.6%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-183 reduced the General Fund appropriation by $44,366, reflecting one-time and ongoing reductions related to the phytosanitary, seed analysis, and animal feed programs.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

General Fund base reduction: The appropriation includes a reduction of $91,926 General Fund and 1.0 FTE. Of this amount, $48,349 reflects the elimination of predator control grants, and $43,577 and 1.0 FTE reflects

the elimination of an administrative position. These reductions are a part of a 5 percent reduction to the Department's FY 2009-10 General Fund appropriation.

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Agricultural Markets Division

This division provides marketing assistance and related support to Colorado agricultural-based businesses competing in local, national, and international arenas. The Agricultural Markets Division also coordinates various market orders, promotes Colorado agricultural products, and works to assist start-up or expanding food processing companies within the state. The source of cash funds is from the Agriculture Value-Added Cash Fund, which is continuously appropriated and is included for informational purposes only. The reappropriated funds provide spending authority should the Economic Development Commission, in the Office of the Governor, make funding available.

Agricultural Markets Division

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$1,099,653	$425,474	$629,179	$45,000	$0	5.2
SB 09-183	78	0	78	0	0	0.0
TOTAL	**$1,099,731**	**$425,474**	**$629,257**	**$45,000**	**$0**	**5.2**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$1,099,731	$425,474	$629,257	$45,000	$0	5.2
Annualize salary and benefits adjustments	21,453	21,453	0	0	0	0.0
Indirect cost assessment	(105)	0	(105)	0	0	0.0
SB 09-259	**$1,121,079**	**$446,927**	**$629,152**	**$45,000**	**$0**	**5.2**
TOTAL	**$1,121,079**	**$446,927**	**$629,152**	**$45,000**	**$0**	**5.2**
Increase/(Decrease)	$21,348	$21,453	($105)	$0	$0	0.0
Percentage Change	1.9%	5.0%	0.0%	0.0%	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-183 decreased the division's indirect cost assessment, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

Brand Board

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

Brand Board

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$3,921,832	$0	$3,921,832	$0	$0	66.3
TOTAL	**$3,921,832**	**$0**	**$3,921,832**	**$0**	**$0**	**66.3**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$3,921,832	$0	$3,921,832	$0	$0	66.3
Annualize salary and benefits adjustments	114,584	0	114,584	0	0	0.0
Fuel increase	55,797	0	55,797	0	0	0.0
Indirect cost assessment	5,138	0	5,138	0	0	0.0
Personal services base reduction	(60,969)	0	(60,969)	0	0	0.0
SB 09-259	**$4,036,382**	**$0**	**$4,036,382**	**$0**	**$0**	**66.3**
TOTAL	**$4,036,382**	**$0**	**$4,036,382**	**$0**	**$0**	**66.3**
Increase/(Decrease)	$114,550	$0	$114,550	$0	$0	0.0
Percentage Change	2.9%	n/a	2.9%	n/a	n/a	0.0%

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Special Purpose

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

Special Purpose	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$735,752	$0	$735,752	$0	$0	1.5
HB 08-1399	1,348,763	0	1,348,763	0	0	6.0
SB 09-183	47,827	0	47,827	0	0	0.0
TOTAL	**$2,132,342**	**$0**	**$2,132,342**	**$0**	**$0**	**7.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$2,132,342	$0	$2,132,342	$0	$0	7.5
Agriculture Management Fund adjustments	749,777	0	749,777	0	0	(3.0)
Annualize salary and benefits adjustments	4,839	0	4,839	0	0	0.0
Postage increase	152	0	152	0	0	0.0
Indirect cost assessment	(24,741)	0	(24,741)	0	0	0.0
SB 09-259	**$2,862,369**	**$0**	**$2,862,369**	**$0**	**$0**	**4.5**
SB 09-154	0	0	0	0	0	0.9

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$2,862,369**	**$0**	**$2,862,369**	**$0**	**$0**	**5.4**
Increase/(Decrease)	$730,027	$0	$730,027	$0	$0	(2.1)
Percentage Change	34.2%	n/a	34.2%	n/a	n/a	(28.0)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-183 decreased the division's indirect cost assessment.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

Indirect cost assessment: The appropriation includes a net decrease in the division's indirect cost assessment.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Colorado State Fair

This program includes personal services and operating expenses associated with the Colorado State Fair, which is administered by the 11-member State Fair Authority. The source of funding is fees collected by the Colorado State Fair during its 11-day run each August and from non-fair events held at the State Fairgrounds in Pueblo, Colorado, throughout the remainder of the year.

Colorado State Fair						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$9,009,242	$0	$9,009,242	$0	$0	26.9
SB 09-183	106,685	0	106,685	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$9,115,927**	**$0**	**$9,115,927**	**$0**	**$0**	**26.9**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$9,115,927	$0	$9,115,927	$0	$0	26.9
Annualize salary and benefits adjustments	37,348	0	37,348	0	0	0.0
Indirect cost assessment	25,118	0	25,118	0	0	0.0
Reduce spending authority	(646,590)	0	(646,590)	0	0	0.0
Personal services base reduction	(70,927)	0	(70,927)	0	0	0.0
SB 09-259	**$8,460,876**	**$0**	**$8,460,876**	**$0**	**$0**	**26.9**
TOTAL	**$8,460,876**	**$0**	**$8,460,876**	**$0**	**$0**	**26.9**
Increase/(Decrease)	($655,051)	$0	($655,051)	$0	$0	0.0
Percentage Change	(7.2)%	n/a	(7.2)%	n/a	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-183 increased the division's indirect cost assessment.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Conservation Board

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

appropriation are moneys from the Operational Account of the Severance Tax Trust Fund. These moneys are continuously appropriated and are included for informational purposes only. Federal funds are grant moneys from the U.S. Department of Agriculture Natural Resources Conservation Service.

Conservation Board	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$1,998,522	$1,048,522	$450,000	$0	$500,000	5.5
SB 09-183	(200,000)	(200,000)	0	0	0	0.0
TOTAL	**$1,798,522**	**$848,522**	**$450,000**	**$0**	**$500,000**	**5.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$1,798,522	$848,522	$450,000	$0	$500,000	5.5
Annualize salary and benefits adjustments	20,340	20,340	0	0	0	0.0
General Fund base reduction	(209,177)	(209,177)	0	0	0	(0.3)
Reduce matching grants to districts	(25,000)	(25,000)	0	0	0	0.0
SB 09-259	**$1,584,685**	**$634,685**	**$450,000**	**$0**	**$500,000**	**5.2**
TOTAL	**$1,584,685**	**$634,685**	**$450,000**	**$0**	**$500,000**	**5.2**
Increase/(Decrease)	($213,837)	($213,837)	$0	$0	$0	(0.3)
Percentage Change	(11.9)%	(25.2)%	0.0%	n/a	0.0%	(5.5)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-183 reduced the amount of grant moneys available for distribution to soil conservation districts by $25,000 General Fund.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

General Fund base reduction: The appropriation includes a reduction of $209,177 General Fund and 0.3 FTE. Of this amount, $200,000 reflects the reduction of direct assistance to soil conservation districts and $9,177 and 0.3 FTE reflects the elimination of a part-time administrative position. These reductions are a part of a 5 percent reduction to the Department's FY 2009-10 General Fund appropriation.

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

Recent Legislation

2008 Session Bills

S.B. 08-155: Consolidates the responsibility for information technology oversight of most of the State's executive branch in the Governor's Office of Information Technology. Reduces appropriations to the Department of Agriculture by 1.0 FTE in the Commissioner's Office. For additional information on this bill, see the "Recent Legislation" section for the Governor's Office.

H.B. 08-1236: Creates the "Livestock Information Security Act" to authorize the Commissioner of Agriculture to keep confidential certain information related to livestock that is disclosed to the department of agriculture. Specifies that the Commissioner may deny access to personal information if the commissioner reasonably believes that dissemination of the information would cause harm to any person.

H.B. 08-1375: General appropriations act for FY 2008-09.

H.B. 08-1398: Modified the default mechanism for balancing spending from the Operational Account of the Severance Tax Trust Fund (OSTTF) by making proportionate reductions to Tier 2 programs, as categorized by the Department of Natural Resources. The continuously appropriated Agriculture Value-Added Cash Fund receives an annual transfer of $500,000 from the OSTTF through FY 2008-09 to promote the feasibility and development of agricultural energy-related projects and research.

H.B. 08-1399: Changes the allocation of interest earned on the Unclaimed Property Tourism Trust Fund from the sale of securities determined to be abandoned property which are then credited to the Colorado Travel and Tourism Promotion Fund. Under the bill, the earned interest will be distributed as follows: (1) 65.0 percent to the newly created Agriculture Management Fund – for use by the Commissioner of Agriculture to fund both program and employee costs of agricultural efforts; (2) 25.0 percent to the Colorado State Fair Authority Cash Fund – for use by the Colorado State Fair Authority towards the operation, maintenance, and support of the Colorado State Fair; and (3) 10.0 percent will remain in the Colorado Travel and Tourism Promotion Fund for use by the Colorado Tourism Office in the Governor's Office of Economic Development and International Trade to promote agritourism in coordination with the Commissioner. Appropriates $1.3 million and 6.0 FTE to the Department of Agriculture, Special Purpose Division, and reduces the federal funds appropriation in the Commissioner's Office by 3.6 FTE. Increases the cash funds appropriation to the Office of the Governor, Economic Development Programs, Colorado Promotion - Other Promotion Programs by 1.0 FTE to administer state agritourism. The appropriation of said moneys are contingent upon full repayment of the outstanding debt incurred by the Colorado State Fair Authority to build the Events Center in Pueblo.

2009 Session Bills

S.B. 09-118: Continues the Pet Animal Care and Facilities Act (PACFA) until July 1, 2014, and the Pet Animal Advisory Committee indefinitely. The act changes the regulation of pet animal care and facilities by the PACFA program in the Department of Agriculture as well as authorizes the Commissioner of Agriculture to set fees and

dates for licensing. Appropriates $49,653 cash funds from the Pet Animal Care and Facility Fund and 1.0 FTE to the Agricultural Services Division.

S.B. 09-124: Extends the transfer of $500,000 (prior to proportionate reductions to Tier 2 programs, pursuant to H.B. 08-1398) from the Operational Account of the Severance Tax Trust Fund to the continuously appropriated Agricultural Value-Added Cash Fund to promote the feasibility and development of agricultural energy-related projects and research until FY 2011-12.

S.B. 09-154: Authorizes the Commissioner of Agriculture to use the continuously appropriated Veterinary Vaccine and Service Fund to hire staff, in addition to other permissible expenditures including the purchase of supplies, laboratory expenses, and expenses incidental to the infectious or contagious disease control and eradication program. Further the act prevents moneys in the veterinary vaccine and service fund from being transferred or reverting to the General Fund or to any other fund. Appropriates 0.9 FTE to be funded with moneys from the continuously appropriated Veterinary Vaccine and Service Fund.

S.B. 09-183: Supplemental appropriation for FY 2008-09.

S.B. 09-259: General appropriations act for FY 2009-10.

S.B. 09-280: Supplemental appropriation modifying previous appropriations for capital construction. Decreases the appropriation for controlled maintenance at the state Insectary in Palisade by $483,770 for FY 2007-08. Eliminates the $1.5 million appropriation for the repair of infrastructure at the State Fair for FY 2008-09. For additional information on S.B. 09-280, see the "Recent Legislation" section at the end of the Capital Construction section of this document.

DEPARTMENT OF CORRECTIONS

The Department is responsible for the following activities:

- ❒ Managing, supervising, and controlling the correctional facilities operated and supported by the State;
- ❒ Supervising the population of offenders placed in the custody of the Department, including inmates, offenders on parole, and transition inmates who are placed into community corrections programs;
- ❒ Planning for the projected, long-range needs of the institutions under the Department's control; and
- ❒ Developing educational programs, treatment programs, and correctional industries within the facilities, which have a rehabilitative or therapeutic value for inmates, and which supply 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 Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$581,296,317	$624,606,171	$666,948,257	$677,839,527
Cash Funds/1	2,628,871	2,974,432	43,346,045	40,369,505
Cash Funds Exempt/1	60,986,913	79,809,826	n/a	n/a
Reappropriated Funds/1	n/a	n/a	42,294,502	42,342,342
Federal Funds	2,364,740	3,221,289	1,295,554	595,507
Total Funds	**$647,276,841**	**$710,611,718**	**$753,884,358**	**$761,146,881**
Full Time Equiv. Staff	6,098.1	6,310.9	6,583.9	6,637.7

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Funding for this department includes 89.0 percent General Fund, 5.3 percent cash funds, 5.6 percent reappropriated funds, and 0.1 percent federal funds. Factors driving the budget are reviewed below.

Inmate Population Increase

The growth in the inmate population is the primary factor driving the Department of Corrections (DOC) budget. This population includes inmates who are housed in state-operated prisons, in private prisons, and in transition community corrections placements.

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate
Year End Inmate Population	20,704	22,012	22,519	22,989	23,567	24,203
Percent Change	n/a	6.3%	2.3%	2.1%	2.5%	2.7%

Population Impacts – Jail Backlog

Jail backlog occurs when inmates are sentenced to the Department of Corrections 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 is required to reimburse the counties for holding these inmates, subject to available appropriations. The following information highlights the jail backlog payments in recent years.

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate
Average County Jail Backlog	723	801	633	442	412	458
Cost of Jail Backlog	$12,265,585	$13,860,374	$11,340,364	$8,037,697	$7,583,408	$8,427,112
Daily Reimbursement Rate	$46.49	$47.42	$48.96	$49.69	$50.44	$50.44
Percent Rate Increase/(Decrease)	n/a	2.0%	3.2%	1.5%	1.5%	0.0%

Population Impacts – In-State Private Prison Contracts

In the early 1990s, 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. The following information highlights the in-state private payments in recent years.

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate
Average Daily Population*	2,812	3,797	4,440	4,596	5,810	5,713
Cost of Private Contracts	$50,865,321	$69,679,801	$84,119,878	$88,388,521	$111,740,013	$109,873,461
Daily Reimbursement Rate	$49.56	$50.28	$51.91	$52.69	$52.69	$52.69
Percent Rate Increase/(Decrease)	n/a	1.5%	3.2%	1.5%	0.0%	0.0%

* In FY 2004-05, an average daily population of 2,812 inmates were funded for in-state private prisons at a cost of $49.56 per inmate per day. In addition to these inmates, $2,298,162 was spent to place an average daily population of 123 inmates in an out-of-state private prison at a cost of $51.00 per inmate per day. The Department contracted with a private prison provider in Oklahoma at a rate of $54.00 per inmate per day for FY 2006-07 and FY 2007-08. Those inmates were housed in prison facilities in Colorado in FY 2008-09.

Population Impacts – Impact on Capital Construction and Certificates of Participation

Population increases have resulted in the need to build or renovate several prisons. The following information highlights the capital construction appropriations for prison capacity expansion in recent years.

	FY 2003-04 COP Authorization	FY 2004-05 Approp.	FY 2005-06 Approp.	FY 2006-07 Approp.	FY 2007-08 Approp.	FY 2008-09 Approp.	FY 2009-10 Approp.
Capital Appropriation	$102,800,000	$0	$0	$9,000,000	$52,357,136	$13,719,901	$11,594,814

Parole Population Increase

The parole population also has an impact on the Department of Corrections' budget. The following information highlights the year-end parole population in recent years.

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate
Year End Parole Population	5,714	6,551	7,947	8,783	9,119	9,539
Percent Change	n/a	14.6%	21.3%	10.5%	3.8%	4.6%

Inmate and Parole Population Impacts – Community Services

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

Pursuant to the provisions of S.B. 03-252, a parolee can be revoked to the DOC for 180 days for a technical revocation (a revocation that was not the result of the commission of a new offense), provided that the parolee was serving parole for a nonviolent offense. These offenders have historically been placed in "community return to custody" beds, which were funded with appropriations to the Department of Corrections; however, pursuant to H.B. 08-1352, they must now be housed in other correctional facilities. Additional community corrections programs are funded with appropriations made to the Division of Criminal Justice in the Department of Public Safety.

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 community corrections and parole supervision activity in recent years.

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Approp.
Community Corrections Supervision	$10,327,145	$11,822,877	$11,202,655	$12,916,652	$12,825,143	$14,100,452
Percent Change	n/a	14.5%	(5.2)%	15.3%	(0.7)%	9.9%
Community Return to Custody Beds	$1,934,068	$3,045,564	$3,075,768	$3,282,623	$3,671,247	$4,145,232
Percentage Change	n/a	57.5%	1.0%	6.7%	11.8%	12.9%
Parole Supervision	$10,860,777	$12,820,844	$14,724,546	$18,360,727	$20,865,296	$23,599,626
Percent Change	n/a	18.0%	14.8%	24.7%	13.6%	13.1%

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Corrections	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$753,884,358**	**$666,948,257**	**$43,346,045**	**$42,294,502**	**$1,295,554**	**6,583.9**
Breakdown of Total Appropriation by Administrative Section						
Management	201,355,831	192,843,076	7,727,372	483,364	302,019	98.0
Institutions	378,417,246	376,881,810	1,455,436	0	80,000	4,980.9
Support Services	28,133,250	27,511,987	610,564	10,699	0	305.1
Inmate Programs	39,678,578	32,830,622	5,358,087	963,237	526,632	581.6
Community Services	36,086,498	35,245,070	330,000	124,525	386,903	413.4
Parole Board	1,635,692	1,635,692	0	0	0	17.5
Correctional Industries	53,883,750	0	13,171,073	40,712,677	0	157.7
Canteen Operation	14,693,513	0	14,693,513	0	0	29.7
Breakdown of Total Appropriation by Bill						
HB 08-1375	759,502,556	675,007,403	38,870,030	42,403,526	3,221,597	6,578.8
HB 04-1003	61,200	61,200	0	0	0	0.0
HB 04-1021	45,960	45,960	0	0	0	0.0
SB 06-206	117,977	117,977	0	0	0	0.0
SB 06-207	117,977	117,977	0	0	0	0.0
HB 06-1011	321,756	321,756	0	0	0	0.0
HB 06-1092	134,065	134,065	0	0	0	0.0
HB 06-1145	26,813	26,813	0	0	0	0.0
HB 06-1151	48,263	48,263	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 06-1326	375,382	375,382	0	0	0	0.0
SB 06S1-004	26,813	26,813	0	0	0	0.0
SB 06S1-005	58,989	58,989	0	0	0	0.0
SB 06S1-007	21,450	21,450	0	0	0	0.0
SB 07-096	82,761	82,761	0	0	0	0.0
HB 07-1040	248,823	0	248,823	0	0	0.0
HB 07-1326	110,348	110,348	0	0	0	0.0
SB 08-066	46,048	46,048	0	0	0	0.0
SB 08-134	2,053	0	2,053	0	0	0.0
SB 08-155	0	0	0	0	0	(3.0)
HB 08-1352	217,566	217,566	0	0	0	0.0
HB 08-1382	0	0	0	0	0	0.1
SB 09-184	(6,532,972)	(5,780,572)	1,282,667	(109,024)	(1,926,043)	7.0
SB 09-259	(1,149,470)	(4,091,942)	2,942,472	0	0	1.0
FY 2009-10 Total Appropriation:	**$761,146,881**	**$677,839,527**	**$40,369,505**	**$42,342,342**	**$595,507**	**6,637.7**
Breakdown of Total Appropriation by Administrative Section						
Management	194,179,321	189,218,421	4,590,764	289,536	80,600	98.3
Institutions	380,049,438	378,367,593	1,601,845	0	80,000	4,922.2
Support Services	30,078,918	29,476,832	601,201	885	0	313.0
Inmate Programs	44,685,787	38,709,662	4,722,165	844,053	409,907	656.1
Community Services	40,499,908	40,432,433	10,000	32,475	25,000	437.9
Parole Board	1,634,586	1,634,586	0	0	0	17.5
Correctional Industries	55,297,990	0	14,122,597	41,175,393	0	163.0
Canteen Operation	14,720,933	0	14,720,933	0	0	29.7
Breakdown of Total Appropriation by Bill						
SB 09-259	759,875,487	677,565,930	39,966,735	41,747,315	595,507	6,626.9
SB 06-206	238,636	238,636	0	0	0	0.0
SB 06-207	238,636	238,636	0	0	0	0.0
HB 06-1011	482,634	482,634	0	0	0	0.0
HB 06-1092	134,065	134,065	0	0	0	0.0
HB 06-1145	34,857	34,857	0	0	0	0.0
HB 06-1151	48,263	48,263	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 06-1326	517,491	517,491	0	0	0	0.0
SB 06S1-004	48,263	48,263	0	0	0	0.0
SB 06S1-005	58,989	58,989	0	0	0	0.0
SB 07-096	154,487	154,487	0	0	0	0.0
HB 07-1040	402,770	0	402,770	0	0	0.0
HB 07-1326	143,452	143,452	0	0	0	0.0
SB 08-239	28,758	28,758	0	0	0	0.0
HB 08-1115	28,758	28,758	0	0	0	0.0
HB 08-1194	28,758	28,758	0	0	0	0.0
HB 08-1352	217,566	217,566	0	0	0	0.0
SB 09-003	67,027	0	0	67,027	0	0.0
HB 09-1133	528,000	0	0	528,000	0	0.0
HB 09-1351	(2,130,016)	(2,130,016)	0	0	0	10.8
Increase/(Decrease)	$7,262,523	$10,891,270	($2,976,540)	$47,840	($700,047)	53.8
Percentage Change	1.0%	1.6%	(6.9)%	0.1%	(54.0)%	0.8%

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation adds $4.0 million General Fund related to higher costs for inmate medical services.

2. The appropriation reduces $0.9 million General Fund and increases $0.9 million cash funds associated with refinancing General Fund with canteen cash funds.

3. The appropriation reduces $8.1 million General Fund and increases $2.9 million cash funds related to external capacity caseload adjustments and refinancing General Fund with cash funds.

4. The appropriation reduces $1.9 million federal funds and $0.2 million reappropriated funds to reflect adjustments in grant funding received. The appropriation includes an increase of 4.3 FTE related to additional grant-funded positions.

5. The appropriation reduces $1.8 million General Fund related to a provider rate decrease.

6. The appropriation reduces $1.8 million General Fund to eliminate the appropriation for parole wrap-around services.

7. The appropriation reduces $1.0 million General Fund to refinance contract services with unused flexible funds.

FY 2009-10 Appropriation Highlights:

1. The appropriation provides $8.0 million General Fund to reimburse private prison providers based on the anticipated caseload growth to the private prison population using the Legislative Council Staff inmate population projections.

2. The appropriation adds $6.0 million General Fund for benefits adjustments for health, life, and dental insurance, state contributions to the Public Employees Retirement Association, and shift differential.

3. The appropriation provides $3.0 million General Fund and 34.8 FTE associated with additional academic and vocational instructors.

4. The appropriation provides $2.1 million General Fund and 33.9 FTE associated with additional therapeutic community programs within prisons.

5. The appropriation provides $1.9 million General Fund associated with removing refinancing that occurred during the FY 2008-09 supplemental process.

6. The appropriation provides $1.8 million General Fund associated with restoring parole wrap-around services funding that was eliminated during the FY 2008-09 supplemental process.

7. The appropriation provides 15.0 FTE for additional community re-entry staff, which are funded through anticipated savings in the External Capacity Subprogram.

8. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $13.0 million, including $12.6 million General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

9. The appropriation includes a reduction of $6.6 million General Fund associated with the base reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

10. The appropriation includes a reduction of $5.2 million General Fund and 71.2 FTE associated with the closure of the Colorado Women's Correctional Facility (CWCF).

11. The appropriation includes a reduction of $3.1 million General Fund associated with additional community corrections and therapeutic community beds. These community beds reduce the need for prison beds and, therefore, create savings in the Department.

12. The appropriation includes a reduction of $2.1 million General Fund for the impact of H.B. 09-1351, which allows for an increase in the amount of time an inmate may have deducted from his or her sentence.

13. The appropriation includes a reduction of $0.8 million General Fund to eliminate one-time funds appropriated in FY 2008-09.

Detail of Appropriation by Administrative Section

Management

The Management Division contains the main departmental management functions including the Executive Director's Office and the External Capacity Subprogram. Cash funds and reappropriated funds are primarily from Correctional Industries sales revenue, Canteen Operation sales revenue, the Sex Offender Surcharge Fund, and Victims Assistance and Law Enforcement funds.

Management	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$208,876,665	$202,885,577	$4,784,900	$664,570	$541,618	94.7
HB 08-1382	(49,292)	(49,292)	0	0	0	0.0
SB 09-184	(2,331,487)	(1,910,682)	0	(181,206)	(239,599)	3.3
SB 09-259	(5,140,055)	(8,082,527)	2,942,472	0	0	0.0
TOTAL	**$201,355,831**	**$192,843,076**	**$7,727,372**	**$483,364**	**$302,019**	**98.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$201,355,831	$192,843,076	$7,727,372	$483,364	$302,019	98.0
External capacity caseload increase	8,045,057	10,987,529	(2,942,472)	0	0	0.0
Centrally-appropriated line items	3,915,718	3,816,445	99,273	0	0	0.0
Annualize salary and benefits adjustments	277,505	277,505	0	0	0	0.0
Annualize prior year funding	199,338	193,307	6,031	0	0	0.3
Increase for lease escalators	116,908	116,908	0	0	0	0.0
Restore reduction taken in FY 2008-09 for DNC reimbursement	68,730	68,730	0	0	0	0.0
Inspector General increase due to growing caseload	14,075	14,075	0	0	0	0.0
Central impact of various decision items	1,875	1,875	0	0	0	0.0
Eliminate salary survey and performance-based pay	(10,912,230)	(10,612,790)	(299,440)	0	0	0.0
Reduction for additional diversion community corrections beds	(2,245,538)	(2,245,538)	0	0	0	0.0
Reduction to fund additional re-entry staff	(1,113,882)	(1,113,882)	0	0	0	0.0
Reduction for additional inpatient therapeutic community beds	(882,176)	(882,176)	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Reduction for accelerated non-residential diversion community corrections pilot	(801,978)	(801,978)	0	0	0	0.0
CWCF closure	(432,053)	(432,053)	0	0	0	0.0
Adjustment for anticipated grant funds	(412,563)	0	0	(191,144)	(221,419)	0.0
Personal services base reduction	(125,490)	(122,806)	0	(2,684)	0	0.0
Reduction to fund additional research and evaluation staff	(65,515)	(65,515)	0	0	0	0.0
Eliminate one-time appropriations	(12,384)	(12,384)	0	0	0	0.0
SB 09-259	**$196,991,228**	**$192,030,328**	**$4,590,764**	**$289,536**	**$80,600**	**98.3**
HB 09-1351	(2,811,907)	(2,811,907)	0	0	0	0.0
TOTAL	**$194,179,321**	**$189,218,421**	**$4,590,764**	**$289,536**	**$80,600**	**98.3**
Increase/(Decrease)	($7,176,510)	($3,624,655)	($3,136,608)	($193,828)	($221,419)	0.3
Percentage Change	(3.6)%	(1.9)%	(40.6)%	(40.1)%	(73.3)%	0.3%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-184 included the following, among other changes:
- reduced $1,841,952 General Fund related to a provider rate decrease;
- reduced $181,206 reappropriated funds and $239,599 federal funds and increased 3.3 FTE to reflect adjustments in grant funding received;
- reduced $68,730 General Fund related to reimbursement from the Democratic National Convention; and
- refinanced $150,000 General Fund for payments to district attorneys with $150,000 General Fund in personal services funding.

Supplemental appropriations included in S.B. 09-259:
- reduced $5,140,055 General Fund related to external capacity caseload adjustments; and
- refinanced $2,942,472 General Fund with $2,942,472 cash funds.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Institutions

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

Institutions						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$372,434,581	$371,150,021	$1,204,560	$0	$80,000	4,980.9
HB 04-1003	61,200	61,200	0	0	0	0.0
HB 04-1021	45,960	45,960	0	0	0	0.0
SB 06-206	117,977	117,977	0	0	0	0.0
SB 06-207	117,977	117,977	0	0	0	0.0
HB 06-1011	321,756	321,756	0	0	0	0.0
HB 06-1092	134,065	134,065	0	0	0	0.0
HB 06-1145	26,813	26,813	0	0	0	0.0
HB 06-1151	48,263	48,263	0	0	0	0.0
HB 06-1326	375,382	375,382	0	0	0	0.0
SB 06S1-004	26,813	26,813	0	0	0	0.0
SB 06S1-005	58,989	58,989	0	0	0	0.0
SB 06S1-007	21,450	21,450	0	0	0	0.0
SB 07-096	82,761	82,761	0	0	0	0.0
HB 07-1040	248,823	0	248,823	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 07-1326	110,348	110,348	0	0	0	0.0
SB 08-066	46,048	46,048	0	0	0	0.0
SB 08-134	2,053	0	2,053	0	0	0.0
HB 08-1352	217,566	217,566	0	0	0	0.0
SB 09-184	(72,164)	(72,164)	0	0	0	0.0
SB 09-259	3,990,585	3,990,585	0	0	0	0.0
TOTAL	**$378,417,246**	**$376,881,810**	**$1,455,436**	**$0**	**$80,000**	**4,980.9**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$378,417,246	$376,881,810	$1,455,436	$0	$80,000	4,980.9
Annualize salary and benefits adjustments	10,467,204	10,467,204	0	0	0	0.0
Medical increases based on caseload growth	536,632	536,632	0	0	0	0.0
Caseload increase for laundry operating expenses and dress out expenses	152,296	152,296	0	0	0	0.0
Annualize prior year funding	144,899	144,899	0	0	0	3.5
Restore reduction taken in FY 2008-09 for DNC reimbursement	57,627	57,627	0	0	0	0.0
Annualize FY 2008-09 hiring freeze	14,537	14,537	0	0	0	0.0
Postage increase and mail equipment upgrade	4,434	4,434	0	0	0	0.0
Additional inmate pay related to adding re-entry programs	2,808	2,808	0	0	0	0.0
Change in indirect cost recoveries	0	1,330	(1,330)	0	0	0.0
Personal services base reduction	(5,131,285)	(5,127,130)	(4,155)	0	0	0.0
CWCF closure	(4,245,250)	(4,245,250)	0	0	0	(62.2)
Reduction for five-year statutory appropriations	(2,657,436)	(2,406,560)	(250,876)	0	0	0.0
Reduction related to Buena Vista sanitation settlement	(250,000)	(250,000)	0	0	0	0.0
Eliminate one-time appropriations	(84,592)	(84,592)	0	0	0	0.0
SB 09-259	**$377,429,120**	**$376,150,045**	**$1,199,075**	**$0**	**$80,000**	**4,922.2**
SB 06-206	238,636	238,636	0	0	0	0.0
SB 06-207	238,636	238,636	0	0	0	0.0
HB 06-1011	482,634	482,634	0	0	0	0.0
HB 06-1092	134,065	134,065	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 06-1145	34,857	34,857	0	0	0	0.0
HB 06-1151	48,263	48,263	0	0	0	0.0
HB 06-1326	517,491	517,491	0	0	0	0.0
SB 06S1-004	48,263	48,263	0	0	0	0.0
SB 06S1-005	58,989	58,989	0	0	0	0.0
SB 07-096	154,487	154,487	0	0	0	0.0
HB 07-1040	402,770	0	402,770	0	0	0.0
HB 07-1326	143,452	143,452	0	0	0	0.0
SB 08-239	28,758	28,758	0	0	0	0.0
HB 08-1115	28,758	28,758	0	0	0	0.0
HB 08-1194	28,758	28,758	0	0	0	0.0
HB 08-1352	217,566	217,566	0	0	0	0.0
HB 09-1351	(186,065)	(186,065)	0	0	0	0.0
TOTAL	**$380,049,438**	**$378,367,593**	**$1,601,845**	**$0**	**$80,000**	**4,922.2**
Increase/(Decrease)	$1,632,192	$1,485,783	$146,409	$0	$0	(58.7)
Percentage Change	0.4%	0.4%	10.1%	n/a	0.0%	(1.2)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-184 reduced $57,627 General Fund related to reimbursement from the Democratic National Convention, and reduced $14,537 General Fund to reflect savings from the hiring freeze, among other changes. Supplemental appropriations included in S.B. 09-259 increased $3,990,585 General Fund related to higher costs for inmate medical services.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

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

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

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

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

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

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Support Services

The Support Services Division includes business operations, personnel, offender services, communications, transportation, training, information systems, and facility services. Funding for the Support Services Division is 98.0 percent General Fund. The cash funds and reappropriated funds are primarily from sales from Canteen Operations and Correctional Industries.

Support Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$28,034,221	$27,298,714	$734,808	$699	$0	308.0
SB 08-155	0	0	0	0	0	(3.0)
HB 08-1382	47,312	47,312	0	0	0	0.1
SB 09-184	51,717	165,961	(124,244)	10,000	0	0.0
TOTAL	**$28,133,250**	**$27,511,987**	**$610,564**	**$10,699**	**$0**	**305.1**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$28,133,250	$27,511,987	$610,564	$10,699	$0	305.1
Annualize salary and benefits adjustments	981,840	981,840	0	0	0	0.0
Centrally-appropriated line items	575,164	552,341	22,823	0	0	0.0
Annualize prior year funding	193,617	193,617	0	0	0	2.4
Administrative impacts of staff increases	62,185	62,185	0	0	0	0.0
Annualize FY 2008-09 hiring freeze	17,199	17,199	0	0	0	0.0
Transportation funding for inmate population growth	6,576	6,576	0	0	0	0.0
Change in indirect cost recoveries	0	20,998	(21,197)	199	0	0.0
Personal services base reduction	(311,225)	(300,223)	(10,989)	(13)	0	0.0
Eliminate one-time appropriations	(16,420)	(16,420)	0	0	0	0.0
Adjustment for anticipated grant funds	(10,000)	0	0	(10,000)	0	0.0
Consolidation of Governor's Office of IT	(3,953)	(3,953)	0	0	0	0.0
CWCF closure	(619)	(619)	0	0	0	0.0
SB 09-259	**$29,627,614**	**$29,025,528**	**$601,201**	**$885**	**$0**	**307.5**
HB 09-1351	451,304	451,304	0	0	0	5.5
TOTAL	**$30,078,918**	**$29,476,832**	**$601,201**	**$885**	**$0**	**313.0**
Increase/(Decrease)	$1,945,668	$1,964,845	($9,363)	($9,814)	$0	7.9
Percentage Change	6.9%	7.1%	(1.5)%	(91.7)%	n/a	2.6%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-184 included the following, among other adjustments:

- increased $58,916 General Fund related to the consolidation of the Governor's Office of Information Technology;
- increased $10,000 reappropriated funds to account for an interagency agreement with the Department of Labor and Employment;
- increased $124,244 General Fund and decreased $124,244 cash funds due to a technical error in accounting for S.B. 07-228; and
- reduced $17,199 General Fund to reflect savings related to the hiring freeze.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

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

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

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

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 Subprogram and Drug and Alcohol Treatment Subprogram. The cash funds are primarily from the Drug Offender Surcharge Fund. The reappropriated funds and federal funds are primarily from educational grants.

Inmate Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$41,071,105	$33,701,686	$4,285,043	$930,697	$2,153,679	580.6
HB 08-1382	1,980	1,980	0	0	0	0.0
SB 09-184	(1,394,507)	(873,044)	1,073,044	32,540	(1,627,047)	0.0
SB 09-259	0	0	0	0	0	1.0
TOTAL	**$39,678,578**	**$32,830,622**	**$5,358,087**	**$963,237**	**$526,632**	**581.6**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$39,678,578	$32,830,622	$5,358,087	$963,237	$526,632	581.6
Additional academic and vocational instructors	2,996,611	2,996,611	0	0	0	34.8
Additional therapeutic community programs in prisons	2,064,593	2,064,593	0	0	0	33.9
Annualize salary and benefits adjustments	1,263,504	1,243,637	19,867	0	0	0.0
Additional funding for TASC	333,000	333,000	0	0	0	0.0
Change in indirect cost recoveries	196	0	0	0	196	0.0
Restore funding for one-time refinancing in FY 2008-09	0	873,044	(873,044)	0	0	0.0
Refinance drug and alcohol treatment appropriation	0	(250,000)	250,000	0	0	0.0
Personal services base reduction	(607,099)	(590,219)	(16,880)	0	0	0.0
CWCF closure	(571,841)	(567,553)	(4,288)	0	0	(9.0)
Adjustment for anticipated grant funds	(236,105)	0	0	(119,184)	(116,921)	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Eliminate one-time appropriations	(175,140)	(175,140)	0	0	0	0.0
Annualize prior year funding	(71,904)	(60,327)	(11,577)	0	0	14.8
SB 09-259	**$44,674,393**	**$38,698,268**	**$4,722,165**	**$844,053**	**$409,907**	**656.1**
HB 09-1351	11,394	11,394	0	0	0	0.0
TOTAL	**$44,685,787**	**$38,709,662**	**$4,722,165**	**$844,053**	**$409,907**	**656.1**
Increase/(Decrease)	$5,007,209	$5,879,040	($635,922)	($119,184)	($116,725)	74.5
Percentage Change	12.6%	17.9%	(11.9)%	(12.4)%	(22.2)%	12.8%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-184 and S.B. 09-259 included the following, among other adjustments:

- increased $200,000 cash funds and $100,000 reappropriated funds for additional education spending authority based on additional revenue from vocational programs;
- refinanced $873,044 General Fund in the Education Subprogram with $873,044 cash funds (canteen funds); and
- reduced $1,627,047 federal funds and $67,460 reappropriated funds to reflect adjustments in grant funding received.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

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

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

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

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. The reappropriated funds are moneys transferred from the Division of Criminal Justice in the Department of Public Safety.

Community Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$39,206,896	$38,335,713	$330,000	$94,883	$446,300	412.4
SB 09-184	(3,120,398)	(3,090,643)	0	29,642	(59,397)	1.0
TOTAL	**$36,086,498**	**$35,245,070**	**$330,000**	**$124,525**	**$386,903**	**413.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$36,086,498	$35,245,070	$330,000	$124,525	$386,903	413.4

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Restore parole wrap-around services funding reduced in FY 2008-09	1,800,000	1,800,000	0	0	0	0.0
Annualize salary and benefits adjustments	1,209,471	1,209,471	0	0	0	0.0
Additional community re-entry staff	1,099,809	1,099,809	0	0	0	15.0
Restore funding for one-time refinancing in FY 2008-09	1,000,000	1,000,000	0	0	0	0.0
Restore reduction taken in FY 2008-09 for DNC reimbursement	290,643	290,643	0	0	0	0.0
Annualize prior year funding	244,315	244,315	0	0	0	3.2
Additional research and evaluation staff	64,845	64,845	0	0	0	1.0
Adjustment for anticipated grant funds	(773,953)	0	(320,000)	(92,050)	(361,903)	0.0
Eliminate one-time appropriations	(487,317)	(487,317)	0	0	0	0.0
Personal services base reduction	(438,677)	(438,677)	0	0	0	0.0
Centrally-appropriated line items	(984)	(984)	0	0	0	0.0
SB 09-259	**$40,094,650**	**$40,027,175**	**$10,000**	**$32,475**	**$25,000**	**432.6**
HB 09-1351	405,258	405,258	0	0	0	5.3
TOTAL	**$40,499,908**	**$40,432,433**	**$10,000**	**$32,475**	**$25,000**	**437.9**
Increase/(Decrease)	$4,413,410	$5,187,363	($320,000)	($92,050)	($361,903)	24.5
Percentage Change	12.2%	14.7%	(97.0)%	(73.9)%	(93.5)%	5.9%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-184 included the following, among other adjustments:

- reduced $1,800,000 General Fund to eliminate the appropriation for parole wrap-around services;
- reduced $1,000,000 General Fund to refinance contract services with unused flexible funds;
- reduced $290,643 General Fund related to reimbursement from the Democratic National Convention; and
- reduced $59,397 federal funds and increased $29,642 reappropriated funds and 1.0 FTE to reflect adjustments in grant funding received.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

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

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

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

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.

Parole Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$1,635,692	$1,635,692	$0	$0	$0	17.5

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$1,635,692**	**$1,635,692**	**$0**	**$0**	**$0**	**17.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$1,635,692	$1,635,692	$0	$0	$0	17.5
Annualize salary and benefits adjustments	53,263	53,263	0	0	0	0.0
Eliminate one-time appropriations	(54,369)	(54,369)	0	0	0	0.0
SB 09-259	**$1,634,586**	**$1,634,586**	**$0**	**$0**	**$0**	**17.5**
TOTAL	**$1,634,586**	**$1,634,586**	**$0**	**$0**	**$0**	**17.5**
Increase/(Decrease)	($1,106)	($1,106)	$0	$0	$0	0.0
Percentage Change	(0.1)%	(0.1)%	n/a	n/a	n/a	0.0%

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Correctional Industries

Correctional Industries 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 and reappropriated funds from sales of Correctional Industries products and services. Because Correctional Industries is an enterprise, appropriations in this area are exempt from Section 20 of Article X of the State Constitution (Section 17-24-104, C.R.S.).

Correctional Industries						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$53,549,883	$0	$12,837,206	$40,712,677	$0	155.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-184	333,867	0	333,867	0	0	2.7
TOTAL	**$53,883,750**	**$0**	**$13,171,073**	**$40,712,677**	**$0**	**157.7**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$53,883,750	$0	$13,171,073	$40,712,677	$0	157.7
Additional resources for growth in correctional industries programs	667,733	0	667,733	0	0	5.3
Annualize salary and benefits adjustments	349,884	0	349,884	0	0	0.0
Personal services base reduction	(180,452)	0	(48,141)	(132,311)	0	0.0
Change in indirect cost recoveries	(17,952)	0	(17,952)	0	0	0.0
SB 09-259	**$54,702,963**	**$0**	**$14,122,597**	**$40,580,366**	**$0**	**163.0**
SB 09-003	67,027	0	0	67,027	0	0.0
HB 09-1133	528,000	0	0	528,000	0	0.0
TOTAL	**$55,297,990**	**$0**	**$14,122,597**	**$41,175,393**	**$0**	**163.0**
Increase/(Decrease)	$1,414,240	$0	$951,524	$462,716	$0	5.3
Percentage Change	2.6%	n/a	7.2%	1.1%	n/a	3.4%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-184 provided an increase of $333,867 cash funds and 2.7 FTE to expand three existing Correctional Industries programs based on growth opportunities, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

Additional legislation: For information on S.B. 09-003 and H.B. 09-1133, see the "Recent Legislation" section at the end of this department and the Department of Revenue.

Canteen Operation

The Canteen Operation 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. Because the Canteen Operation is an enterprise, appropriations in this area are exempt from Section 20 of Article X of the State Constitution (Section 17-24-126, C.R.S.).

Canteen Operation

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$14,693,513	$0	$14,693,513	$0	$0	29.7
TOTAL	**$14,693,513**	**$0**	**$14,693,513**	**$0**	**$0**	**29.7**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$14,693,513	$0	$14,693,513	$0	$0	29.7
Annualize salary and benefits adjustments	63,325	0	63,325	0	0	0.0
Personal services base reduction	(32,660)	0	(32,660)	0	0	0.0
Change in indirect cost recoveries	(3,245)	0	(3,245)	0	0	0.0
SB 09-259	**$14,720,933**	**$0**	**$14,720,933**	**$0**	**$0**	**29.7**
TOTAL	**$14,720,933**	**$0**	**$14,720,933**	**$0**	**$0**	**29.7**
Increase/(Decrease)	$27,420	$0	$27,420	$0	$0	0.0
Percentage Change	0.2%	n/a	0.2%	n/a	n/a	0.0%

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

Recent Legislation

2008 Session Bills

S.B. 08-066: Allows the court to sentence juveniles who are charged with felony murder, but plead to a class 2 felony, to the Youthful Offender System (YOS) only if they would be eligible for sentencing to the YOS for the offense underlying the felony murder charge. Appropriates $46,048 General Fund to the Department of Corrections in FY 2008-09.

S.B. 08-134: Directs that 50.0 percent of the bond moneys and fees forfeited by persons in the country illegally shall go to the newly created County Jail Assistance Fund for allocation to counties for maintenance and operation of county jails. Appropriates $2,053 cash funds to the Department of Corrections in FY 2008-09. For more information on S.B. 08-134, see the "Recent Legislation" section at the end of the Judicial Department.

S.B. 08-155: Consolidates the responsibility for information technology oversight of most of the State's executive branch in the Governor's Office of Information Technology (OIT). Transfers 3.0 FTE from the Department of Corrections to OIT in FY 2008-09. For more information on S.B. 08-155, see the "Recent Legislation" section at the end of the Governor's portion of this document.

S.B. 08-239: Increases the penalty for leaving the scene of an accident involving a death from a class 4 felony to a class 3 felony. Makes a 5-year statutory appropriation as follows: for FY 2008-09, appropriates $125,165 from the Capital Construction Fund to the Corrections Expansion Reserve Fund and transfers $125,165 from the General Fund to the Capital Construction Fund; for FY 2009-10, appropriates $125,165 from the Capital Construction Fund to the Corrections Expansion Reserve Fund, transfers $125,165 from the General Fund to the Capital Construction Fund, and appropriates $28,758 from the General Fund to the Department of Corrections; for FY 2010-11, appropriates $137,682 from the Capital Construction fund to the Corrections Expansion Reserve Fund, transfers $137,682 from the General Fund to the Capital Construction Fund, and appropriates $57,516 from the General Fund to the Department of Corrections; for FY 2011-12, appropriates $375,495 from the Capital Construction fund to the Corrections Expansion Reserve Fund, transfers $375,495 from the General Fund to the Capital Construction Fund, and appropriates $89,150 from the General Fund to the Department of Corrections; for FY 2012-13, appropriates $375,495 from the Capital Construction Fund to the Corrections Expansion Reserve Fund, transfers $375,495 from the General Fund to the Capital Construction Fund, and appropriates $175,424 from the General Fund to the Department of Corrections.

H.B. 08-1115: Creates a new class 4 felony if a person threatens, harasses, or harms a judge, municipal judge, administrative law judge, or unemployment insurance hearing officer, or a family member or close associate in retaliation against the judge, municipal judge, administrative law judge, or unemployment insurance hearing officer. Makes a 5-year statutory appropriation as follows: for FY 2008-09, appropriates $125,165 from the Capital Construction Fund to the Corrections Expansion Reserve Fund and transfers $125,165 from the General Fund to the Capital Construction Fund; for FY 2009-10, appropriates $28,758 from the General Fund to the

Department of Corrections; for FY 2010-11, appropriates $112,649 from the Capital Construction fund to the Corrections Expansion Reserve Fund, transfers $112,649 from the General Fund to the Capital Construction Fund, and appropriates $28,758 from the General Fund to the Department of Corrections; for FY 2011-12, appropriates $54,640 from the General Fund to the Department of Corrections; for FY 2012-13, appropriates $112,649 from the Capital Construction Fund to the Corrections Expansion Reserve Fund, transfers $112,649 from the General fund to the Capital Construction Fund, and appropriates $28,758 from the General Fund to the Department of Corrections.

H.B. 08-1194: Makes changes to sentencing laws for driving under the influence and increases the related fee for reinstatement of a driver's license from $60 to $95 with the incremental increase of $35 to be credited to the First Time Drunk Driving Offenders Account. Makes a 5-year statutory appropriation as follows: for FY 2008-09, appropriates $125,165 from the Capital Construction Fund to the Corrections Expansion Reserve Fund and transfers $125,165 from the General Fund to the Capital Construction Fund; for FY 2009-10, appropriates $12,517 from the Capital Construction fund to the Corrections Expansion Reserve Fund, transfers $12,517 from the General Fund to the Capital Construction Fund, and appropriates $28,758 from the General Fund to the Department of Corrections; for FY 2010-11, appropriates $31,634 from the General Fund to the Department of Corrections; for FY 2011-12, appropriates $31,634 from the General Fund to the Department of Corrections; for FY 2012-13, appropriates $31,634 from the General Fund to the Department of Corrections.

H.B. 08-1352: Modifies the revocation placement options available to the Parole Board for offenders whose parole has been revoked based on a technical violation, who have no active felony warrants (including felony detainers or pending felony criminal charges), and who were on parole for a class 5 or class 6 nonviolent felony offense other than menacing or unlawful sexual behavior by precluding such offenders from being placed in community return-to-custody facilities. Appropriates $217,566 General Fund to the Department of Corrections in FY 2008-09.

H.B. 08-1375: General appropriations act for FY 2008-09.

H.B. 08-1382: Modifies current law regarding offenders for whom the Department of Corrections can mandate sex offender treatment. Also expands the population of offenders who are eligible for earned time by allowing earned time eligibility while on parole or after reparole following a parole revocation. Reduces the FY 2008-09 appropriation to the "Payments to District Attorneys" line item within the Department of Corrections by $49,292 General Fund. Appropriates $47,312 General Fund to the Support Services Division and $1,980 General Fund to the Inmate Programs Division within the Department of Corrections in FY 2008-09.

2009 Session Bills

S.B. 09-003: Modifies certain automobile emissions testing programs. Includes a FY 2009-10 appropriation to the Department of Corrections for Correctional Industries of $67,027 reappropriated funds, from funds received from the Department of Revenue. For additional information, see the recent legislation for the Department of Revenue.

S.B. 09-093: Modifies the existing statutes concerning identity theft in the following ways: (1) makes criminal possession of one or more identification documents issued to the same person a class 1 misdemeanor; (2) makes criminal possession of two or more people's identification a class 6 felony; (3) removes attempted identity theft from the identity theft statute; and (4) starts the statute of limitations for identity theft at the time the crime was

discovered. The bill does not contain an appropriation clause because the section of the bill that creates the new crime of criminal possession of an identification document does not take affect until July 1, 2011.

S.B. 09-135: Requires the Parole Board to track data concerning the Board's rationale for granting and denying parole. Requires the Division of Criminal Justice (DCJ) to analyze these data and provide the Parole Board with a report on a quarterly basis. Also requires DCJ to provide the Board with training so that the Board may use the data more effectively to make decisions. The bill contains a no appropriation clause in which the General Assembly determined that the bill could be implemented within existing resources.

S.B. 09-184: Supplemental appropriation to the Department of Corrections to modify appropriations for FY 2008-09.

S.B. 09-259: General appropriations act for FY 2009-10. Also includes supplemental adjustments to FY 2008-09 appropriations.

H.B. 09-1081: Extends the statute of limitations for vehicular homicide and leaving the scene of an accident that resulted in the death of a person from three years to five years. The bill does not contain an appropriation clause because it includes an exception clause to Section 2-2-703, C.R.S., in which the General Assembly found the fiscal impact of the bill to be insignificant.

H.B. 09-1120: Expands the circumstances for committing third degree assault to include a person who, with the intent to infect; injure; harm; harass; annoy; threaten; or alarm a peace officer, a firefighter, or an emergency medical technician causes that person to come into contact with certain biological or hazardous materials. An individual who commits third degree assault in the manner described is required by the bill to submit to a medical test for communicable diseases. The results of the test must be disclosed to the victim of the assault if the victim so requests. If the offender voluntarily submits to a test for communicable diseases, that voluntary submission may be used as a mitigating factor for the purposes of sentencing. The bill is silent on the subject of who pays for such medical tests, although the court is permitted to order the offender to pay for the test and any treatment prescribed for the victim. Third degree assault is a class 1 misdemeanor that carries the possibility of jail time and/or a fine. Because the costs of jail will be born by the county, there is no cost to the State associated with this bill.

H.B. 09-1123: Modifies existing laws regarding human trafficking to: (1) define an adult as a person who is 18 years or older; (2) define a child as a person who is under the age of 18; and (3) increase the penalty for trafficking in children from a class 3 felony to a class 2 felony. Adds the following elements to the crime of coercion of involuntary servitude: (1) threats of serious harm or physical restraint against that person or another person; (2) a scheme, plan, or pattern intended to cause a person to believe that the person or another person will suffer serious harm or physical restraint if labor or services are not performed; and (3) abuse or threatened abuse of the law or legal process. The bill does not contain an appropriation clause because any additional fiscal impact will occur after the five-year statutory sentencing period required by Section 2-2-703, C.R.S.

H.B. 09-1132: Adds text messaging and instant messaging to the list of means to commit the crimes of internet luring of a child, internet sexual exploitation of a child, and harassment. Also adds text messaging and instant messaging to the means of committing computer dissemination of indecent material to a child. The bill does not contain an appropriation clause because it includes an exception clause to Section 2-2-703, C.R.S., in which the General Assembly found the fiscal impact of the bill to be insignificant.

H.B. 09-1133: Authorizes the Director of the Division of Correctional Industries in the Department of Corrections, with input from the Department of Revenue and the Governor's Office of State Planning and Budgeting, to set fees to recover license plate production costs (license plate fees were previously set in statute). Also requires the Director of the Division of Correctional Industries to file a report every five years with the House and Senate Transportation Committees detailing any changes within the preceding five years in the amount of fee changes and the reasons for the change. For FY 2009-10, includes an appropriation of $528,000 cash funds to the Department of Revenue from the License Plate Cash Fund and an appropriation of $528,000 reappropriated fund to the Department of Corrections, from funds received from the Department of Revenue.

H.B. 09-1157: Makes any material compound or mixture containing the stimulant N-benzylpiperazine (BZP) a schedule I controlled substance. The bill does not contain an appropriation clause because it includes an exception clause to Section 2-2-703, C.R.S., in which the General Assembly found the fiscal impact of the bill to be insignificant.

H.B. 09-1163: Clarifies that the crime of internet sexual exploitation of a child applies to an individual the actor knows or believes to be under the age of 15 and at least four years younger than the actor. Clarifies that previous convictions for child abuse in Colorado or another state apply to the aggravated sentencing provisions for that offense. Makes other clarifications with regard to extraordinary aggravating conduct related to child abuse. Modifies the crime of sexual exploitation of a child by possession of sexually exploitative material to include the possession of one video recording of child pornography.

H.B. 09-1263: Allows individuals who are in jail to receive a two-day sentence reduction for every 30 days of incarceration, rather than every month. Also clarifies that individuals who are designated as trusty prisoners may be granted earned time, not to exceed 10 days, in any 30-day period, rather than in a month. Provides the sheriff with the discretion to allow earned time of up to three days for every 30 days of incarceration, if the individual demonstrates particularly good behavior by participating in educational activities or other programs. Also amends the earned time provisions for individuals who are confined to jail pending a parole revocation hearing. Allows those individuals to be entitled to credit for their time in jail pending the parole revocation hearing against any reincarceration period imposed by the parole board.

H.B. 09-1351: Increases the maximum monthly earned time for prison inmates from 10 days to 12 days and increases the limit on the amount that earned time can reduce a sentence from 25.0 percent to 30.0 percent. Allows the Executive Director of the Department of Corrections to deduct up to 60 days from a class 4 or 5 felony offender's sentence, and up to 30 days from a class 6 felony offender's sentence. Specifies certain criteria that these offenders must meet in order to be eligible for the additional earned time.

DEPARTMENT OF EDUCATION

The State Board of Education is responsible for the general supervision of public schools throughout Colorado. 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 supports the Board in its duties by:

- accrediting public schools and school districts;
- developing and maintaining state model academic content standards in several subject areas for kindergarten through twelfth grade;
- administering assessments (CSAPs) for students at various grade levels in four subject areas; and
- issuing school performance reports for every public school in the state.

The Department also administers a number of education-related programs, including: educator licensure and professional development; the School Finance Act and the distribution of state and federal funds to school districts; special education for children with disabilities, English language proficiency programs, the Colorado Preschool Program, and adult basic education programs. The Department includes two independent agencies: (1) the State Charter School Institute Board, which is responsible for authorizing and monitoring the operations of institute charter schools located within certain school districts; and (2) the Board of Trustees that is responsible for managing the Colorado School for the Deaf and the Blind, located in Colorado Springs.

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.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund/1	$2,883,126,616	$3,023,327,981	$3,215,359,907	$3,239,416,000
Cash Funds/2	14,636,398	15,090,644	640,392,536	814,265,994
Cash Funds Exempt/2	467,057,042	421,921,521	n/a	n/a
Reappropriated Funds/2	n/a	n/a	17,651,668	22,758,378
Federal Funds	487,941,660	496,839,889	497,653,179	610,508,104
Total Funds	**$3,852,761,716**	**$3,957,180,035**	**$4,371,057,290**	**$4,686,948,476**
Full Time Equiv. Staff	466.0	476.1	536.1	557.3

/1 Includes General Fund Exempt.

/2 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Although local government revenues provide a significant source of funding for K-12 education in Colorado, local funds are not reflected in the State's annual appropriations to the Department of Education. Appropriations to the Department of Education for FY 2009-10 consist of 69.1 percent General Fund, 17.4 percent cash funds, 13.0 percent federal funds, and less than one percent reappropriated funds. Some of the most important factors driving the budget are reviewed below.

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

The General Assembly has established a statutory public school finance formula under which all public school districts operate. The school finance formula takes into consideration the individual characteristics of each school district in order to equalize funding among districts and to provide thorough and uniform educational opportunities throughout the state. The school finance formula allocates state and local funds to school districts by calculating 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 the same *base* amount of funding per pupil for every district ($5,508 per pupil for FY 2009-10). The formula then increases base per pupil funding for each district based on factors that affect districts' costs of providing educational services. Thus, per pupil funding allocations vary for each district. For FY 2009-10, per pupil funding allocations are anticipated to range from $6,856 to $15,430, with a statewide average allocation of $7,225 per pupil. Each district's per pupil funding allocation is multiplied by its funded pupil count to determine its "total program" funding. For FY 2009-10, a total of $5.7 billion in state and local funds will be allocated among school districts based on the public school finance formula.

Constitutional Inflationary Requirement (Amendment 23)

Pursuant to Section 17 of Article IX of the Colorado Constitution, the General Assembly is 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 2009-10, the General Assembly is required to increase base per pupil funding by at least $258 (from $5,250 to $5,508, or 4.9 percent), based on the actual inflation rate of 3.9 percent in calendar year 2008 plus one percent. Given an estimated funded pupil count of 788,648, the General Assembly is thus required to provide a minimum of $4.3 billion in state and local funds for FY 2009-10 -- 76 percent of the $5.7 billion in total state and local funding that has been allocated for this purpose.

Factors Considered in Public School Finance Formula

The remaining 24 percent of state and local funds that will be allocated among school districts in FY 2009-10 is driven by other factors in the school finance formula that increase the base per pupil funding for each district by varying amounts to account for individual district characteristics. The following table summarizes the three primary factors.

Factors Used to Differentiate Per Pupil Funding for Each District

Factor	Description	Portion of Total Program Funding Attributable
Cost of Living Factor	Recognizes differences in the cost of living among districts. Provides greater per pupil funding for higher cost districts.	16.1%

Factors Used to Differentiate Per Pupil Funding for Each District		
Factor	**Description**	**Portion of Total Program Funding Attributable**
Size Factor	Recognizes economies of scale experienced by larger school districts. Provides greater per pupil funding for districts with low enrollment.	3.7%
At-risk Factor	Provides additional funding for districts serving students who may be at risk of failing or dropping out of school (determined based on the number and concentration of students eligible for free lunch under the federal school lunch program and English language learners)	4.2%

Determining the State and Local Shares of Public School Funding

Once the total program funding amount is determined for each district, the state and local share of such funding is calculated for each district. Local property and specific ownership taxes provide the first source of revenue for each district's total program funding, and the remainder is covered by state funds. Property taxes are based on each district's mill levy and the assessed (taxable) value of property in each district. Specific ownership taxes are paid when registering motor vehicles. For FY 2009-10, local taxes are expected to contribute about $2.0 billion toward public school finance. Thus, the General Assembly appropriated $3.7 billion in state funding to provide a total of $5.7 billion for school district operations.

Two constitutional provisions (the Gallagher amendment and the Taxpayer's Bill of Rights), combined with a statutory provision in the School Finance Act of 1994, have limited property tax revenues. This has caused the local share of total program funding to increase at a slower rate than overall funding, requiring the State's share of funding to rise. From FY 1994-95, when the existing School Finance Act was first adopted, to FY 2006-07, the state share of funding rose from 54.3 percent to 63.9 percent. Senate Bill 07-199 changed the method for calculating school district property taxes, thereby allowing property tax revenues to increase at a rate more commensurate with overall funding.

In summary, several factors affect the amount of state funding appropriated for public school finance:

- the number of pupils enrolled in public schools (including children attending state-supported preschool and full-day kindergarten programs);
- the rate of inflation;
- changes in the relative cost-of-living in various regions of the state;
- the number of at-risk students enrolled in public schools;
- changes in statutory definitions, procedures, or mathematical factors that impact the calculation of per-pupil funding or state aid for each district; and
- fluctuations in local property and specific ownership tax revenues, as well as constitutional and statutory provisions that limit property tax revenues.

The table on the following page provides key data related to school finance funding for the last four fiscal years, as well as appropriations for FY 2008-09 and FY 2009-10.

School Finance Funding						
Description	**FY 2004-05 Actual**	**FY 2005-06 Actual**	**FY 2006-07 Actual**	**FY 2007-08 Actual**	**FY 2008-09 Approp.**	**FY 2009-10 Approp.**
Funded Pupil Count	**729,377**	**741,328**	**753,065**	**760,884**	**778,136**	**788,648**
Annual Percent Change	*0.9%*	*1.6%*	*1.6%*	*1.0%*	*2.3%*	*1.4%*
Denver-Boulder Inflation Rate for Previous Calendar Year	*1.1%*	*0.1%*	*2.1%*	*3.6%*	*2.2%*	*3.9%*
Statewide Base Per Pupil Funding	$4,666	$4,718	$4,864	$5,088	$5,250	$5,508
Annual Percent Change	*2.1%*	*1.1%*	*3.1%*	*4.6%*	*3.2%*	*4.9%*
Statewide Average Per Pupil Funding	**$6,074**	**$6,168**	**$6,359**	**$6,661**	**$6,874**	**$7,225**
Annual Percent Change	*2.2%*	*1.5%*	*3.1%*	*4.7%*	*3.2%*	*5.1%*
Districts' Total Program Funding	**$4,430,126,525**	**$4,572,154,012**	**$4,788,862,198**	**$5,068,284,706**	**$5,355,007,072**	**$5,698,295,823**
Annual Percent Change	*3.1%*	*3.2%*	*4.7%*	*5.8%*	*5.7%*	*6.4%*
Local Share of Total Program Funding	$1,686,385,318	$1,701,427,703	$1,729,362,067	$1,915,971,895	$1,955,868,682	$2,002,007,038
Annual Percent Change	*0.9%*	*0.9%*	*1.6%*	*10.8%*	*2.1%*	*2.4%*
Recision due to shortfall in State share	$0	$0	$0	$0	$6,193,184	$0
State Share of Total Program Funding	$2,743,741,207	$2,870,726,309	$3,059,500,131	$3,152,312,811	$3,392,945,206	$3,696,288,785
Annual Percent Change	*4.5%*	*4.6%*	*6.6%*	*3.0%*	*7.6%*	*8.9%*
State Share as Percent of Districts' Total Program Funding	*61.9%*	*62.8%*	*63.9%*	*62.2%*	*63.4%*	*64.9%*
General Fund Portion of State Share Appropriation	$2,342,618,549	$2,480,460,455	$2,658,568,626	$2,790,546,868	$2,930,074,211	$3,076,577,922
Annual Percent Change	*4.2%*	*5.9%*	*7.2%*	*5.0%*	*5.0%*	*5.0%*

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. Unlike public school finance funding, there is no legal requirement that the General Assembly increase funding commensurate with the number of students eligible for any particular categorical program. However, Section 17 of Article IX of the Colorado Constitution requires the General Assembly to 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. For example, based on the actual inflation rate for calendar year 2008 (3.9 percent), the General Assembly is required to increase state funding for categorical programs by at least $10.7 million (4.9 percent) for FY 2009-10.

The General Assembly determines on an annual basis how to allocate the required increase among the various categorical programs. The following table details increases in the annual appropriation of state funds since FY 2000-01, by program area.

Increases in State Funding for Categorical Programs

Long Bill Line Item	FY 2009-10 Appropriation	Increase in Annual Appropriation of State Funds Since FY 2000-01	
Special education - children with disabilities	$127,362,125	$55,851,352	78.1%
English Language Proficiency Program	12,121,200	9,019,602	290.8%
Public school transportation	49,209,638	12,287,411	33.3%
Colorado Vocational Act distributions	23,189,191	5,396,341	30.3%
Special education - gifted and talented children	9,003,120	3,503,120	63.7%
Expelled and at-risk student services grant program	7,343,560	1,554,753	26.9%
Small attendance center aid	959,379	11,239	1.2%
Comprehensive health education	1,005,396	405,396	67.6%
Total	**$230,193,609**	**$88,029,214**	**61.9%**

School Capital Construction Funding

In connection with a lawsuit settlement agreement finalized in 2000, the General Assembly agreed to appropriate a total of $190.0 million from the General Fund over an eleven-year period to assist school districts with capital improvements[1]. The $190.0 million was to be used to provide grants and matching funds to districts for capital projects that would address immediate safety hazards or health concerns, relieve excessive operating

[1] The State settled the *Alec Giardino, et al. v. the Colorado State Board of Education, et al.* lawsuit concerning conditions existing in public school facilities. The settlement agreement was contingent upon the General Assembly adopting legislation that would provide a mechanism for funding capital construction, repair and maintenance in public schools -- a total of $190 million state funds over eleven years to address the most serious needs. The General Assembly subsequently adopted, and the Governor signed, S.B. 00-181 to implement the agreement.

costs created by insufficient maintenance or construction spending; or relieve conditions that detract from an effective learning environment.

A statutory provision was included in the authorizing legislation (S.B. 00-181) prohibiting the General Assembly from making the General Fund appropriations set forth in the act in a fiscal year in which General Fund revenues do not exceed certain annual obligations by more than $80.0 million[2]. Due to revenue shortfalls, the General Assembly was not statutorily obligated to appropriate General Fund moneys for school capital construction from FY 2001-02 through FY 2006-07. However, the General Assembly elected to waive this provision for certain fiscal years. The General Assembly also appropriated moneys from the State Education Fund for capital construction purposes. In addition, lottery proceeds have been available for capital construction needs in each of the last six fiscal years. The following table provides a summary of funding required by S.B. 00-181 (given sufficient revenues) and funding made available through FY 2007-08 for capital construction programs (excluding funding specifically for charter schools).

Fiscal Year	Appropriations Required Pursuant to S.B. 00-181 if General Fund Revenues are Sufficient	Funding Made Available To Date for Capital Construction			
		General Fund	State Education Fund	Lottery Proceeds	Total
00-01	$5,000,000	$5,000,000	$0	$0	$5,000,000
01-02	10,000,000	10,000,000	6,471,052	0	16,471,052
02-03	15,000,000	0	6,500,060	8,499,940	15,000,000
03-04	20,000,000	0	10,000,000	3,690,377	13,690,377
04-05	20,000,000	0	5,000,000	2,396,438	7,396,438
05-06	20,000,000	25,000,000	5,000,000	1,691,454	31,691,454
06-07	20,000,000	15,000,000	0	12,545,316	27,545,316
07-08	20,000,000	20,000,000	0	8,219,905	28,219,905
Subtotal	130,000,000	75,000,000	32,971,112	37,043,430	145,014,542
08-09	20,000,000				n/a
09-10	20,000,000				n/a
10-11	20,000,000				n/a
Total	**$190,000,000**	**n/a**	**n/a**	**n/a**	**n/a**

House Bill 08-1335 replaced these capital construction financial assistance programs with the Building Excellent Schools Today (BEST) grant program to increase the amount of state financial assistance provided and allow projects to be completed more quickly. Rather than relying on annual General Fund appropriations, this new program is supported by royalty and rental income earned on state trust lands, interest earned on the Public School Fund, and lottery proceeds. These state revenues, along with local matching funds, will be used

[2] Through H.B. 06-1375, the General Assembly amended this language to allow (but not require) the General Assembly to make a General Fund appropriation even if the threshold is not met [see Section 24-75-201.1 (4) (c) (II), C.R.S.].

to finance projects directly and to make lease payments on certificates of participation (COPs) used to finance construction projects. Financial assistance will be awarded based on specified statutory criteria, as well as the results of a statewide assessment of public school facilities[3] that is scheduled to be completed by January 2010.

In March 2009 the State Board of Education approved 11 capital improvement projects under the BEST program. These projects are estimated to cost $98.5 million at completion, requiring a total of $76.5 million in state financial assistance and $22.0 million in local matching funds. Three of the approved projects will be financed primarily through COPs.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Education

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$4,371,057,290**	**$3,215,359,907**	**$640,392,536**	**$17,651,668**	**$497,653,179**	**536.1**
Breakdown of Total Appropriation by Administrative Section						
Management and Administration	43,860,801	8,107,841	19,824,125	7,073,484	8,855,351	130.9
Assistance to Public Schools	4,307,203,030	3,194,193,676	620,090,109	7,130,105	485,789,140	203.6
Library Programs	6,880,574	3,473,584	148,302	250,000	3,008,688	36.6
School for the Deaf and the Blind	13,112,885	9,584,806	330,000	3,198,079	0	165.0
Breakdown of Total Appropriation by Bill						
HB 08-1375	4,169,463,765	3,175,285,598	481,058,445	15,466,543	497,653,179	511.8
SB 08-017	45,380	0	45,380	0	0	1.0
SB 08-038	198,545	0	198,545	0	0	1.0
SB 08-123	850,000	0	850,000	0	0	0.0
SB 08-130	80,545	80,545	0	0	0	1.0
SB 08-212	792,453	0	792,453	0	0	5.0
SB 08-218	0	0	0	0	0	0.0
HB 08-1021	252,799	0	252,799	0	0	0.0
HB 08-1204	523,568	0	523,568	0	0	3.0
HB 08-1267	150,000	0	150,000	0	0	0.0

[3] This assessment will cover building conditions and space requirements in all 178 school districts, charter schools, State Charter School Institute schools, boards of cooperative services, and the Colorado School for the Deaf and Blind.

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 08-1317	32,185	0	32,185	0	0	0.0
HB 08-1335	2,869,959	0	2,869,959	0	0	5.0
HB 08-1370	5,000,000	0	5,000,000	0	0	1.0
HB 08-1384	1,241,997	0	1,241,997	0	0	0.0
HB 08-1386	137,983	0	137,983	0	0	1.5
HB 08-1388	113,815,717	0	113,815,717	0	0	6.0
SB 09-185	(36,265,164)	(62,113,475)	25,356,696	491,615	0	0.8
SB 09-213	(1,000,000)	0	(1,000,000)	0	0	0.0
SB 09-214	(1,156,997)	0	(1,156,997)	0	0	0.0
SB 09-215	(5,147,545)	(1,345,439)	(5,495,616)	1,693,510	0	(1.0)
SB 09-259	119,172,100	103,452,678	15,719,422	0	0	0.0
SB 09-260	0	0	0	0	0	0.0
FY 2009-10 Total Appropriation:	**$4,686,948,476**	**$3,239,416,000**	**$814,265,994**	**$22,758,378**	**$610,508,104**	**557.3**
Breakdown of Total Appropriation by Administrative Section						
Management and Administration	47,689,255	8,091,450	19,183,228	11,852,688	8,561,889	139.0
Assistance to Public Schools	4,619,305,807	3,219,332,997	793,726,930	7,361,170	598,884,710	214.1
Library Programs	5,779,328	2,197,823	270,000	250,000	3,061,505	36.6
School for the Deaf and the Blind	14,174,086	9,793,730	1,085,836	3,294,520	0	167.6
Breakdown of Total Appropriation by Bill						
SB 09-259	4,688,241,137	3,239,351,894	815,652,792	22,758,378	610,478,073	551.2
SB 09-089	365,226	0	365,226	0	0	0.0
SB 09-123	8,228	8,228	0	0	0	0.1
SB 09-160	5,500	0	5,500	0	0	0.0
SB 09-163	(1,779)	(1,779)	0	0	0	2.7
SB 09-226	1,951	1,951	0	0	0	0.0
SB 09-230	0	0	0	0	0	1.0
SB 09-256	(694,294)	55,706	(750,000)	0	0	0.0
SB 09-260	0	0	0	0	0	0.0
SB 09-269	(1,165,296)	0	(1,165,296)	0	0	0.0
HB 09-1243	157,772	0	157,772	0	0	2.0

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 09-1319	30,031	0	0	0	30,031	0.3
Increase/(Decrease)	$315,891,186	$24,056,093	$173,873,458	$5,106,710	$112,854,925	21.2
Percentage Change	7.2%	0.7%	27.2%	28.9%	22.7%	4.0%

/1 Includes $39,251,792 General Fund Exempt in FY 2008-09, and $0 General Fund Exempt in FY 2009-10. See Division Detail for more information on General Fund Exempt appropriations.

FY 2008-09 Appropriation Adjustment Highlights:

1. Senate Bill 09-259 appropriates to the State Education Fund $121.0 million of the General Fund moneys freed up in the Department of Higher Education due to the receipt of federal American Reinvestment and Recovery Act (ARRA) funds.

2. A total of $77.5 million in General Fund appropriations is replaced with cash funds appropriations, primarily from the State Education Fund, including: $33.0 million for categorical programs; $26.6 million for public school finance; $15.7 million for the Colorado Student Assessment Program (CSAP); $1.8 million for Closing the Achievement Gap efforts; and $0.4 million for 5.0 FTE content specialists.

3. Appropriations totaling $45.6 million (including $43.4 million from the State Education Fund and $2.2 million General Fund) are reduced or eliminated, including the following significant reductions: $34.6 million and 1.0 FTE for full-day kindergarten facility capital construction grants; $4.8 million for charter school facilities; $1.8 million designed to address mid-year enrollment increases experienced by those districts that are impacted by troop movements; $1.2 million to provide stipends for nationally board certified teachers; $1.0 million for alternative teacher compensation plan grants; $1.0 million for Summer school grants; and $0.4 million related to locally negotiated business incentive agreements.

4. Senate Bill 09-260 reduces appropriations from the State Education Fund for the State Share by $24.6 million, offset by a $24.6 million increase in the appropriation from the State Public School Fund.

5. Appropriations of state funds totaling $1.6 million for the administration of the School Finance Act (including $1.3 million General Fund and $0.3 million from the State Education Fund) are replaced with reappropriated funds transferred "off-the-top" from the State Share of Districts' Total Program Funding.

FY 2009-10 Appropriation Highlights:

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

    - a projected 1.4 percent increase in the number of funded pupils (requiring $72.3 million total funds); and

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

Although *total* funding will increase by 6.4 percent in FY 2009-10 ($343.3 million), it is anticipated that *local* property and specific ownership tax revenues (which are not reflected in the Long Bill) will increase by only 2.4 percent ($46.1 million). The appropriation thus reflects an 8.9 percent ($303.3 million) increase in the *State's* share of funding for districts' total program funding to provide the total required increase, including $297.2 million needed to cover enrollment and inflationary increases and $6.1 million to eliminate the shortfall in state funding that occurred in FY 2008-9.

2. The appropriation eliminates the one-time FY 2008-09 appropriation to the State Education Fund of $121.0 million General Fund moneys that was provided in connection with the receipt of federal ARRA funds.

3. The appropriation reflects anticipated changes in federal funds, including the following significant changes: an increase of $97.4 million in additional federal funding that is anticipated to be available to school districts for the provision of special education services for children with disabilities pursuant to ARRA; $12.5 million increase (13.0 percent) in additional federal awards for federal nutrition programs; and $2.9 million increase for various federally-sponsored programs.

4. The appropriation includes a $10.7 million increase in State Education Fund appropriations to provide the constitutionally required increase in state funding for categorical programs.

5. The appropriation adds $5.9 million cash funds associated with implementing H.B. 08-1335, including an increase of $10.0 million in spending authority for lease payments, and an increase of $384,000 and 4.0 FTE consistent with the anticipated costs of the Division of Public School Capital Construction Assistance. These increases are offset by a $4.5 million reduction in spending authority associated with the financial assistance priority assessment.

6. The appropriation provides $1.3 million, including $654,000 General Fund, for salary and benefit adjustments.

7. The appropriation provides $973,000 cash funds to restore the Summer School Grant Program.

8. With the exception of salaries for teachers at the Colorado School for the Deaf and the Blind, the appropriation does not include funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $1.4 million, including $687,000 General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

Detail of Appropriation by Administrative Section

Management and Administration

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

The primary source of cash funds is the Educator Licensure Cash Fund, which consists of fees paid by applicants for educator licenses and certificates. Reappropriated funds consist primarily of indirect cost recoveries and transfers of funds from various cash- and federally-funded line items. Federal funds reflected in this section are from a variety of sources.

Management and Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$41,323,230	$23,834,759	$2,562,751	$6,070,369	$8,855,351	120.1
SB 08-017	45,380	0	45,380	0	0	1.0
SB 08-130	80,545	80,545	0	0	0	1.0
SB 08-212	792,453	0	792,453	0	0	5.0
HB 08-1204	523,568	0	523,568	0	0	3.0
HB 08-1335	32,414	0	32,414	0	0	0.0
HB 08-1384	85,000	0	85,000	0	0	0.0
HB 08-1388	11,500	0	11,500	0	0	0.0
SB 09-185	940,149	85,397	63,137	791,615	0	0.8
SB 09-215	0	(200,000)	(11,500)	211,500	0	0.0
SB 09-259	26,562	(15,692,860)	15,719,422	0	0	0.0
TOTAL	**$43,860,801**	**$8,107,841**	**$19,824,125**	**$7,073,484**	**$8,855,351**	**130.9**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$43,860,801	$8,107,841	$19,824,125	$7,073,484	$8,855,351	130.9
Charter School Institute transfer of federal revenue	5,200,000	0	0	5,200,000	0	6.0
Centrally-appropriated line items	587,378	242,797	32,186	83,792	228,603	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize salary and benefits adjustments	318,838	154,333	47,356	84,068	33,081	0.0
Asset maintenance adjustments	213,133	213,133	0	0	0	0.0
Implement H.B. 08-1344	171,554	0	171,554	0	0	2.2
Colorado School for the Deaf and Blind teacher compensation	157,279	157,279	0	0	0	0.0
Budget staff increase	145,119	0	0	145,119	0	2.0
State Board of Education operating increases	42,935	42,935	0	0	0	0.0
Postage increase	24,333	1,869	9,536	12,928	0	0.0
Eliminate salary survey and performance-based pay	(1,447,734)	(687,317)	(50,341)	(144,791)	(565,285)	0.0
State Charter School Institute adjustments	(633,108)	0	0	(633,108)	0	(0.9)
Transfer funding for Facility Schools Unit	(523,568)	0	(523,568)	0	0	(3.0)
Annualize prior year funding	(299,432)	143	(299,575)	0	0	0.1
Personal services base reduction	(100,192)	(42,466)	(34,041)	(23,685)	0	0.0
Eliminate funding for the Innovative Schools Act of 2008	(77,990)	(77,990)	0	0	0	(1.0)
Other	(20,408)	(75,785)	496	54,881	0	0.0
SB 09-259	**$47,618,938**	**$8,036,772**	**$19,177,728**	**$11,852,688**	**$8,551,750**	**136.3**
SB 09-123	751	751	0	0	0	0.0
SB 09-160	5,500	0	5,500	0	0	0.0
SB 09-163	(1,779)	(1,779)	0	0	0	2.7
SB 09-256	55,706	55,706	0	0	0	0.0
HB 09-1319	10,139	0	0	0	10,139	0.0
TOTAL	**$47,689,255**	**$8,091,450**	**$19,183,228**	**$11,852,688**	**$8,561,889**	**139.0**
Increase/(Decrease)	$3,828,454	($16,391)	($640,897)	$4,779,204	($293,462)	8.1
Percentage Change	8.7%	(0.2)%	(3.2)%	67.6%	(3.3)%	6.2%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-185 included the following adjustments, among other changes:

- add $791,615 reappropriated funds for pass-through spending authority provided to the State Charter School Institute;
- add $100,000 General Fund for legal services expenditures;

- add $63,137 cash funds and 0.8 FTE for the Office of Professional Services to conduct background checks for educators;
- reduce $12,685 General Fund for information technology functions; and
- reduce $1,918 for emeritus retirement payments.

Supplemental appropriations included in S.B. 09-259 replace the $15.7 million General Fund appropriation for the Colorado Student Assessment Program (CSAP) with a cash funds appropriation from the State Education Fund, among other changes. For information on S.B. 09-215, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

Implement H.B. 08-1344: The appropriation includes an appropriation to implement H.B. 08-1344 (Educator Background Checks). The enacted bill required, but did not contain, an appropriations clause.

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

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

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

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

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

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

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

Annualize prior year funding: The appropriation eliminates $250,000 cash funds in one-time funding from the State Education Fund for a postsecondary and workforce readiness assessments pilot program (S.B. 08-212), $85,000 for a teaching and learning conditions survey (H.B. 08-1384), and $3,455 cash funds related to credentialing occupational education teachers (S.B. 08-017). These reductions are offset with annualized increases of $38,880 for preschool to postsecondary education alignment (S.B. 08-212) and $143 General Fund and 0.1 FTE for other annualizations from prior year funding.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

Other: The appropriation includes the replacement of $54,881 General Fund with reappropriated funds received from the Department's cash- and federally-funded programs, along with other adjustments.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

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 the following three subsections:

- *Public School Finance*: This subsection includes funding for the *State's* share of districts' total program funding required under the School Finance Act (the local share of funding is not reflected in appropriations to the Department), funding for other distributions that are directly related to school district pupil counts, and funding for administration of the School Finance Act and related programs.

- *Categorical Programs*: This subsection includes state and federal funding for all programs defined as "categorical programs" pursuant to Section 17 of Article IX of the Colorado Constitution.

- *Grant Programs, Distributions, and Other Assistance*: This subsection includes other state and federal funds that are distributed to schools and districts, or that are used to provide direct support and assistance to schools and districts.

The changes in appropriation by subdivision and the factors driving such changes are included in tables for each subdivision.

Assistance to Public Schools

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$4,108,180,038	$3,138,425,411	$478,017,392	$5,948,095	$485,789,140	190.1
SB 08-038	198,545	0	198,545	0	0	1.0
SB 08-123	850,000	0	850,000	0	0	0.0
SB 08-218	0	0	0	0	0	0.0
HB 08-1021	252,799	0	252,799	0	0	0.0
HB 08-1267	150,000	0	150,000	0	0	0.0
HB 08-1317	32,185	0	32,185	0	0	0.0
HB 08-1335	2,837,545	0	2,837,545	0	0	5.0
HB 08-1370	5,000,000	0	5,000,000	0	0	1.0
HB 08-1384	1,156,997	0	1,156,997	0	0	0.0
HB 08-1386	137,983	0	137,983	0	0	1.5
HB 08-1388	113,804,217	0	113,804,217	0	0	6.0
SB 09-185	(37,238,275)	(62,231,834)	25,293,559	(300,000)	0	0.0
SB 09-213	(1,000,000)	0	(1,000,000)	0	0	0.0
SB 09-214	(1,156,997)	0	(1,156,997)	0	0	0.0

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-215	(5,147,545)	(1,145,439)	(5,484,116)	1,482,010	0	(1.0)
SB 09-259	119,145,538	119,145,538	0	0	0	0.0
SB 09-260	0	0	0	0	0	0.0
FY 2008-09 TOTAL	**$4,307,203,030**	**$3,194,193,676**	**$620,090,109**	**$7,130,105**	**$485,789,140**	**203.6**
FY 2009-10 Appropriation:						
SB 09-259	$4,620,668,785	$3,219,323,569	$795,119,228	$7,361,170	$598,864,818	210.7
SB 09-089	365,226	0	365,226	0	0	0.0
SB 09-123	7,477	7,477	0	0	0	0.1
SB 09-226	1,951	1,951	0	0	0	0.0
SB 09-230	0	0	0	0	0	1.0
SB 09-256	(750,000)	0	(750,000)	0	0	0.0
SB 09-260	0	0	0	0	0	0.0
SB 09-269	(1,165,296)	0	(1,165,296)	0	0	0.0
SB 09-1243	157,772	0	157,772	0	0	2.0
HB 09-1319	19,892	0	0	0	19,892	0.3
FY 2009-10 TOTAL	**$4,619,305,807**	**$3,219,332,997**	**$793,726,930**	**$7,361,170**	**$598,884,710**	**214.1**
Increase/(Decrease)	$312,102,777	$25,139,321	$173,636,821	$231,065	$113,095,570	10.5
Percentage Change	7.2%	0.8%	28.0%	3.2%	23.3%	5.2%

/1 Includes General Fund Exempt amounts. See subsection detail, below, for information on General Fund Exempt appropriations.

Public School Finance

This subsection of the Assistance to Public Schools section primarily consists of appropriations for the *State's* share of funding required under the School Finance Act of 1994, as amended; the *local* share of funding (an estimated 35.1 percent of the amount required for FY 2009-10 or $2.0 billion) is not reflected in appropriations to the Department. This subsection also includes funding for other distributions that are directly related to school district pupil counts, as well as funding for staff responsible for administering the School Finance Act and the Colorado Preschool Program, providing technical assistance and making grants for full-day kindergarten programs, and for auditing school districts to ensure compliance with the federal school lunch, public school transportation, and English language proficiency programs.

For FY 2009-10, 83 percent of the State's share of districts' total program funding is provided from the General Fund; the balance is provided from two cash funds: the State Education Fund and the State Public School Fund. Administrative costs are primarily supported by transfers "off-the-top" of the State Share of Districts' Total Program Funding.

The following table and the narrative that follows detail all of the funding changes reflected in the Public School Finance subsection of the FY 2009-10 Long Bill, as well as the appropriations made through separate legislation.

Public School Finance	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$3,345,689,930	$2,938,196,018	$407,493,912	$0	$0	13.0
SB 08-218	0	0	0	0	0	0.0
HB 08-1021	252,799	0	252,799	0	0	0.0
HB 08-1335	0	20,000,000	(20,000,000)	0	0	0.0
HB 08-1388	49,185,048	0	49,185,048	0	0	6.0
SB 09-185	(418,016)	(26,976,368)	26,558,352	0	0	0.0
SB 09-215	(282,545)	(1,145,439)	(619,116)	1,482,010	0	(1.0)
SB 09-259	120,964,055	120,964,055	0	0	0	0.0
SB 09-260	0	0	0	0	0	0.0
TOTAL	**$3,515,391,271**	**$3,051,038,266**	**$462,870,995**	**$1,482,010**	**$0**	**18.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$3,515,391,271	$3,051,038,266	$462,870,995	$1,482,010	$0	18.0
Fund projected enrollment growth and 4.9 percent increase in base per pupil funding	303,343,579	146,503,711	156,839,868	0	0	0.0
Transfer funding related to full-day kindergarten	7,705,498	0	7,705,498	0	0	0.0
Declining enrollment study	200,000	0	200,000	0	0	0.0
Annualize salary and benefits adjustments	39,438	0	0	39,438	0	0.0
Eliminate one-time appropriation to State Education Fund	(120,964,055)	(120,964,055)	0	0	0	0.0
Eliminate one-time funding	(19,675)	0	0	(19,675)	0	0.0
SB 09-259	**$3,705,696,056**	**$3,076,577,922**	**$627,616,361**	**$1,501,773**	**$0**	**18.0**
SB 09-260	0	0	0	0	0	0.0
HB 09-1319	19,892	0	0	0	19,892	0.3
TOTAL	**$3,705,715,948**	**$3,076,577,922**	**$627,616,361**	**$1,501,773**	**$19,892**	**18.3**

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	$190,324,677	$25,539,656	$164,745,366	$19,763	$19,892	0.3
Percentage Change	5.4%	0.8%	35.6%	1.3%	n/a	1.7%

/1 Includes General Fund Exempt amounts.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Appropriation	$2,930,074,211	$2,561,074,211	$369,000,000
General Fund Exempt adjustment based on revenue projections	0	329,748,208	(329,748,208)
One-time appropriation to the State Education Fund (SEF)	120,964,055	120,964,055	0
FY 2008-09 Adjusted Appropriation	**$3,051,038,266**	**$3,011,786,474**	**$39,251,792**
Eliminate one-time appropriation to SEF	(120,964,055)	(120,964,055)	0
Fund projected enrollment growth and 4.9 percent increase in base per pupil funding	146,503,711	146,503,711	0
Eliminate General Fund Exempt amount based on FY 2009-10 revenue projections	0	39,251,792	(39,251,792)
Total FY 2009-10 Long Bill Appropriation	**$3,076,577,922**	**$3,076,577,922**	**$0**

General Fund Exempt

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

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-259 appropriate to the State Education Fund $121.0 million of the General Fund moneys freed up in the Department of Higher Education due to the receipt of federal ARRA funds. Senate Bill 09-259 also reduces by $329.7 million the portion of the General Fund appropriation for the State Share of Districts' Total Program Funding (State Share) that is identified as General Fund Exempt.

Supplemental appropriations included in S.B. 09-185 reduce appropriations from the General Fund for the State Share by $26.6 million, offset by a $26.6 million increase in the appropriation from the State Education Fund. This bill also eliminates the $0.4 million General Fund appropriation related to locally negotiated business incentive agreements.

For information on S.B. 09-215 and S.B. 09-260, see the "Recent Legislation" section at the end of this department.

Overview: FY 2009-10 Funding for Public School Finance

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

- a projected 1.4 percent increase in the number of funded pupils (requiring $72.3 million total funds); and

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

Although *total* funding will increase by 6.4 percent in FY 2009-10 ($343.3 million), it is anticipated that *local* property and specific ownership tax revenues (which are not reflected in the Long Bill) will increase by only 2.4 percent ($46.1 million). The appropriation thus reflects a 8.9 percent ($303.3 million) increase in the *State's* share of funding for districts' total program funding to provide the total required increase, including $297.1 million needed to cover enrollment and inflationary increases and $6.2 million to eliminate the shortfall in state funding that occurred in FY 2008-09. The following table details the data related to school finance funding.

School Finance: Total Program	FY 08-09 Amended Appropriation	FY 09-10 Appropriation	Change
Funded Pupil Count	778,135.9	788,648.3	10,512.4
Annual Percent Change		*1.4%*	
Statewide Base Per-Pupil Funding	$5,250.41	$5,507.68	$257.27
Annual Percent Change		*4.9%*	
Statewide Average Per-Pupil Funding	$6,873.88	$7,225.40	$351.51
Annual Percent Change		*5.1%*	
Total Program Funding	$5,355,007,072	$5,698,295,823	$343,288,751
Annual Percent Change		*6.4%*	
Local Share of Districts' Total Program Funding	$1,955,868,682	$2,002,007,038	$46,138,356
Annual Percent Change		*2.4%*	
Recision due to shortfall in State Share	$6,193,184	$0	($6,193,184)
State Share of Districts' Total Program Funding (including appropriation related to business incentive agreements)	$3,392,945,206	$3,696,288,785	$303,343,579
Annual Percent Change		*8.9%*	
State Share as % of Districts' Total Program	*63.4%*	*64.9%*	

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Amendment 23 includes a requirement related to the funding sources used to provide the required inflationary increases. Specifically, for FY 2001-02 through FY 2010-11, the General Assembly is required to annually increase the General Fund appropriation for districts' total program funding by at least 5.0 percent[4].

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

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

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

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

Eliminate one-time appropriation to State Education Fund: The appropriation eliminates the one-time appropriation to the State Education Fund of $121.0 million General Fund moneys that was provided in connection with the receipt of federal ARRA funds.

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

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Categorical Programs

This subsection of Assistance to Public Schools 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 defines "categorical programs", and requires the General Assembly to 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.

Categorical programs are funded primarily with General Fund and various sources of federal funds. Cash fund sources include the State Education Fund, the Public School Transportation Fund, and the Colorado Comprehensive Health Education Fund. Reappropriated funds include federal funds transferred from the Department of Human Services.

Categorical Programs

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$381,787,882	$174,487,460	$43,203,540	$98,768	$163,998,114	73.1
HB 08-1388	2,200,000	0	2,200,000	0	0	0.0
SB 09-185	0	(33,021,986)	33,021,986	0	0	0.0
TOTAL	**$383,987,882**	**$141,465,474**	**$78,425,526**	**$98,768**	**$163,998,114**	**73.1**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$383,987,882	$141,465,474	$78,425,526	$98,768	$163,998,114	73.1
Federal funds and transfers from other agencies	97,461,836	0	0	3,044	97,458,792	0.5
Increase state funding by 4.9 percent	10,752,609	0	10,752,609	0	0	0.0
Personal services base reduction	(2,723)	(2,723)	0	0	0	0.0
SB 09-259	**$492,199,604**	**$141,462,751**	**$89,178,135**	**$101,812**	**$261,456,906**	**73.6**
TOTAL	**$492,199,604**	**$141,462,751**	**$89,178,135**	**$101,812**	**$261,456,906**	**73.6**
Increase/(Decrease)	$108,211,722	($2,723)	$10,752,609	$3,044	$97,458,792	0.5
Percentage Change	28.2%	0.0%	13.7%	3.1%	59.4%	0.7%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-185 adjust the fund sources supporting categorical programs, reducing General Fund appropriations by a total of $33.0 million, offset by increases in appropriations from the State Education Fund ($32.9 million) and the Comprehensive Health Education Fund ($100,000).

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Increase state funding by 4.9 percent: As required by Amendment 23, the FY 2009-10 appropriation includes a $10.8 million (4.9 percent) increase in *state funding* for categorical programs (based on the actual inflation rate for 2008). The full amount of the increase is from the State Education Fund. In addition, the appropriation from the Comprehensive Health Education Fund is decreased by $400,000, offset by an equal increase in the appropriation from the State Education Fund. The following table details the allocation of the required $10.8 million funding increase among categorical programs.

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to the personal services portion of the appropriation for Public School Transportation.

Grant Programs, Distributions, and Other Assistance

This subsection of the Assistance to Public Schools section includes state and federal funds that are distributed to schools and districts, or that are used to provide direct support and assistance to schools and districts, other than those programs that are defined as categorical programs.

Significant sources of cash funds include: the State Education Fund, the Public School Capital Construction Assistance Fund (created through H.B. 08-1335), moneys transferred from the Tobacco Litigation Settlement Cash Fund, the State Public School Fund, fees collected for workshops and training, and gifts, grants, and donations.

Significant sources of reappropriated funds include federal child care funds transferred from the Department of Human Services, and federal Medicaid funds transferred from the Department of Health Care Policy and Financing that are used to administer the Public School Health Services program. In addition, several appropriations of reappropriated funds simply provide the Department with the authority to spend state moneys that are appropriated to specific cash funds (including the Smart Start Nutrition Program Fund and the Family Literacy Education Fund).

Significant sources of federal funds reflected in this subsection include the following:

- Title I of the Elementary and Secondary Education Act -- funding to improve education for children at risk of school failure, including those who live in low income communities, migrant children, and those who are neglected and delinquent; and

- U.S. Department of Agriculture Food and Nutrition Service -- funding for the National School Lunch Program, which provides for reduced-cost or free meals to students.

Grant Programs, Distributions, and Other Assistance

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$380,702,226	$25,741,933	$27,319,940	$5,849,327	$321,791,026	104.0
SB 08-038	198,545	0	198,545	0	0	1.0
SB 08-123	850,000	0	850,000	0	0	0.0
HB 08-1267	150,000	0	150,000	0	0	0.0
HB 08-1317	32,185	0	32,185	0	0	0.0
HB 08-1335	2,837,545	(20,000,000)	22,837,545	0	0	5.0
HB 08-1370	5,000,000	0	5,000,000	0	0	1.0
HB 08-1384	1,156,997	0	1,156,997	0	0	0.0
HB 08-1386	137,983	0	137,983	0	0	1.5
HB 08-1388	62,419,169	0	62,419,169	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-185	(36,820,259)	(2,233,480)	(34,286,779)	(300,000)	0	0.0
SB 09-213	(1,000,000)	0	(1,000,000)	0	0	0.0
SB 09-214	(1,156,997)	0	(1,156,997)	0	0	0.0
SB 09-215	(4,865,000)	0	(4,865,000)	0	0	0.0
SB 09-259	(1,818,517)	(1,818,517)	0	0	0	0.0
TOTAL	**$407,823,877**	**$1,689,936**	**$78,793,588**	**$5,549,327**	**$321,791,026**	**112.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$407,823,877	$1,689,936	$78,793,588	$5,549,327	$321,791,026	112.5
Federal nutrition program adjustments	12,491,980	0	0	0	12,491,980	0.0
Public School Capital Construction Assistance	5,934,157	0	5,934,157	0	0	4.0
Anticipated federal revenue adjustments	2,883,831	0	0	0	2,883,831	0.0
Facility schools	2,016,412	0	1,755,009	261,403	0	3.0
Longitudinal assessments spending authority increase	2,000,000	0	2,000,000	0	0	0.0
Restore Summer School Grant Program	972,895	0	972,895	0	0	0.0
Annualize salary and benefits adjustments	260,563	2,960	0	16,528	241,075	0.0
Read-to-achieve tobacco-revenue	150,492	0	150,492	0	0	0.0
Transfer funding related to full-day kindergarten to Public School Finance section	(7,356,409)	0	(7,356,409)	0	0	0.0
Annualize prior year funding	(3,587,023)	0	(3,587,350)	327	0	0.4
Suspend Family Literacy Education Grant Program	(270,000)	(200,000)	0	(70,000)	0	0.0
Suspend boards of cooperative services support	(210,000)	(210,000)	0	0	0	0.0
Charter school capital construction	(135,000)	0	(135,000)	0	0	0.0
Suspend national teacher credential assistance program	(125,000)	0	(125,000)	0	0	0.0
Refinance School Leadership Academy	(77,650)	0	(77,650)	0	0	(0.8)
SB 09-259	**$422,773,125**	**$1,282,896**	**$78,324,732**	**$5,757,585**	**$337,407,912**	**119.1**
SB 09-089	365,226	0	365,226	0	0	0.0
SB 09-123	7,477	7,477	0	0	0	0.1
SB 09-226	1,951	1,951	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-230	0	0	0	0	0	1.0
SB 09-256	(750,000)	0	(750,000)	0	0	0.0
SB 09-269	(1,165,296)	0	(1,165,296)	0	0	0.0
HB 09-1243	157,772	0	157,772	0	0	2.0
TOTAL	**$421,390,255**	**$1,292,324**	**$76,932,434**	**$5,757,585**	**$337,407,912**	**122.2**
Increase/(Decrease)	$13,566,378	($397,612)	($1,861,154)	$208,258	$15,616,886	9.7
Percentage Change	3.3%	(23.5)%	(2.4)%	3.8%	4.9%	8.6%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-185 included the following adjustments, among other changes:

- eliminate the $34.5 million State Education Fund appropriation for full-day kindergarten facility capital construction grants;
- reduce the State Education Fund appropriation for Summer school grants by $1.0 million; and
- eliminate General Fund appropriations for closing the achievement gap efforts ($1.8 million) and for 5.0 FTE content specialists ($0.4 million), and appropriate $2.1 million from the State Education Fund for these purposes.

Supplemental appropriations included in S.B. 09-259 eliminate a $1.8 million General Fund appropriation designed to address mid-year enrollment increases experienced by those districts that are impacted by troop movements.

For information on S.B. 09-213, S.B. 09-214, and S.B. 09-215, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

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

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

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

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

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

Annualize prior year funding: The appropriation includes reductions of $4,270,988 cash funds spending authority related to the transfer of funds from the Contingency Reserve Fund (S.B. 09-208), $159,131 cash funds related to the use of fund balance for the Dropout Prevention Activity Grant Program, $150,000 related to a one-time appropriation for the First Responder School Mapping System (H.B. 08-1267), $2,305 related to the suspension of the Civic Education Grant Program, and $2,000 cash funds related to the reduction of membership dues to the Interstate Compact on Educational Opportunity for Military Children. These decreases were offset by increases of $868,637 cash funds related to the creation of regional service cooperatives (S.B. 08-038), $99,000 cash funds to restore funding for the Closing the Achievement Gap initiative that was reduced in FY 2008-09, $14,770 cash funds and 0.4 FTE related to the annualization of a FY 2008-09 change request for Content Specialists, $14,667 cash funds related to the School Leadership Academy Program (H.B. 08-1386) and $327 reappropriated funds from the Department of Health Care Policy and Financing for public school health services.

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

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

Charter school capital construction: The appropriation reduces funding for charter school facilities by $135,000, consistent with Section 22-54-124 (3) (a) (III) (A), C.R.S.

Suspend national teacher credential assistance program: The appropriation includes the suspension of funding to provide financial assistance for teachers seeking national board certification.

Refinance School Leadership Academy: The appropriation includes a refinancing of moneys for the School Leadership Academy. The Academy was originally funded with a mix of moneys from the State Education Fund and from gifts, grants and donations. The appropriation includes equal state support from the General Fund ($75,000) and the State Education Fund ($75,000).

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Library Programs

This section contains appropriations for all library-related programs, with the exception of department staff who administer library programs; funding for these positions is provided through the Management and Administration section. There are approximately 330 publicly-funded libraries in Colorado, including institutional libraries (*e.g.*, nursing homes, correctional institutions, etc.), as well as libraries operated by school districts, higher education institutions, and counties and municipalities. Library programs are primarily supported by General Fund and federal funds. Cash fund sources include grants and donations. Transfers from the Colorado Disabled Telephone Users Fund to support privately operated reading services for the blind are reflected as reappropriated funds.

Library Programs

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$6,880,574	$3,473,584	$148,302	$250,000	$3,008,688	36.6
TOTAL	**$6,880,574**	**$3,473,584**	**$148,302**	**$250,000**	**$3,008,688**	**36.6**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$6,880,574	$3,473,584	$148,302	$250,000	$3,008,688	36.6
Increase library programs spending authority	121,698	0	121,698	0	0	0.0
Annualize salary and benefits adjustments	77,056	24,239	0	0	52,817	0.0
Colorado virtual library reduction	(1,000,000)	(1,000,000)	0	0	0	0.0
Eliminate one-time appropriations	(300,000)	(300,000)	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-259	**$5,779,328**	**$2,197,823**	**$270,000**	**$250,000**	**$3,061,505**	**36.6**
TOTAL	**$5,779,328**	**$2,197,823**	**$270,000**	**$250,000**	**$3,061,505**	**36.6**
Increase/(Decrease)	($1,101,246)	($1,275,761)	$121,698	$0	$52,817	0.0
Percentage Change	(16.0)%	(36.7)%	82.1%	0.0%	1.8%	0.0%

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Colorado virtual library reduction: The appropriation eliminates $1,000,000 General Fund support specifically for the Statewide Electronic Database Subsidy Program, which consolidates electronic resources (full-text, multimedia, business resources, training and promotional support) for public libraries and public school libraries.

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

School for the Deaf and the Blind

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

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 2008-09)[5], the CSDB receives funding from each student's "home" school district.

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

In FY 2008-09, the funding mechanism to reimburse services the CSDB provided to eligible students was changed. The 2008 School Finance Act (H.B. 08-1388) authorized a new method of funding educational services provided by eligible facility schools. With respect to eligible facilities, new rules allow each facility to bill the Department for an additional one-third of district per pupil revenue (PPR) for Summer school programs. Department rules establish a process of paying a daily rate; this rate is based on 176 instructional days during the regular school year, and up to 59 days for Summer school programs, for a total of 235 days per year.

This source of funding is reflected in the Long Bill as reappropriated funds, transferred from the State Share of Districts' Total Program Funding line item. In addition, the appropriation includes other transfers from the Assistance to Public Schools section of the Long Bill, including state and federal funding for special education services, federal Medicaid funds, federal child nutrition funds, and various federal grants. Cash funds appropriations consist of fees paid by individuals for workshops and conferences and housing reimbursements.

School for the Deaf and the Blind

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$13,079,923	$9,551,844	$330,000	$3,198,079	$0	165.0
SB 09-185	32,962	32,962	0	0	0	0.0
TOTAL	**$13,112,885**	**$9,584,806**	**$330,000**	**$3,198,079**	**$0**	**165.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$13,112,885	$9,584,806	$330,000	$3,198,079	$0	165.0
Outreach services	755,836	0	755,836	0	0	2.6
Annualize salary and benefits adjustments	424,637	424,637	0	0	0	0.0
Utilities increase	60,935	60,935	0	0	0	0.0
Funding source adjustment	0	(96,441)	0	96,441	0	0.0
Personal services base reduction	(165,489)	(165,489)	0	0	0	0.0
Centrally-appropriated line items	(14,718)	(14,718)	0	0	0	0.0
SB 09-259	**$14,174,086**	**$9,793,730**	**$1,085,836**	**$3,294,520**	**$0**	**167.6**
TOTAL	**$14,174,086**	**$9,793,730**	**$1,085,836**	**$3,294,520**	**$0**	**167.6**
Increase/(Decrease)	$1,061,201	$208,924	$755,836	$96,441	$0	2.6
Percentage Change	8.1%	2.2%	229.0%	3.0%	n/a	1.6%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-185 provide an increase of $32,962 General Fund to cover utility rate increases.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

Recent Legislation

2008 Session Bills

S.B. 08-017: Clarifies that the State Board for Community Colleges and Occupational Education (SBCCOE) is authorized to set professional qualifications for all teachers of occupational subjects, and to issue credentials for professionals at the post-secondary level. Allows SBCCOE to set and charge appropriate fees. Authorizes the Department of Education to issue credentials for occupational education teachers at the secondary level. Appropriates $45,380 cash funds from the Educator Licensure Cash Fund and 1.0 FTE to the Department of Education for FY 2008-09.

S.B. 08-038: Requires the State Board of Education to divide the state into 12 regional service areas. Encourages educational agencies within these service areas to convene regional service cooperatives and to develop and submit a comprehensive service plan to the State Board. Requires the State Board to award a one-time grant of $10,000 to each service area upon approval of its comprehensive service plan. Beginning in FY 2009-10, requires the State Board to annually allocate funding to each service area, subject to available appropriations. Appropriates $198,545 cash funds from the State Education Fund and 1.0 FTE to the Department for FY 2008-09.

S.B. 08-123: Creates the Child Nutrition School Lunch Protection Program to eliminate the amount paid by students participating in the federal school lunch program who are eligible for reduced price lunch. Requires the General Assembly to annually appropriate at least $850,000, but not more than $1,500,000, for the Program. Authorizes the Department to spend up to 2.0 percent of moneys annually appropriated for the Program to cover associated administrative costs. Appropriates $850,000 cash funds from the State Education Fund to the Department for FY 2008-09.

S.B. 08-130: Creates a mechanism for schools, groups of schools, and districts to adopt plans that try new ways of delivering instruction and/or allocating resources. Requires a local school board seeking designation as a "district of innovation" to submit one or more innovation plans to the Commissioner of Education and the State Board of Education. Requires the Commissioner and the State Board to submit an annual report to the Governor and the Education Committees, beginning in March 2010, concerning districts of innovation. Appropriates $80,545 General Fund and 1.0 FTE to the Department for FY 2008-09. Reduces the General Fund appropriation to the Controlled Maintenance Trust Fund for FY 2008-09 by $80,545.

S.B. 08-212: Directs the State Board of Education to adopt a *description of school readiness* by December 15, 2008, and to adopt assessments that are aligned with the school readiness description by December 15, 2010. Requires the State Board to adopt *standards for preschool through elementary and secondary education* by December 15, 2009, and to adopt a system of assessments that are aligned with such standards by December 15, 2010. Requires the Department of Education to implement, beginning in FY 2008-09, a pilot program for the purpose of evaluating standards and collecting data regarding student performance on postsecondary and workforce planning, preparation, and readiness assessments. Requires the General Assembly to appropriate moneys to the Department for distribution to local education providers who participate in the pilot program to help defray assessment costs. Requires the State Board and the Colorado Commission on Higher Education (CCHE) to negotiate a consensus and adopt a *description of postsecondary and workforce readiness* by December 15, 2009, and to adopt one or more postsecondary and workforce planning, preparation, and readiness assessments by December 15, 2010. Requires the Department of Education to submit to the federal Department of Education amendments to the state plan that incorporate the new standards and assessments. Requires each local education provider, by December 15, 2011, to revise its standards and curricula as necessary in response to the new standards adopted by the State Board.

Requires the State Board to adopt criteria that local school boards, boards of cooperative services, and Institute high schools may apply to *endorse high school diplomas* to indicate that a student has achieved postsecondary and workforce readiness. Allows the State Board to adopt additional endorsements.

Requires the Department of Education, by September 15, 2009, to contract for a study of the costs of implementing this act. Authorizes the Department of Education and CCHE to receive and expend gifts, grants, or donations to implement the act. Appropriates a total of $792,453 cash funds from the State Education Fund

and 5.0 FTE to the Department of Education for FY 2008-09, including: $437,273 for the Department's administrative costs of implementing the act; $250,000 for the postsecondary and workforce readiness assessments pilot program, and $105,180 to be transferred to the Department of Higher Education to cover its administrative costs of implementing the act. Appropriates $105,180 reappropriated funds and 1.0 FTE to the Department of Higher Education for FY 2008-09.

S.B. 08-218: Beginning July 1, 2008, modifies the allocation of federal mineral lease (FML) revenues. Among other changes, for fiscal years 2008-09 through 2010-11, requires the lesser of 48.3 percent of FML revenues (excluding bonus payments) or $65,000,000 to be transferred to the State Public School Fund; for subsequent fiscal years, increases the $65.0 million cap by 4.0 percent annually. Decreases the cash funds appropriation from the State Public School Fund to the Department for FY 2008-09 for the State Share of Districts' Total Program Funding by $9,470,900 based on the anticipated impact of the new FML allocation formula. Increases the cash funds appropriation from the State Education Fund to the Department for FY 2008-09 for the State Share of Districts' Total Program Funding by $9,470,900. For additional information on this bill, see the "Recent Legislation" subsection in the Capital Construction section.

H.B. 08-1021: Permits an administrative unit to include in its program plan provisions to identify and serve "highly advanced gifted children" who are four years of age and for whom early access to kindergarten is deemed appropriate by the administrative unit. Allows a district to receive funding for highly advanced gifted children who are allowed to enroll in kindergarten early. Appropriates $252,799 cash funds from the State Education Fund to the Department for FY 2008-09 to cover the estimated public school finance costs associated with the early enrollment of highly advanced gifted children.

H.B. 08-1171: For purposes of calculating sales and use tax and county specific ownership tax, this act clarifies that the federal excise tax due on certain heavy trucks, trailers, and tractors must be excluded from the price of the vehicles, including the lease price, paid by the buyer. While this act does not affect FY 2008-09 appropriations, it is anticipated to increase state expenditures under the School Finance Act beginning in FY 2009-10 due to local school operating property taxes foregone due to the exemption. For additional information on this bill, see the "Recent Legislation" section for the Department of Revenue.

H.B. 08-1204: Creates the Facility Schools Board to adopt curriculum standards, accountability measures, and set graduation requirements for facility schools. Creates the Facility Schools Unit within the Department of Education, and requires the Unit to: develop and maintain a list of approved facility schools; make appropriations concerning curriculum standards and graduation standards; maintain information and records for students who receive educational services from approved facility schools; and communicate and collaborate with the Department of Human Services, county departments of social services, and other agencies regarding the placement and transfer of students in facilities. Appropriates $523,568 cash funds from the State Education Fund and 3.0 FTE to the Department of Education for FY 2008-09, including $300,000 in one-time funding for the development of a student records system.

H.B. 08-1225: Incrementally increases the property tax exemption for personal property to $7,000 over a seven year period, beginning with the 2009 property tax year. Specifies that the property tax exemption shall be adjusted biennially thereafter to account for inflation. While this act does not affect FY 2008-09 appropriations, it is anticipated to increase state expenditures under the School Finance Act beginning in FY 2009-10 due to local school operating property taxes foregone as a result of the act.

H.B. 08-1267: Requires the School Safety Resource Center in the Department of Public Safety to create and operate a first responder school mapping system to provide first responders immediate access to maps of school buildings and other information in the event of an emergency at a school building. Appropriates $150,000 cash funds from the State Education Fund to the Department of Education for FY 2008-09, and appropriates $150,000 from reappropriated funds (transferred from the Department of Education) to the Department of Public Safety for FY 2008-09. For additional information on this bill, see the "Recent Legislation" section for the Department of Public Safety.

H.B. 08-1317: Directs the Governor to enter into a compact on educational opportunity for military children with other states to remove barriers to educational success due to moves and deployment of their parents. Creates the Interstate Commission on Educational Opportunity for Military Children to administer the compact and facilitate interstate activities. Appropriates $32,185 cash funds from the State Education Fund to the Department for FY 2008-09 to cover the costs of membership to the new Commission.

H.B. 08-1335: In order to increase the amount and timeliness of state financial assistance for public school facility capital construction projects, replaces existing capital construction assistance programs with a new financial assistance program. Creates the Public School Capital Construction Assistance (PSCCA) Fund, and requires the following moneys to be credited to the PSCCA Fund beginning in FY 2008-09:

- 35 percent of the gross amount of income received during the fiscal year from income, mineral royalties, and interest derived from state public school lands (or more if required to make lease payments under the terms of lease-purchase agreements);

- all net proceeds from the sale of certificates of participation (COPs) payable to the State under the terms of such lease-purchase agreements;

- all local matching moneys; and

- lottery proceeds that would otherwise be transferred to the General Fund.

Requires an emergency reserve of at least $1.0 million dollars to be maintained within the PSCCA Fund to address public school facility emergencies. Effective July 1, 2008, abolishes the School Construction and Renovation Fund, the School Capital Construction Expenditures Reserve Fund, and the Lottery Proceeds Contingency Reserve Fund, and transfers their balances to the PSCCA Fund.

Creates the PSCCA Board and the Division of PSCCA within the Department of Education. Requires the PSCCA Board to: (a) establish public school facility construction guidelines for use in assessing and prioritizing public school capital construction needs; (b) conduct or contract for a financial assistance priority assessment of public school facilities throughout the state; (c) prioritize financial assistance applications for eligible public school facility capital construction projects based on specified criteria; and (d) annually submit a prioritized list of projects recommended for financial assistance to the State Board. Subject to State Board authorization, the PSCCA Board may provide financial assistance to applicants as matching grants or by instructing the State Treasurer to enter into lease-purchase agreements on behalf of the State to finance public school facility capital construction. Limits the total amount of annual lease payments payable by the State in any fiscal year, and requires payments above lower specified limits to be made only from applicant matching moneys. Requires

continued payment of specified capital construction assistance awarded to school districts or charter schools prior to the end of FY 2007-08.

Reduces the amount of school lands-related moneys that are annually credited to the State Public School Fund by $20.0 million, including $19.0 million in interest earned on moneys in the Public School Fund and $1.0 million from rental income earned on public school lands.

Makes the following appropriations from the PSCCA Fund to the Department of Education for FY 2008-09:

- $569,959 and 5.0 FTE for the PSCCA Board and the Division of PSCCA;
- $12,300,000 for the financial assistance priority assessment; and
- $10,000,000 for making lease payments as required by lease-purchase agreements.

Adjusts the following appropriations to the Department of Education in the FY 2008-09 Long Bill:

- reduces public school finance appropriations from the State Public School Fund by $20.0 million;
- increases the General Fund appropriation for public school finance by $20.0 million;
- eliminates $10.0 million General Fund appropriation to the School Capital Construction Expenditures Reserve; and
- eliminates $10.0 million General Fund appropriation to the School Construction and Renovation Fund.

Appropriates $7,203 cash funds exempt for FY 2007-08, and $32,414 reappropriated funds and 0.3 FTE for FY 2008-09, to the Department of Law for the provision of legal services to the Department of Education.

For the purpose of conducting required building and fire inspections, appropriates $176,417 cash funds from the Public Safety Inspection Fund and 2.0 FTE to the Department of Labor and Employment, and $23,773 reappropriated funds and 0.3 FTE to the Department of Public Safety for FY 2008-09.

H.B. 08-1370: Creates the School Counselor Corps Grant Program to increase the availability of school-based counseling within secondary schools. Authorizes the Department to spend up to 2.0 percent of moneys annually appropriated for the Program to cover associated administrative costs. Appropriates $5,000,000 cash funds from the State Education Fund and 1.0 FTE to the Department for the Program for FY 2008-09.

H.B. 08-1375: General appropriations act for FY 2008-09. Also includes significant supplemental adjustments to modify appropriations to the Department of Education included in the FY 2006-07 Long Bill (H.B. 06-1385) and the FY 2007-08 Long Bill (S.B. 07-239). For more information about FY 2007-08 supplemental adjustments related to school finance, see the "Overview: Significant Mid-year Changes to FY 2007-08 Appropriations" discussion in the Assistance to Public Schools, Public School Finance subsection of this section.

H.B. 08-1384: Requires the Department to administer a biennial survey to all teachers concerning teaching and learning conditions, and appropriates $85,000 cash funds from the State Education Fund to the Department of Education for FY 2008-09 for such purpose. Requires the Department, for FY 2008-09 through FY 2010-11, to award annual stipends to public school teachers who hold a certification from the National Board for Professional Teaching Standards. Requires the Department to conduct two studies concerning the effectiveness of the annual stipends. Appropriates $1,156,997 cash funds from the State Education Fund to the Department

for FY 2008-09 to pay annual teacher stipends. [Please note that this appropriation was subsequently eliminated in S.B. 09-214.]

H.B. 08-1386: Creates the School Leadership Academy Program and the School Leadership Academy Board within the Department of Education to provide recruitment, induction, and professional development to principals in public schools. Appropriates a total of $137,983 cash funds and 1.5 FTE to the Department of Education for FY 2008-09, including $87,983 from the State Education Fund and $50,000 from gifts, grants, and donations.

H.B. 08-1388: Amends the "Public School Finance Act of 1994" and other statutory provisions to provide funding for school districts for FY 2008-09, making the following changes:

- Increases the statewide *base per pupil funding* from $5,087.61 to $5,270.13 (3.6 percent) -- $19.72 more per pupil than constitutionally required. Appropriates $19,967,013 cash funds from the State Education Fund (SEF) to cover the associated costs. [Please note that this additional $19.72 increase in base per pupil funding was subsequently eliminated in S.B. 09-215.]

- Adds 300 funded slots for the"Colorado Preschool and Kindergarten Program" (renamed the "*Colorado Preschool Program*") for FY 2008-09, for a total of 20,160. Appropriates $987,000 SEF to cover the associated school finance costs. Eliminates the option for districts to provide a full day of kindergarten to children through the Program, but provides hold harmless funding for districts to continue existing full-day kindergarten programs. Appropriates $7,356,409 SEF for such hold harmless funding.

- Provides *supplemental kindergarten enrollment funding* to school districts by allowing districts to count kindergarten students as 0.58 FTE rather than 0.50 FTE. Appropriates $31,719,892 SEF to cover the associated costs. Specifies additional funding amounts that the General Assembly intends to appropriate for supplemental kindergarten enrollment for FY 2009-10 through FY 2013-14. Requires the Department, upon a district's request, to provide related technical assistance. Appropriates $348,071 SEF and 5.0 FTE for the Department to provide such technical assistance and to administer the expanding Colorado Preschool Program.

- Establishes a grant program for districts' *capital construction costs associated with expanding full-day kindergarten programs*. Appropriates $34,582,545 SEF and 1.0 FTE for the program. [Please note that the $34.5 million appropriation for capital construction grants was subsequently eliminated in S.B. 09-185.]

- Allows a district experiencing *declining enrollment* to average up to five (rather than four) years of enrollment for funding purposes. Appropriates $9,226,000 SEF to cover the associated costs. Directs the Department to contract for a study to evaluate the impact of declining pupil enrollment in districts statewide and to recommend possible remedies. Appropriates $200,000 SEF for the study. [Please note that this study was subsequently delayed by one year in S.B. 09-215.]

- Establishes a new mechanism for the Department to distribute funding to approved *facility schools*. Repeals the Summer School Grant Program for Facility Schools. Makes associated appropriation adjustments resulting in a net increase of $341,280 SEF. For FY 2008-09, provides hold harmless funding for districts impacted by the new funding mechanism (districts will no longer be able to retain

a portion of per pupil funding associated with students attending facility schools). Appropriates $587,504 from the SEF to the Department for such hold harmless funding. Beginning in FY 2009-10, allows the Department to withhold 2.0 percent of the amount payable to each approved facility school to offset the costs incurred by the Facility Schools Unit (which is established by H.B. 08-1204).

- For FY 2008-09, appropriates an additional $5,000,000 SEF for *charter school capital construction*. Requires that $135,000 of this amount be distributed to a qualifying charter school for the deaf or blind. [Please note that $4,865,000 of this appropriation was subsequently eliminated in S.B. 09-215.]

- Increases the portion of the appropriation for *Special Education - Children with Disabilities* that is used to fund "high cost" grants, and appropriates $2,000,000 SEF for such purpose.

- Creates the *Alternative Teacher Compensation Plan Grant Program* to provide funding to districts to support the design and development of an alternative teacher compensation plan. Appropriates $1,000,000 SEF for the Program. [Please note that this appropriation was subsequently eliminated in S.B. 09-213.]

Also makes the following additional appropriations for FY 2008-09:

- Appropriates $300,000 SEF to the Department of Education for transfer to the Office of the Governor for the *STEM After-school Education Pilot Program*, and appropriates $300,000 from reappropriated funds to the Office of the Governor for the Program. [Please note that these appropriations were subsequently eliminated in S.B. 09-185.]

- Appropriates an additional $200,000 SEF to the Department of Education for *Special Education - Gifted and Talented Children*.

- Appropriates $85,092 General Fund and 1.5 FTE to the *Department of Human Services* for increased child care licensing and administration costs associated with the expansion of the Colorado Preschool Program. Decreases the General Fund appropriation to the Controlled Maintenance Trust Fund by $85,092.

H.B. 08-1395: Provides a property tax exemption for real property that is leased or rented by the State or local governments for at least a one-year term. While this act does not affect FY 2008-09 appropriations, it is anticipated to increase state expenditures under the School Finance Act in future fiscal years due to local school operating property taxes foregone due to the exemption. For additional information on this bill, see the "Recent Legislation" section for the Department of Revenue.

2009 Session Bills

S.B. 09-089: Modifies statute concerning the State Charter School Institute (SCSI). Creates the Institute Charter School Capital Construction Assistance Fund which will be funded with 1.0 percent of the per pupil funding for all Institute charter schools. The SCSI will use moneys in the Fund to assist charter schools in meeting capital construction needs, including providing matching funds to charter schools to help them qualify for moneys under the Building Excellent Schools Today Act (H.B. 08-1335) and through the Colorado Educational and Cultural Facilities Authority. Additional authorized uses of the Fund include provide grants and interest-free loans to

Institute charter schools. Permits the State Treasurer to make bond payments for Institute charter schools to help obtain favorable bond ratings. Enables the SCSI Board to exempt itself from the State's procurement codes. Appropriates $365,226 cash funds from the Institute Charter School Capital Construction Assistance Fund to the SCSI for FY 2009-10.

S.B. 09-123: Creates the Healthy Choices Dropout Prevention Pilot Program to provide grant funds to schools where sixth, seventh, and eighth grade is taught aimed at increasing the number of children who graduate. Appropriates $8,228 General Fund and 0.1 FTE to establish the program, process applications, and for legal services to develop rules for the grant program.

S.B. 09-160: Clarifies various aspects of two programs designed to assist schools to recruit new teachers from outside the education community. The "teacher in-residence" program is now named the "2-Year Alternative Teacher Program" and the "alternative teacher program" is now named the "1-Year Alternative Teacher Program". Requires the State Board of Education to establish common content requirements and minimum course work standards for these alternative teacher programs. Also requires the Department of Education to perform an on-site evaluation of every alternative teacher program at least once every 5 years. Appropriates $5,500 cash funds from the Educator Licensure Cash Fund in FY 2009-10 for expenditures related to travel to perform on-site program evaluations.

S.B. 09-163: Aligns accountability and accreditation measures and procedures, and adopts the Colorado growth model for measuring student longitudinal academic growth. Replaces school accountability reports (SARs) with school performance reports, and requires the Department to create and maintain a data portal for making school performance reports and other education accountability data publicly available. Redirects existing appropriations for printing and postage costs associated with the distribution of SARs to support development of the data portal and legal services expenses, reducing General Fund appropriations to the Department for FY 2009-10 by $1,779 and increasing FTE authorizations by 2.7 FTE.

S.B. 09-185: Supplemental appropriation to the Department of Education to modify FY 2007-08 appropriations included in the FY 2007-08 Long Bill (S.B. 07-239), and to modify FY 2008-09 appropriations included in the FY 2008-09 Long Bill (H.B. 08-1375) and H.B. 08-1388.

S.B. 09-208: Augments General Fund revenues for FY 2008-09 with $224.0 million in transfers from various cash funds, including $3,082,452 from the Contingency Reserve Fund. For further information on S.B. 09-208, see the "Recent Legislation" section at the end of the Department of Labor and Employment.

S.B. 09-213: Suspends the Alternative Teacher Compensation Plan, resulting in a one time reduction of $1.0 million cash funds from the State Education Fund in FY 2008-09.

S.B. 09-214: Suspends of the Teacher Quality Recruitment Program, resulting in a one time reduction of $1,156,997 cash funds from the State Education Fund in FY 2008-09.

S.B. 09-215: Makes several modifications to the Public School Finance Act of 1994, including the following:

- Specifies that for FY 2008-09, the *statewide base per pupil funding* shall be $5,250.41, an annual increase of 3.2 percent (inflation plus one percent). Eliminates from the statewide base per pupil funding the additional $19.72 per pupil that is not constitutionally required.

- Allows the Department of Education to transfer its direct and indirect costs for administering the School Finance Act from the annual appropriation for the State Share of Districts' Total Program Funding. Directs the Department to reduce the state aid for each school district and Institute charter school accordingly. As a result of this *"off-the-top" funding mechanism,* reduces General Fund appropriations by $1,345,439 and State Education Fund appropriations by $348,071, and reappropriates $1,693,510 from the State Share line item.

- Reduces the appropriation for *charter school capital construction* for FY 2008-09 from $10,000,000 to $5,135,000.

- Delays, for one year, the requirement that the Department contract with a private person or entity to conduct a *study concerning declining pupil enrollment* in school districts. Eliminates the associated $200,000 appropriation from the State Education Fund for FY 2008-09.

- Eliminates an appropriation of $82,545 from the State Education Fund and 1.0 FTE to the Department for FY 2008-09 to administer the full-day kindergarten capital construction grant program.

S.B. 09-226: Creates the "Colorado School Children's Food Allergy and Anaphylaxis Management Act" and requires the Department of Education and Department of Public Health and Environment to work jointly to develop a statewide policy for the management of food allergies among public school students by January 1, 2010. Appropriates $1,951 General Fund to the School Nutrition unit for outreach efforts and legal services. For additional information on this bill, see the "Recent Legislation" section for the Department of Public Health and Environment.

S.B. 09-230: Permits up to four district or institute charter schools to become School Food Authorities (SFAs) when unable to contract for food services through the district or Charter School Institute (CSI). To become an SFA, the school must receive authorization from the Department. Authorizes 1.0 FTE to be funded with federal moneys. All personal services and operating expenses will be federally funded.

S.B. 09-256: Amends the "Public School Finance Act of 1994" and other statutory provisions to provide funding for school districts for FY 2009-10, making the following changes:

- Increases the statewide *base per pupil funding* from $5,250.41 to $5,507.68 (4.9 percent) to account for inflation plus one percent. Maintains funding for supplemental kindergarten enrollment at an amount equal to 8.0 percent of a full-day pupil, thereby funding each kindergarten pupil based on 0.58 FTE.

- For FY 2009-10, requires each school district and the State Charter School Institute to create and budget an amount, equivalent to about 1.9 percent of total program funding (a total of $110 million statewide), to a *fiscal emergency restricted reserve*. Allows the reserved amount to be spent on or after January 29, 2010, unless a negative supplemental appropriation requiring a recision of a portion or all of the reserved amount is enacted and becomes law by such date.

- Provides districts with additional financial flexibility in two ways. First, beginning in FY 2009-10, eliminates the requirement that each school district and each charter school allocate minimum amounts to separate accounts designated for *instructional supplies/materials* and for *capital needs/risk*

management. Second, authorizes local boards of education to designate real property as all or a portion of the district's 3.0 percent emergency reserve required by Section 20 (5) of Article X of the Colorado Constitution (the *district's TABOR reserve*).

- Authorizes districts to raise additional local revenues in two ways. First, increases the *override cap*, allowing a district to seek voter approval to retain and spend additional property tax revenue equivalent to 25 percent (rather than 20 percent) of the district's total program funding. Second, modifies provisions authorizing a school district to seek voter approval to impose a *mill levy for the payment of excess transportation costs*, allowing a district to include transportation-related capital outlay expenditures.

- Requires the Department to submit a request for a supplemental appropriation in any fiscal year in which the *State share of funding for* an accounting district of *an Institute charter school* is insufficient to fully fund the total program of an Institute charter school.

- Requires the Commissioner of Education to study the feasibility of operating one or more state schools to serve students who may be at risk of academic failure. Directs the Department to submit the feasibility study and any legislative recommendations by February 1, 2010, and authorizes the Commissioner to contract for the *creation and operation of one or more state residential schools* if he concludes that it would be beneficial to the State. Declares that it is the intent of the General Assembly to appropriate up to $3.0 million from the State Education Fund for the creation of state residential schools or the provision of technical assistance to improve secondary-level math and science curricula. Appropriates $55,706 General Fund for the preparation of the feasibility study.

- Modifies the *Closing the Achievement Gap Program*. Transfers $1,750,000 from the Read-to-achieve Cash Fund to the Closing the Achievement Gap Cash Fund; these moneys are continuously appropriated to the Department.

- Modifies the Schools Awards Program, requiring that $250,000 of the moneys available for the Program be used to provide *Centers of Excellence awards* to public schools that enroll at least 75 percent at-risk pupils and that demonstrate the highest rates of student academic growth. Transfers $250,000 from the Read-to-achieve Cash Fund to the Schools Awards Program Fund, and appropriates this amount to the Department for FY 2009-10 for Centers of Excellence awards.

- In connection with the above transfers from the Read-to-achieve Cash Fund, reverses the appropriation made in S.B. 09-269 that would allow $1.0 million from the Read-to-achieve Cash Fund to be used for the Summer School Grant Program for FY 2009-10 in lieu of State Education Fund moneys. Decreases the FY 2009-10 appropriation from the Read-to-achieve Cash Fund for the Read-to-achieve Grant Program by $2.0 million.

- Requires the Department to use at least half of any increase in the appropriation for the *Expelled and At-risk Student Services Grant Program* for FY 2009-10 ($500,000) to award grants for the purpose of reducing the number of truancy cases requiring court involvement. Authorizes and encourages the Department to retain up to an additional 2.0 percent of any moneys appropriated for the Program to partner with organizations to reduce the number of truancy cases requiring court involvement.

S.B. 09-259: General appropriations act for FY 2009-10. Also includes significant supplemental adjustments to modify appropriations to the Department of Education for both FY 2007-08 and FY 2008-09.

S.B. 09-260: For FY 2008-09 and FY 2009-10 only, transfers certain moneys to the State Public School Fund (SPSF) rather than to the Permanent School Fund. Appropriates the moneys anticipated to be transferred in each fiscal year for public school finance ($24.6 million in FY 2008-09 and $37.0 million in FY 2009-10), and reduces appropriations from the State Education Fund for public school finance by the same amounts.

S.B. 09-269: Adjusts the allocation of tobacco litigation settlement moneys. Reduces the appropriation to the Department of Education for the Read-to-Achieve Grant Program for FY 2009-10 by $165,296 based on these allocation changes. In addition, redirects $1,000,000 of the appropriation to the Department of Education out of the Read-to-Achieve Cash Fund for FY 2009-10 from the Read-to-Achieve Grant Program to the Summer School Grant Program; eliminates the $1,000,000 appropriation to the Department from the State Education Fund for the Summer School Grant Program for FY 2009-10. For additional information on this bill, see the "Recent Legislation" section for the Department of Public Health and Environment.

H.B. 09-1243: Creates the Office of Dropout Prevention and Student Re-engagement in the Department of Education. The purpose of the office is to provide technical assistance and collaborate with local education providers to reduce the student dropout rate and increase graduation and completion rates. Creates a grant program to provide funding to local education providers to offer educational services and support to students, and establishes the Student Re-engagement Grant Program Fund. Appropriates $157,772 cash funds from the Student Re-engagement Grant Program Fund and 2.0 FTE in FY 2009-10, conditional upon the receipt of sufficient gifts, grants, and donations to "adequately fund the operations of the office", pursuant to Section 22-14-103 (1) (d), C.R.S.

H.B. 09-1319: Repeals three existing concurrent enrollment programs and enacts the Concurrent Enrollment Programs Act to broaden access to, improve the quality of, and ensure financial transparency and accountability of concurrent enrollment programs. Creates the Accelerating Students Through Concurrent Enrollment Program (ASCENT) to allow certain students to continue concurrent enrollment after 12th grade. Creates the Concurrent Enrollment Advisory Board in the Department of Education to make recommendations concerning concurrent enrollment programs, among other duties. Appropriates a total of $30,031 federal funds and 0.3 FTE to the Department of Education to administer the ASCENT Program, and reappropriates $10,139 of this amount to the Department of Law for the provision of legal services to the Department of Education.

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 Information Technology.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$12,115,742	$17,294,433	$13,443,436	$14,283,355
Cash Funds/1	33,074,603	8,776,099	38,831,138	25,512,170
Cash Funds Exempt/1	4,692,262	31,676,275	n/a	n/a
Reappropriated Funds/1	n/a	n/a	50,198,695	50,183,795
Federal Funds	17,222,636	13,030,450	32,981,986	32,978,780
Total Funds	**$67,105,243**	**$70,777,257**	**$135,455,255**	**$122,958,100**
Full Time Equiv. Staff	138.0	121.5	376.7	376.6

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Funding for this department consists of 11.6 percent General Fund, 20.7 percent cash funds, 40.8 percent reappropriated funds, and 26.9 percent federal funds.

Statewide Information Technology Consolidation

Senate Bill 08-155 provided the authority to consolidate most of the state's information technology (IT) activities into the Governor's Office of Information Technology (OIT). For FY 2008-09, the bill moved $43.3 million and 178.8 FTE from the Department of Personal and Administration, and 33.4 FTE (primarily senior managers) from 13 other state agencies into OIT. No additional transfers were made for FY 2009-10, but it is anticipated that approximately 900 state employees from various agencies will be transferred to OIT for FY 2010-11. House Bill 09-1367 laid part of the groundwork for those transfers, modifying the state accounting rules in order that the "pay date shift" would apply to a portion of the General Fund expenditures for IT services made by the state agencies from which employees will be transferred. The rule change was necessary to avoid a $3.3 million General Fund expense in FY 2010-11.

Cash Funds Revenue Shortfalls

The revenue for several cash funds that support programs in the Governor's Office comes from statutory transfers from a variety of sources. Whether the transfers occur, and the size of the transfers that do occur, require that state revenues meet certain criteria. As a result of decreased state revenues in FY 2008-09, the end-

of-year statutory transfers (funds which would be available for expenditure in FY 2009-10) will be significantly reduced. Cash funds affected include the Clean Energy Fund, the Public School Energy Efficiency Fund, the Colorado Travel and Tourism Promotion Fund, the State Council on the Arts Cash Fund, and the New Jobs Incentives Cash Fund. Recent Legislative Council Staff revenue forecasts indicate that the end-of-year transfers for FY 2009-10 (funds which would be available for expenditure in FY 2010-11) may also be smaller than in previous years.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Governor - Lieutenant Governor - Office of State Planning and Budgeting

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$135,455,255**	**$13,443,436**	**$38,831,138**	**$50,198,695**	**$32,981,986**	**376.7**
Breakdown of Total Appropriation by Administrative Section						
Office of the Governor	52,115,282	6,239,732	10,416,700	4,586,019	30,872,831	79.4
Office of the Lieutenant Governor	411,557	332,519	1,500	77,538	0	6.0
Office of State Planning and Budgeting	1,441,300	0	0	1,441,300	0	19.5
Economic Development Programs	34,678,366	6,452,671	26,141,439	96,101	1,988,155	44.5
Office of Information Technology	46,808,750	418,514	2,271,499	43,997,737	121,000	227.3
Office of the Chief Information Security Officer	0	0	0	0	0	0.0
Breakdown of Total Appropriation by Bill						
HB 08-1375	95,475,763	14,852,340	43,401,723	4,360,714	32,860,986	161.8
SB 08-155	47,890,663	1,142,825	1,923,462	44,703,376	121,000	212.2
SB 08-165	9,030	9,030	0	0	0	0.0
SB 08-184	0	0	0	0	0	1.0
SB 08-215	21,000	0	21,000	0	0	0.1
HB 08-1001	0	0	0	0	0	0.6
HB 08-1387	(7,050,000)	0	(7,050,000)	0	0	0.0
HB 08-1388	300,000	0	0	300,000	0	0.0
HB 08-1399	0	0	0	0	0	1.0
SB 09-162	331,537	0	331,537	0	0	0.0
SB 09-186	(1,522,738)	(2,560,759)	203,416	834,605	0	0.0
FY 2009-10 Total Appropriation:	**$122,958,100**	**$14,283,355**	**$25,512,170**	**$50,183,795**	**$32,978,780**	**376.6**
Breakdown of Total Appropriation by Administrative Section						

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Office of the Governor	41,014,837	5,034,106	703,510	4,415,818	30,861,403	78.4
Office of the Lieutenant Governor	425,856	346,818	1,500	77,538	0	6.0
Office of State Planning and Budgeting	1,507,279	0	0	1,507,279	0	19.5
Economic Development Programs	33,924,952	8,902,431	22,896,804	127,141	1,998,576	45.5
Office of Information Technology	46,085,176	0	1,910,356	44,056,019	118,801	227.2
Breakdown of Total Appropriation by Bill						
SB 09-259	120,894,429	11,783,355	25,948,499	50,183,795	32,978,780	376.1
SB 09-067	2,500,000	2,500,000	0	0	0	0.0
HB 09-1010	(480,011)	0	(480,011)	0	0	0.0
HB 09-1105	43,682	0	43,682	0	0	0.5
Increase/(Decrease)	($12,497,155)	$839,919	($13,318,968)	($14,900)	($3,206)	(0.1)
Percentage Change	(9.2)%	6.2%	(34.3)%	0.0%	0.0%	0.0%

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation increases funding for the Broadband Inventory project in the Governor's Office of Information Technology by $331,537 cash funds from the Broadband Inventory Fund.

2. The appropriation refinances $1.3 million General Fund for Management and Administration of the Office of Information Technology with reappropriated funds.

3. The appropriation reduces funding for the Solar Incentives program in the Governor's Energy Office by $1.0 million General Fund.

4. The appropriation reduces personal services expenditures in the Governor's Office of Information Technology by $239,046 reappropriated funds as a result of the hiring freeze.

5. The appropriation refinances $205,221 General Fund for the Colorado Welcome Centers with cash funds from the Colorado Travel and Tourism Promotion Fund.

6. The appropriation reduces operating expenses in the Governor's Office and the Lieutenant Governor's Office by $74,178 General Fund.

FY 2009-10 Appropriation Highlights:

1. The appropriation reflects the statutory transfer of $4.5 million from the Limited Gaming Fund to the Biosciences Discovery Evaluation Cash Fund in the Economic Development Programs Division at the end of FY 2008-09, which will be available for expenditure in FY 2009-10. This transfer is shown for informational purposes only.

2. The appropriation includes $2.5 million in S.B.09-067 for operation of a program to increase the availability of credit to small businesses in Colorado.

3. The appropriation includes a $1.0 million increase to annualize salary increases and pay for performance awarded in FY 2008-09.

4. The appropriation includes an increase of $549,000 department-wide for adjustments for employee benefits.

5. The appropriation increases leased space by $239,000 in order to consolidate Governor's Office of Information Technology staff into a single location.

6. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $1.1 million, including $276,000 General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

7. The appropriation decreases the estimated transfer of limited gaming funds to cash funds supporting economic development programs by $7.9 million. The Joint Budget Committee sponsored legislation which preserved a portion of these transfers, which would have otherwise been eliminated due to insufficient General Fund revenues.

8. The appropriation decreases the estimated transfer of limited gaming fund moneys to the Clean Energy Fund by $7.3 million. The decrease is due to reduced gaming revenues. The appropriation is shown for informational purposes only.

9. The appropriation decreases the severance tax transfer to the Colorado Renewable Energy Authority by $2.0 million. The statutory requirement for this transfer has expired.

10. The appropriation eliminates funding for the Solar Incentives program, resulting in a reduction of $1.0 million General Fund.

11. The appropriation eliminates $478,000 General Fund due to one-time appropriations.

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, as well as maintaining a liaison with local governments and the federal government. Offices within the Governor's Office include: the Governor's Energy Office, the Office of Homeland Security, Boards and Commissions Office, Citizens' Advocate Office, and the Office of Policy and Initiatives. Some 75.2 percent of this division's funding is from federal grants related to Homeland Security; miscellaneous programs such as Head Start, GEAR-UP, and Access to Recovery; and federally funded energy programs. Approximately 12.3 percent of funds are from the General Fund ($5.0 million); $2.5 million for direct administration of the Governor's office and Residence,

and $2.5 million for centrally-appropriated items such as employee benefits and risk management. The reappropriated funds are from other divisions within the department and other agencies' assessments for indirect recoveries for services.

Office of the Governor

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$54,888,022	$6,274,614	$17,452,143	$290,175	$30,871,090	78.4
SB 08-155	5,298,402	1,142,825	0	4,155,577	0	0.0
SB 08-165	9,030	9,030	0	0	0	0.0
SB 08-184	0	0	0	0	0	1.0
SB 08-215	4,500	0	4,500	0	0	0.0
HB 08-1387	(7,050,000)	0	(7,050,000)	0	0	0.0
SB 09-186	(1,034,672)	(1,186,737)	10,057	140,267	1,741	0.0
TOTAL	**$52,115,282**	**$6,239,732**	**$10,416,700**	**$4,586,019**	**$30,872,831**	**79.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$52,115,282	$6,239,732	$10,416,700	$4,586,019	$30,872,831	79.4
Centrally-appropriated line items	547,750	258,558	(55,726)	346,793	(1,875)	0.0
Consolidate OIT leased space	253,445	0	0	253,445	0	0.0
Annualize salary and benefits adjustments	160,754	143,131	0	4,552	13,071	0.0
Reduce limited gaming transfer to Clean Energy Fund	(7,325,738)	0	(7,325,738)	0	0	0.0
Reduce transfer to Colorado Renewable Energy Authority	(2,000,000)	0	(2,000,000)	0	0	0.0
Eliminate salary survey and performance-based pay	(1,072,880)	(275,687)	(6,107)	(775,072)	(16,014)	0.0
Eliminate funding for Solar Incentives	(1,013,750)	(1,013,750)	0	0	0	0.0
Reduce transfer to School Energy Efficiency Fund	(346,000)	0	(346,000)	0	0	0.0
Annualize prior year funding	(283,650)	(279,150)	(4,500)	0	0	0.0
Personal services base reduction	(38,116)	(37,816)	0	(300)	0	0.0
Other	17,740	(912)	24,881	381	(6,610)	(1.0)
SB 09-259	**$41,014,837**	**$5,034,106**	**$703,510**	**$4,415,818**	**$30,861,403**	**78.4**
TOTAL	**$41,014,837**	**$5,034,106**	**$703,510**	**$4,415,818**	**$30,861,403**	**78.4**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	($11,100,445)	($1,205,626)	($9,713,190)	($170,201)	($11,428)	(1.0)
Percentage Change	(21.3)%	(19.3)%	(93.2)%	(3.7)%	0.0%	(1.3)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-186 reduce the General Fund appropriation for the Solar Incentives program in the Governor's Energy Office by $1.0 million, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

Reduce limited gaming transfer to Clean Energy Fund: The appropriation reflects a decrease in the appropriation shown for Clean Energy. This line item has been used to show the statutory transfer that occurs each year from the Limited Gaming Fund. Under the June 2009 Legislative Council Staff revenue forecast, no transfer will occur.

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

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

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

Office of the Lieutenant Governor

Colorado's Constitution provides for the Lieutenant Governor to become Governor in the case of the death, impeachment, felony conviction, incapacitation, or resignation of the Governor. The Lieutenant Governor serves as chairperson of the Colorado Commission of Indian Affairs and handles additional responsibilities assigned by the Governor. Approximately 81.4 percent of the funding for the Office of the Lieutenant Governor is from the General Fund. The reappropriated funds are transferred from the Department of Human Services to fund the Early Childhood Council, with other cash funding from private donations.

Office of the Lieutenant Governor

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$420,928	$341,890	$1,500	$77,538	$0	6.0
SB 09-186	(9,371)	(9,371)	0	0	0	0.0
TOTAL	**$411,557**	**$332,519**	**$1,500**	**$77,538**	**$0**	**6.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$411,557	$332,519	$1,500	$77,538	$0	6.0
Annualized salary and benefits adjustments	14,784	14,784	0	0	0	0.0
Other	(485)	(485)	0	0	0	0.0
SB 09-259	**$425,856**	**$346,818**	**$1,500**	**$77,538**	**$0**	**6.0**
TOTAL	**$425,856**	**$346,818**	**$1,500**	**$77,538**	**$0**	**6.0**
Increase/(Decrease)	$14,299	$14,299	$0	$0	$0	0.0
Percentage Change	3.5%	4.3%	0.0%	0.0%	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-186 reduced the General Fund appropriation for operating expenses by $8,547 and the General Fund appropriation for management and administration of IT by $824.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Office of State Planning and Budgeting

The Office of State Planning and Budgeting is responsible for the development of executive budget requests, the review and analysis of departmental expenditures, and preparation of revenue and economic forecasts for the State. This division is funded entirely with reappropriated funds; these funds are from indirect cost recoveries both within the Governor's Office and received from other agencies.

Office of State Planning and Budgeting

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$1,441,985	$0	$0	$1,441,985	$0	19.5
SB 09-186	(685)	0	0	(685)	0	0.0
TOTAL	**$1,441,300**	**$0**	**$0**	**$1,441,300**	**$0**	**19.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$1,441,300	$0	$0	$1,441,300	$0	19.5
Annualized salary and benefits adjustments	66,074	0	0	66,074	0	0.0
Other	(95)	0	0	(95)	0	0.0
SB 09-259	**$1,507,279**	**$0**	**$0**	**$1,507,279**	**$0**	**19.5**
TOTAL	**$1,507,279**	**$0**	**$0**	**$1,507,279**	**$0**	**19.5**
Increase/(Decrease)	$65,979	$0	$0	$65,979	$0	0.0
Percentage Change	4.6%	n/a	n/a	4.6%	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-186 reduced the General fund appropriation for management and administration of IT by $685.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Economic Development Programs

The Office of Economic Development centralizes and coordinates the State's business assistance, retention, expansion, and recruitment programs. The Division includes the Economic Development Commission, the Minority Business Office, the Small Business Development Centers, the International Trade Office, the Colorado Welcome Centers, the Economic Development Commission, Colorado tourism promotion, and the State Council on the Arts. The Division also coordinates programs related to Film Incentives, Bioscience Discovery Evaluation, and New Jobs Incentives. The largest portion of the Division's funding is from various cash funds (67.5 percent) which receive statutory transfers from the Limited Gaming Fund. The reappropriated funds are from the Division of Insurance, in the Department of Regulatory Agencies to fund CAPCO administration costs, and from indirect cost recoveries from other agencies.

Economic Development Programs

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$34,685,844	$6,651,767	$25,948,080	$96,101	$1,989,896	42.9
HB 08-1001	0	0	0	0	0	0.6
HB 08-1388	300,000	0	0	300,000	0	0.0
HB 08-1399	0	0	0	0	0	1.0
SB 09-186	(307,478)	(199,096)	193,359	(300,000)	(1,741)	0.0
TOTAL	**$34,678,366**	**$6,452,671**	**$26,141,439**	**$96,101**	**$1,988,155**	**44.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$34,678,366	$6,452,671	$26,141,439	$96,101	$1,988,155	44.5
Annualize HB 08-1001 Limited Gaming Fund transfer	4,500,000	0	4,500,000	0	0	0.0
Annualize salary and benefits adjustments	137,108	100,271	2,472	32,182	2,183	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	57,473	48,072	(253)	0	9,654	0.1
Indirect cost assessment adjustment	23,868	0	26,426	(1,142)	(1,416)	0.0
International Trade Office FTE	15,336	15,336	0	0	0	0.4
Refinance Colorado Welcome Centers	0	(213,919)	213,919	0	0	0.0
Reduce other Limited Gaming Fund transfers	(7,550,870)	0	(7,550,870)	0	0	0.0
SB 09-259	**$31,861,281**	**$6,402,431**	**$23,333,133**	**$127,141**	**$1,998,576**	**45.0**
SB 09-067	2,500,000	2,500,000	0	0	0	0.0
HB 09-1010	(480,011)	0	(480,011)	0	0	0.0
HB 09-1105	43,682	0	43,682	0	0	0.5
TOTAL	**$33,924,952**	**$8,902,431**	**$22,896,804**	**$127,141**	**$1,998,576**	**45.5**
Increase/(Decrease)	($753,414)	$2,449,760	($3,244,635)	$31,040	$10,421	1.0
Percentage Change	(2.2)%	38.0%	(12.4)%	32.3%	0.5%	2.2%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-186 refinanced $195,164 of the General Fund appropriation for the Colorado Welcome Centers with cash funds and eliminated the $300,000 reappropriated funds appropriation for the Science, Technology, Engineering, and Mathematics after-school program, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

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

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

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Office of Information Technology

The Office of Information Technology oversees technology initiatives at the state level, recommending strategies to maximize service delivery efficiency in a cost-effective manner through the application of enterprise technology solutions. Funding for the division is primarily from reappropriated fund from state agencies purchasing information technology (IT) services on a fee-for-service basis. Cash funds (4.1 percent) are from the Telecommunications Revolving Fund, the Public Safety Communications Trust Fund, and from non-state agency user fees. Federal funds (0.3 percent) are from the National Oceanic and Atmospheric Administration.

Senate Bill 08-155 provided the authority to consolidate most of the state's IT activities into the Governor's Office of Information Technology (OIT). For FY 2008-09, the bill moved $43.3 million and 178.8 FTE from the Department of Personal and Administration, and 33.4 FTE (primarily senior managers) from 13 other state agencies into OIT. No additional transfers were made for FY 2009-10, but it is anticipated that approximately 900 state employees from various agencies will be transferred to OIT for FY 2010-11. House Bill 09-1367 laid part of the groundwork for those transfers, modifying the state accounting rules in order that the "pay date shift" would apply to a portion of the General Fund expenditures for IT services made by the state agencies from which employees will be transferred. The rule change was necessary to avoid a $3.3 million General Fund expense in FY 2010-11. For FY 2009-10, the appropriation for OIT includes no General Fund.

Office of Information Technology

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$1,234,069	$1,234,069	$0	$0	$0	13.0
SB 08-155	45,397,176	350,000	1,923,462	43,002,714	121,000	214.2
SB 08-215	16,500	0	16,500	0	0	0.1
SB 09-162	331,537	0	331,537	0	0	0.0
SB 09-186	(170,532)	(1,165,555)	0	995,023	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$46,808,750**	**$418,514**	**$2,271,499**	**$43,997,737**	**$121,000**	**227.3**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$46,808,750	$418,514	$2,271,499	$43,997,737	$121,000	227.3
Annualize salary and benefits adjustments	626,425	45,733	0	580,692	0	0.0
Annualize FY 2008-09 hiring freeze	239,046	0	0	239,046	0	0.0
Annualize prior year funding	(892,489)	(350,000)	(348,037)	(194,452)	0	(0.1)
Indirect cost assessment adjustment	(425,382)	0	0	(425,382)	0	0.0
Personal services base reduction	(202,667)	0	(13,106)	(187,362)	(2,199)	0.0
Finish converting to fee-for-service	(68,514)	(114,247)	0	45,733	0	0.0
Other	7	0	0	7	0	0.0
SB 09-259	**$46,085,176**	**$0**	**$1,910,356**	**$44,056,019**	**$118,801**	**227.2**
TOTAL	**$46,085,176**	**$0**	**$1,910,356**	**$44,056,019**	**$118,801**	**227.2**
Increase/(Decrease)	($723,574)	($418,514)	($361,143)	$58,282	($2,199)	(0.1)
Percentage Change	(1.5)%	(100.0)%	(15.9)%	0.1%	(1.8)%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-186 refinanced $1,165,555 of the General Fund appropriation for the Office, and included a savings of $239,046 reappropriated funds due to the Governor's hiring freeze, among other changes. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Annualize prior year funding: The appropriation includes funding adjustments required by prior year bills and decision items, including: a reduction of $350,000 for the FY 2008-09 Cyber Security decision item; a reduction of $331,537 for the Broadband Inventory project; a reduction of $165,000 associated with S.B. 07-228 (Vendor Perform State Contracts); a reduction of $29,452 associated with S.B. 08-155 (Centralize IT Management in OIT); and a reduction of $16,500 associated with S.B. 08-215 (OIT Broadband Telecom Map).

Indirect cost assessment adjustment: The appropriation includes an adjustment in the statewide indirect cost assessment for the Division.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Office of the Chief Information Security Officer

The Office of the Chief Information Security Officer develops information security policies, standards, and guidelines for public agencies; promulgates rules; directs information security audits and assessments in the public agencies; establishes a risk management process and deploys risk mitigation strategies, processes and procedures. Senate Bill 08-155 placed the Office of the Chief Information Security Officer within the Office of Information Technology in the Office of the Governor.

Office of the Chief Information Security Officer						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$2,804,915	$350,000	$0	$2,454,915	$0	2.0
SB 08-155	(2,804,915)	(350,000)	0	(2,454,915)	0	(2.0)
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$0	$0	$0	$0	$0	0.0
No changes	0	0	0	0	0	0.0
SB 09-259	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
Increase/(Decrease)	$0	$0	$0	$0	$0	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Senate Bill 08-155 placed the Office of the Chief Information Security Officer within the Office of Information Technology in the Office of the Governor. The appropriation for the Chief Information Security Officer for FY 2009-10 is included in that division's appropriation.

Recent Legislation

2008 Session Bills

S.B. 08-155: Consolidates the responsibility for information technology (IT) oversight of most of the state's executive branch in the Governor's Office of Information Technology (OIT). It does not affect the legislative or judicial branches, or the departments of law, state, or the treasury. The act provides $47.9 million and 212.2 FTE to the Office of the Governor, Office of Information Technology, for statewide information technology consolidation. This amount includes a transfer of $43.3 million and 178.8 FTE from the Department of Personnel and Administration as well as a transfer of 33.4 FTE from 13 other state agencies. The bill creates the Information Technology Revolving Fund to consist of any money appropriated from the General Fund for the procurement of IT resources or major automation system projects as well as any savings achieved by OIT in procuring IT resources or major automation system projects. Money in the revolving fund is continuously appropriated to OIT to pay the costs of consolidation and IT maintenance and upgrades.

S.B. 08-165: Establishes the Colorado Advisory Council for Persons with Disabilities within the Office of the Governor. Appropriates $9,030 General Fund to the Office of the Governor and provides an associated reduction of $9,030 General Fund to the FY 2008-09 Long Bill appropriation to the Controlled Maintenance Trust Fund.

S.B. 08-184: Creates the Colorado Clean Energy Finance Program to provide below market-rate loans to homeowners to finance home improvements that will improve energy efficiency and increase the use of renewable energy. The act also creates the Clean Energy Program Fund and the Loan Buy-Down (LBD) and Loan Loss Reserve (LLR) accounts within the fund. Moneys in the LBD account will be used to buy down the interest rate on clean energy loans issued to three tiers of income-qualified borrowers. Moneys in the LLR account will be used to periodically compensate the program administrator for losses from loans that have been written off. Increases the cash-funded FTE by 1.0 FTE, which shall be supported by moneys in the continuously appropriated Clean Energy Program Fund.

S.B. 08-215: Directs the Office of Information Technology (OIT) to create an inventory of broadband service areas by April 1, 2009 and shall include: (1) an illustrative statewide map including all available broadband technologies, including wired, wireless, and satellite-delivered services; (2) the potential use of enterprise zones in the development of rural broadband service; (3) the need for additional infrastructure to reach locations in which potential broadband customers are found; and (4) nonproprietary demographic information. Provides $21,000 cash funds and 0.1 FTE to be funded with moneys received from gifts, grants, and donations. The bill further specifies that if the amount of moneys received from gifts, grants, and donations does not equal or exceed that amount, the PUC is required to direct payments of up to $100,000 from the High Cost Support Mechanism to the Broadband Inventory Fund.

H.B. 08-1001: Modifies the structure of the existing Bioscience Discovery Evaluation Grant Program. Specifically, the bill repeals provisions concerning grants to federal Small Business Innovation Research programs, Small Business Technology Transfer programs, and biofuel research. The bill adds early-stage bioscience companies as possible recipients of program grants, and specifies that, to be eligible for moneys, such companies must have a licensed technology from a Colorado research institution of higher education. Appropriates $5.5 million General Fund in FY 2007-08 for use by the Bioscience Discovery Evaluation Grant Program in FY 2008-09 and provides 0.6 FTE for FY 2008-09.

H.B. 08-1284: Supplemental appropriation for FY 2007-08. Also includes supplemental adjustments to further modify appropriations to Economic Development Programs in FY 2006-07.

H.B. 08-1305: Transfers certain enterprise zone program administrative responsibilities from the Department of Local Affairs to the Governor's Office of Economic Development (OED) and the Economic Development Commission. This transfer requires a $65,000 and 1.0 FTE reduction in FY 2008-09 appropriations to the Department of Local Affairs (including $22,963 General Fund and $42,037 reappropriated funds previously transferred from the OED). This transfer requires a $22,963 General Fund and 1.0 FTE increase in FY 2008-09 appropriations to OED. As this act passed prior to the introduction of the FY 2008-09 Long Bill, these appropriation adjustments are reflected in the FY 2008-09 Long Bill.

H.B. 08-1375: General appropriations act for FY 2008-09.

H.B. 08-1387: Provides funding for additional fiscal years from the Operational Account of the Severance Tax Trust Fund to the Governor's Energy Office (GEO) for energy bill payment assistance for low-income households through Energy Outreach Colorado and for home energy efficiency improvements. Reduces the appropriation made to the GEO in the 2008 Long Bill by $7,050,000. This reduction is offset by direct transfers from the Operational Account of the Severance Tax Trust Fund to the Energy Outreach Colorado Low-income Energy Assistance Fund, and Governor's Energy Office Low-income Energy Assistance Fund to maintain the same services. These funds are continuously appropriated by the bill and will in the future be included in the Long Bill for informational purposes only. The bill further allows the GEO's energy efficiency program and Energy Outreach Colorado to use up to 5 percent of the amount they receive each year for administration purposes.

H.B. 08-1388: Appropriates $300,000 reappropriated funds from the Department of Education for grants for after-school pilot programs emphasizing science, technology, engineering, and math (STEM).

H.B. 08-1399: Changes the allocation of interest earned on the Unclaimed Property Tourism Trust Fund from the sale of securities determined to be abandoned property which are then credited to the Colorado Travel and Tourism Promotion Fund. Under the bill, of the interest earned from the moneys in the Colorado Travel and Tourism Promotion Fund, 10.0 percent will remain in the Colorado Travel and Tourism Promotion Fund for use by the Colorado Tourism Office in the Office of Economic Development and International Trade to promote agritourism in coordination with the Agriculture Commissioner. Increases the cash funds appropriation to the Office of the Governor, Economic Development Programs, Colorado Promotion - Other Promotion Programs by 1.0 FTE to administer state agritourism. The appropriations are contingent upon full repayment of the outstanding debt incurred by the Colorado state fair authority to build the events center in Pueblo.

H.B. 08-1415: Specifies that for FY 2008-09 only, of the portion of Limited Gaming Fund moneys that would otherwise be transferred to the Film Incentives Cash Fund, $300,000 shall be transferred to the Colorado Office of Economic Development in the Governor's Office. Moneys are to be used for the operating costs of the Colorado Film Commission. Appropriates $300,000 cash funds to the Office of Economic Development.

2009 Session Bills

S.B. 09-067: Authorizes the Colorado Economic Development Commission to contract with the Colorado Housing and Finance Authority for the operation of a program to increase the availability of credit to small businesses in Colorado. Appropriates $2.5 million General Fund for FY 2009-10 for this purpose.

S.B. 09-162: Authorizes the Governor's Office of Information Technology to accept funds from a broader range of sources for the Broadband Inventory project. Appropriates $331,537 for FY 2008-09 from the Broadband Inventory Fund.

S.B. 09-186: Supplemental appropriation to the Governor's Office for FY 2008-09.

S.B. 09-217: Sets different amounts for the transfers from the Limited Gaming Fund at the end of FY 2008-09 to the Travel and Tourism Fund, the New Jobs Incentives Fund, the Council on the Arts Fund, and the Film Incentives Fund. Without the statutory change made by this bill, no transfers to these funds would have occurred due to the forecast shortfall in General Fund revenue in FY 2008-09. The bill only affects the transfers at the end of FY 2008-09; in subsequent years, the previous rules for the transfers will apply. Transferred funds are available for expenditure in the following fiscal year, and the effect of the reduced transfers are reflected in the appropriations made in S.B. 09-259.

S.B. 09-259: General appropriations act for FY 2009-10.

S.B. 09-293: Reduces statutory transfers from the Operational Account of the Severance Tax Trust Fund for low-income energy assistance programs in the Governor's Energy Office for FY 2009-10, and eliminates those transfers for FY 2010-11 and FY 2011-12. Once transferred, these moneys are continuously appropriated, and are shown for informational purposes only. For additional information on S.B. 09-293, see the "Recent Legislation" section at the end of the Department of Natural Resources.

H.B. 09-1010: Creates the Colorado Office of Film, Television, and Media within the Colorado Office of Economic Development in the Governor's Office. Duties include marketing Colorado as a destination for making movie films and other related activities; coordinating efforts among production companies and government agencies; and conducting educational seminars. The new office effectively replaces the previously existing Film Incentives program. Effective July 1, 2009, any balance remaining in the Film Incentives Cash Fund is transferred to the new program. Statutory transfers of limited gaming funds which were previously made to the Film Incentives Cash Fund will be made to the new program in the future. Adjusts the FY 2009-10 Long Bill to remove $480,011 in "empty" spending authority for the Film Incentives program.

H.B. 09-1105: Creates the Colorado Innovation Investment Tax Credit program, which allows qualified investors in small Colorado companies to apply for a tax credit equal to the lesser of 15.0 percent of the amount of the investment, or $20,000. The total amount of tax credits granted may not exceed $750,000 in a single year. In order to claim the credit, the investment must be at least $25,000. The company in which the investment is made must be headquartered in Colorado, have annual revenues of less than $2.0 million, have

assets of less than $5.0 million, and have been in operation for less than five years. Appropriates $43,682 cash funds and 0.5 FTE to the Economic Development Programs division.

H.B. 09-1367: Modifies the state's accounting rules to allow a portion of the General Fund paid to the Governor's Office of Information Technology for IT services to be subject to the same "pay date shift" as General Fund expenditures for personal services. This change avoids a charge of approximately $3.3 million in FY 2010-11 which would otherwise occur when the IT consolidation authorized by S.B. 08-155 is completed.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

The Department of Health Care Policy and Financing provides health care services to approximately 640,605 Colorado residents through four health care programs: (1) the State's Medicaid medical and mental health programs; (2) the Colorado Indigent Care program (CICP); (3) the Children's Basic Health Plan (CBHP); and (4) the Old Age Pension Medical program. In addition to these programs, the Department administers the Comprehensive Primary and Preventive Care Grant program and the Primary Care Program to increase access to health care services for medically indigent or under-served populations and areas. The Medicaid, CICP, and CBHP programs are federal and state partnerships; therefore, the State receives approximately $2.0 billion in federal matching funds for these programs. The Department transfers approximately 10.5 percent of its appropriation to other state agencies that administer programs eligible for Medicaid funding. The majority of this funding is transferred to the Department of Human Services.

The Department's budget is comprised of the following sections: (1) Executive Director's Office; (2) Medical Services Premiums; (3) Medicaid Mental Health Community Programs; (4) Indigent Care Program; (5) Other Medical Services; and (6) Department of Human Services Medicaid-Funded Programs.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund/1	$1,379,862,672	$1,481,718,670	$1,567,671,367	$1,587,903,164
Cash Funds/2	695,047	3,439,333	389,157,525	430,809,756
Cash Funds Exempt/2	360,771,458	364,968,810	n/a	n/a
Reappropriated Funds/2	n/a	n/a	22,770,129	25,546,139
Federal Funds	1,602,699,655	1,721,062,814	1,901,578,525	1,971,530,872
Total Funds	**$3,344,028,832**	**$3,571,189,627**	**$3,881,177,546**	**$4,015,789,931**
Full Time Equiv. Staff	231.8	257.3	269.2	287.8

/1 Appropriations include General Fund Exempt.
/2 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Funding for this department in FY 2009-10 consists of 49.1 percent federal funds, 39.5 percent General Fund, 10.7 percent cash funds, and 0.6 percent reappropriated funds. Some of the most important factors driving the Department's budget are reviewed below.

Medical Services Premiums

The Medical Services Premiums section provides funding for the health care services of individuals qualifying for the Medicaid program. Health care services include both acute care services (such as physician visits,

prescription drugs, and hospital visits) and long-term care services (provided within nursing facilities and community settings). The Department contracts with health care providers through fee-for-service and managed care organizations (MCOs) arrangements in order to provide these services to eligible clients. Total costs for the program are driven by the number of clients, the costs of providing health care services, and utilization of health care services.

Medicaid Caseload Growth

The following factors affect the number of clients participating in the Medicaid program: (1) general population growth; (2) policy changes at the state and federal level regarding who is eligible for services; and (3) economic cycles. The current Medicaid caseload forecast is 433,304 clients in FY 2008-09 and 476,632 clients in FY 2009-10. The following table shows the Medicaid caseload history by aid category from FY 2005-06 through the forecast period for FY 2009-10.

Medicaid Caseload	**FY 2005-06 Actual**	**FY 2006-07 Actual**	**FY 2007-08 Actual/1**	**FY 2008-09 Estimate**	**FY 2009-10 Estimate**
Supplemental Security Income (SSI) Ages 65+	36,219	35,977	36,284	37,578	38,279
Supplemental. Security Income (SSI) Ages 60 - 64	6,048	6,042	6,146	6,393	6,614
Partial Dual Eligibles	11,012	12,818	14,214	15,147	16,329
Disabled	47,565	48,567	49,933	51,298	52,254
Categorically Eligible Adults	57,747	51,361	44,555	48,693	57,097
Expansion Low-Income Adults	0	4,974	8,918	12,484	16,015
Baby Care Adults	5,050	5,123	6,288	6,986	7,391
Breast and Cervical Cancer Treatment	188	230	270	301	321
Low-Income Children	213,600	206,170	204,022	232,414	259,414
Foster Children	16,311	16,601	17,141	18,010	18,663
Non-Citizens	5,959	5,214	4,191	4,000	4,255
Total Medicaid Caseload	399,699	393,077	391,962	433,304	476,632
Annual Percent Change	(0.8)%	(1.7)%	(0.3)%	10.5%	10.0%

/1 In FY 2007-08, the Department rebased the monthly reported caseload to include caseload reported through the last day in the calendar month. Data from this point forward is shown under the new methodology.

Medical Cost Increases

In addition to increased costs due to caseload growth, the Medicaid budget also grows as a result of higher medical costs and greater utilization of medical services. In FY 2008-09 and FY 2009-10, the appropriation assumes that the overall cost-per-client will decrease. The decrease in the average cost for client does not reflect lower medical costs. Rather, the average cost per client is decreasing due to an increase in the number of children and low-income adults. Because these two aid categories have lower per-capita-cost than other aid categories, the recent caseload increases in these aid categories have had the affect of lowering the overall average cost-per-client in the Medicaid medical program. In addition to the case mix changes (i.e. changes to the ratio of low cost clients compared to high cost clients), reimbursement rate reductions and utilization controls were implemented in FY 2009-10 to control costs. The following table shows the average medical costs per Medicaid client from FY 2005-06 through the forecast period for FY 2009-10.

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Appropriation
Medical Service Cost Per Capita	$4,959.65	$5,211.29	$5,707.91	$5,348.24	$5,237.52
Annual Percent Change	5.5%	5.1%	9.5%	(6.3)%	(2.1)%

Medicaid Mental Health Capitation

Medicaid mental health community services throughout Colorado are delivered through a managed care or "capitated" program. Under capitation, the State pays a regional entity - a Behavioral Health Organization (BHO) - a contracted amount (per member per month) for each Medicaid client eligible for mental health services in the entity's geographic area. The BHO is then required to provide appropriate mental health services to all Medicaid-eligible persons needing such services.

The rate paid to each BHO is based on each class of Medicaid client eligible for mental health services (*e.g.*, children in foster care, low-income children, elderly, disabled) in each geographic region. Under the capitated mental health system, changes in rates paid, and changes in overall Medicaid eligibility and case-mix (mix of types of clients within the population) are important drivers in overall state appropriations for mental health services. Capitation represents the bulk of the funding for Medicaid mental health community programs.

The following table provides information on the recent expenditures and caseload for Medicaid mental health capitation.

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Appropriation
Medicaid Mental Health Capitation Funding /1	$176,727,920	$184,640,568	$196,011,033	$214,773,641	$213,372,859
Annual Dollar Change	$12,187,478	$7,912,648	$11,370,465	$18,762,608	($1,400,782)
Annual Percent Change	7.4%	4.5%	6.2%	9.6%	(0.7)%
Individuals Eligible for Medicaid Mental Health Services (Caseload)/2	382,554	375,046	373,557	414,157	456,048
Annual Caseload Change	(5,520)	(7,508)	(1,489)	40,600	41,891
Annual Percent Change	(1.4)%	(2.0)%	(0.4)%	10.9%	10.1%

1/ Does not include the fee-for-service payments. The reason that this table shows a lower amount in FY 2009-10 is due to S.B. 09-265 which delays changes the payment cycle for capitation payments.

/2 Not all Medicaid caseload aid categories are eligible for mental health services. The caseload reported in this table does not reflect the Partial Dual Eligible or non-citizen aid categories.

Indigent Care Program

The Safety Net Provider Payment, the Children's Hospital Clinic Based Indigent Care, and the Pediatric Speciality Hospital line items provide direct or indirect funding to hospitals and clinics that have uncompensated costs from treating approximately 195,000 under-insured or uninsured Coloradans through the Indigent Care Program. The Indigent Care Program is not an insurance program or an entitlement program. Funding for this program is based on policy decisions at the state and federal level and is not directly dependent on the number of individuals served or the cost of the services provided. The majority of the funding for this

program is from federal sources. State funds for the program come through General Fund appropriations and through certifying qualifying expenditures at public hospitals.

In FY 2005-06, total funding for the program increased by $28.7 million. The increase was due to restoring $6.2 million for private hospitals that was cut in the prior year, increasing funding for pediatric speciality hospitals by $5.5 million, and accessing an additional $17 million in Medicare Upper Payment Limit (UPL) funding. For FY 2006-07, an additional $9.9 million was expended for these programs due mainly to a $15.0 million funding increase pursuant to S.B. 06-044, offset by a decrease of $5.1 million in UPL financing. For FY 2007-08 a provider rate increase was included for the pediatric speciality hospital line item and federal matching funds were obtained for the S.B. 06-044, for a total funding increase of $27.9 million.

The FY 2008-09 appropriation increases included $13.3 million for UPL financing, $8.2 million for additional disproportionate share (DSH) funding, and $4.4 million for additional funding for the pediatric speciality hospital line item. In FY 2009-10 appropriation increases included $6.3 million in additional DSH funding, and a transfer of $2.2 million from the Medical Services Premiums line item into the Pediatric Speciality Hospital line item for programs provided by The Children's Hospital.

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Appropriation
Safety Net Provider Payments	$287,296,074	$279,933,040	$282,893,182	$304,357,286	$310,715,422
Children's Hospital Clinic Based Indigent Care	6,119,760	6,119,760	6,119,760	6,119,760	6,119,760
Pediatric Speciality Hospital	5,452,134	7,732,072	8,439,487	12,829,721	15,026,796
S.B. 06-044 Funding Available for Service Expenditure	0	14,962,408	31,225,421	30,000,000	30,000,000
Total	**$298,867,968**	**$308,747,280**	**$328,677,850**	**$353,306,767**	**$361,861,978**
General Fund	18,362,593	19,500,662	19,701,662	21,701,662	22,807,659
Cash Funds & Cash Funds Exempt/ Reappropriated Funds	131,071,391	142,354,182	144,020,395	152,750,611	154,888,570
Federal Funds	149,433,984	146,892,436	164,955,793	178,854,494	184,165,749
Total funding percent change	10.6%	3.3%	6.5%	7.5%	2.4%

Comprehensive Primary Care Program

In November 2004, the voters passed Amendment 35 to the Colorado Constitution which increased the taxes on tobacco products in order to expand several health care programs. During the 2005 Legislative Session, the General Assembly passed H.B. 05-1262 to implement the provisions of Amendment 35. Specifically, H.B. 05-1262 created the Comprehensive Primary Care program. This program provides additional funding to qualifying providers with patient caseloads that are at least 50 percent uninsured, indigent, or enrolled in the Medicaid or Children's Basic Health Plan programs. For FY 2005-06, the amount of funding available for this program was $44.1 million. Funding in FY 2005-06 included tobacco tax revenues that were collected in both FY 2004-05 and FY 2005-06. In FY 2006-07 and FY 2007-08, funding for this program was $32.0 million and $31.0 million, respectively. During this time period, the decrease in funding resulted directly to decreases in tobacco tax revenues available.

The FY 2008-09 appropriation for this program is $31.3 million. The FY 2009-10 appropriation is $24.5 million. The FY 2009-10 appropriation reflects a transfer of $7.4 million from this program into the General Fund due to the economic conditions the state is currently facing. There are no matching federal funds available for this program.

Children's Basic Health Plan

The Children's Basic Health Plan (CBHP) was implemented in 1997 to provide health care insurance to children from families with incomes at or below 185 percent of the federal poverty level (FPL). A 65 percent federal match is available for the program. Since its passage in 1997, a number of expansions to the program have occurred. In FY 2002-03, the program was expanded to include adult pregnant women up to 185 percent FPL. However, due to budget constraints in FY 2003-04, the adult prenatal program was suspended for the entire year and no new enrollment was accepted into the children's program beginning in November 2003. In FY 2004-05, the cap was lifted on the children's caseload and the adult prenatal program was reinstated.

In November 2004 the voters approved Amendment 35 to the Colorado Constitution, which increased the taxes on tobacco products in order to expand several health care programs. During the 2005 legislative session, the General Assembly passed H.B. 05-1262 to implement the provisions of Amendment 35. Among other changes, H.B. 05-1262 increased eligibility for the CBHP for both children and women up to 200 percent of the FPL. During the 2007 legislative session, S.B. 07-097 expanded the program's eligibility to 205 percent FPL for FY 2007-08. During the 2008 legislative session, the program's eligibility was once expanded to 225 percent FPL for children beginning in April 2009 and for pregnant women beginning in October 2009. Due to current economic situation, S.B. 09-211 repealed the expansion to 225 percent FPL in FY 2008-09 and FY 2009-10. House Bill 09-1293 will reinstate the expansion of CBHP to 250 percent FPL beginning in April 2010 if the Centers for Medicare and Medicaid Services approve a hospital provider fee waiver. In 2009, the General Assembly also approved providing CBHP benefits to legal immigrants without the five-year wait residency period, if funding becomes available for this expansion. The following table provides a five-year funding history for the CBHP medical and dental costs.

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation	FY 2009-10 Appropriation
Medical Services	$65,919,891	$89,657,433	$104,684,790	$120,880,965	$133,438,868
Dental Services	5,368,921	6,834,843	8,715,754	10,076,035	10,062,349
Total Service Costs	**$71,288,812**	**$96,492,276**	**$113,400,544**	**$130,957,000**	**$143,501,217**
Cash Fund Exempt/Cash Funds	25,305,261	33,923,185	39,874,379	46,031,786	47,939,304
Reappropriated Funds	0	0	0	0	2,500,000
Federal Funds	45,983,551	62,569,091	73,526,165	84,925,214	93,061,913
Total funding percent increase	24.9%	35.4%	17.5%	15.5%	9.6%

The following table provides a five-year history of the caseload served by the Children's Basic Health Plan.

	FY 2005-06 Actual	FY 2006-07 Actual /1	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Approp.
Children Caseload	44,177	47,047	57,795	61,801	67,152

	FY 2005-06 Actual	FY 2006-07 Actual /1	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Approp.
Percent Change	7.48%	6.50%	22.85%	6.93%	8.66%
Adult Pregnant Women Average Monthly Caseload	1,204	1,170	1,570	1,693	1,821
Percent Change	116.14%	(2.82)%	34.19%	7.83%	7.56%

/1 Beginning in FY 2006-07, the caseload has been adjusted to remove retroactive caseload pursuant to the requirements of S.B. 07-131 which moved this program to a cash basis of accounting.

Department of Human Services Medicaid-Funded Programs

Many programs administered by the Department of Human Services (DHS) qualify for Medicaid funding. The federal government requires that one state agency receive all federal Medicaid funding. Therefore, the state and federal funding for all DHS programs that qualify for Medicaid funding is first appropriated in the Department of Health Care Policy and Financing and then transferred to the Department of Human Services (as reappropriated funds). A five-year funding history for the DHS Medicaid-funded programs is provided in the table below.

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Approp.
Expenditures	$429,305,626	$333,128,748	$351,308,449	$401,805,666	$423,478,391
Annual percent change	6.0%	(22.4)%	5.5%	14.4%	5.4%

For detail regarding the changes in the Department of Human Services Medicaid-Funded programs, please see the Department of Human Services.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Health Care Policy and Financing

	Total Funds	General Fund /1, 2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$3,881,177,546**	**$1,567,671,367**	**$389,157,525**	**$22,770,129**	**$1,901,578,525**	**269.2**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	103,012,954	35,042,590	7,328,929	1,790,768	58,850,667	269.2
Medical Services Premiums	2,496,369,709	1,122,696,047	120,992,136	2,631,068	1,250,050,458	0.0
Medicaid Mental Health Community Programs	216,330,795	101,059,364	7,086,591	8,538	108,176,302	0.0
Indigent Care Program	543,834,444	35,047,412	225,247,900	13,345,750	270,193,382	0.0
Other Medical Services	119,823,978	76,496,989	25,783,915	3,980,000	13,563,074	0.0
Department of Human Services Medicaid-Funded Programs	401,805,666	197,328,965	2,718,054	1,014,005	200,744,642	0.0

	Total Funds	General Fund /1, 2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Breakdown of Total Appropriation by Bill						
HB 08-1375	3,745,280,527	1,528,108,022	367,176,666	23,500,825	1,826,495,014	273.2
SB 08-002	34,264	17,132	0	0	17,132	0.0
SB 08-006	392,587	118,703	5,142	487	268,255	0.0
SB 08-007	2,000	1,000	0	0	1,000	0.0
SB 08-057	54,300	0	19,000	0	35,300	0.0
SB 08-090	(279,272)	(139,636)	0	0	(139,636)	0.0
SB 08-099	1,428,800	0	714,400	0	714,400	0.0
SB 08-118	4,000,000	0	0	2,000,000	2,000,000	0.0
SB 08-155	0	0	0	0	0	(1.5)
SB 08-160	6,372,161	0	2,245,037	30,328	4,096,796	0.0
SB 08-161	26,636	0	13,474	0	13,162	0.0
SB 08-217	382,400	128,700	62,500	0	191,200	0.0
SB 08-230	0	0	0	0	0	0.0
HB 08-1046	28,408	13,371	1,580	0	13,457	0.0
HB 08-1072	55,000	27,500	0	0	27,500	0.0
HB 08-1114	12,109,242	0	6,054,621	0	6,054,621	1.3
HB 08-1250	3,400,000	1,000,000	700,000	0	1,700,000	0.0
HB 08-1373	0	(1,817,420)	1,817,420	0	0	0.0
HB 08-1374	3,134,928	1,567,464	0	0	1,567,464	0.0
HB 08-1407	(277,780)	(138,890)	0	0	(138,890)	0.0
HB 08-1409	(300,000)	(150,000)	0	0	(150,000)	0.0
SB 09-132	(3,918,724)	6,655	(3,932,034)	0	6,655	(3.8)
SB 09-187	103,798,658	51,996,857	361,393	(552,734)	51,993,142	0.0
SB 09-209	(2,000)	(1,000)	0	0	(1,000)	0.0
SB 09-210	(1,260,962)	0	(977,356)	0	(283,606)	0.0
SB 09-211	(3,195,789)	0	(1,127,624)	(30,328)	(2,037,837)	0.0
SB 09-259	12,060,275	(4,205,882)	9,362,639	(29,199)	6,932,717	0.0
SB 09-261	0	(3,000,000)	3,000,000	0	0	0.0
SB 09-263	0	(3,711,959)	3,711,959	0	0	0.0
SB 09-264	(2,148,113)	(2,149,250)	(51,292)	(2,149,250)	2,201,679	0.0

	Total Funds	General Fund /1, 2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Total Appropriation:	**$4,015,789,931**	**$1,587,903,164**	**$430,809,756**	**$25,546,139**	**$1,971,530,872**	**287.8**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	114,333,199	38,499,212	8,066,543	1,796,135	65,971,309	287.8
Medical Services Premiums	2,572,042,638	1,112,661,142	167,097,000	2,746,329	1,289,538,167	0.0
Medicaid Mental Health Community Programs	215,104,388	99,097,143	8,434,054	9,208	107,563,983	0.0
Indigent Care Program	556,535,683	37,651,659	220,738,573	14,844,000	283,301,451	0.0
Other Medical Services	134,295,632	91,099,689	25,840,683	4,025,000	13,330,260	0.0
Department of Human Services Medicaid-Funded Programs	423,478,391	208,894,319	632,903	2,125,467	211,825,702	0.0
Breakdown of Total Appropriation by Bill						
SB 09-259	4,136,596,755	1,676,227,755	407,639,249	28,706,139	2,024,023,612	275.0
SB 09-261	0	(6,000,000)	6,000,000	0	0	0.0
SB 09-262	0	(896,290)	896,290	0	0	0.0
SB 09-263	(26,455,954)	(17,140,089)	3,912,114	0	(13,227,979)	0.0
SB 09-264	(4,201,653)	(3,160,000)	(1,102,407)	(3,160,000)	3,220,754	0.0
SB 09-265	(88,231,339)	(35,605,549)	(6,683,944)	0	(45,941,846)	0.0
SB 09-269	(104,536)	0	(104,536)	0	0	0.0
SB 09-271	(7,400,000)	(27,400,000)	20,000,000	0	0	0.0
HB 09-1047	53,480	0	26,740	0	26,740	0.8
HB 09-1073	52,500	0	26,250	0	26,250	0.0
HB 09-1196	200,000	0	200,000	0	0	0.0
HB 09-1293 /3	5,280,678	1,877,337	0	0	3,403,341	12.0
Increase/(Decrease)	$134,612,385	$20,231,797	$41,652,231	$2,776,010	$69,952,347	18.6
Percentage Change	3.5%	1.3%	10.7%	12.2%	3.7%	6.9%

/1 Includes $39,746,792 General Fund Exempt in FY 2008-09, and $504,000 General Fund Exempt in FY 2009-10. See Division Detail for information on General Fund Exempt appropriations.
/2 Includes $495,000 and $504,000 in FY 2008-09 and FY 2009-10 respectively, that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-22-117 (3), C.R.S.
/3 If a federal waiver is approved for a hospital provider fee by April 1, 2010, then the appropriation for H.B. 09-1293 is changed from the amount indicated in the table above to $411,152,086 total funds and 12.0 FTE. Of this amount, $201,538,070 is from cash funds and $209,614,016 is from federal funds.

FY 2008-09 Appropriation Adjustment Highlights

1. Major supplemental adjustments contained in S.B. 09-187 and S.B. 09-259 include the following:

a. An increase of $169.4 million total funds ($60.5 million General Fund) for Medical Services Premiums and Mental Health capitation programs due mainly to higher than anticipated Medicaid caseload and costs. The original FY 2008-09 Medicaid caseload estimate was 381,390 clients. The final FY 2008-09 Medicaid caseload estimate was 433,304 (an increase of 51,914 clients or 13.6 percent). Including in the cost increases was $31.0 million (no General Fund) for additional nursing facility reimbursement based on the approval of the nursing facility provider fee waiver in H.B. 08-1114.

b. A decrease of $28.5 million total funds (no General Fund) due to lower than anticipated caseload for the Children's Basic Health Plan (CBHP). The original FY 2008-09 caseload projections for the CBHP program assumed 77,152 children. The final FY 2008-09 caseload projections assumed 61,801 children (a decrease of 15,351 or 19.9 percent).

c. A decrease of $7.3 million total funds ($4.3 million General Fund) to adjust the Medicaid appropriation for programs administered by the Department of Human Services.

d. A decrease of $7.3 million total funds (no General Fund) to reduce the appropriation for School Based Medicaid Services based on actual expenditure history.

e. A decrease of $6.9 million General Fund based on updated caseload and cost estimates for the Medicare Modernization Act State Contribution Payment and from delaying the May 2009 payment until July 2009.

f. A decrease of $3.7 million total funds ($1.8 million General Fund) to the Colorado Benefits Management System (CBMS) Medical Assistance Project by spreading the costs of the project over a longer time frame.

2. The appropriation is decreased by $10.5 million total funds ($13.1 million General Fund) from legislation sponsored by the Joint Budget Committee to balance the state budget. These bills are described in "Recent Legislation" section at the end of this department.

3. The appropriation is decreased by $196.7 million General Fund due to the increase in the Federal Medical Assistance Percentage (FMAP) for the Medicaid program contained in the American Recovery and Reinvestment Act (ARRA). This ARRA impact is shown in the General Fund Overview and not in Department's appropriations.

FY 2009-10 Appropriation Highlights:

1. Major appropriation adjustments in the Long Bill include:

a. An increase of $236.5 million total funds ($98.0 million General Fund) for the forecasted caseload growth and costs for the Medicaid program. Of this amount, $220.2 million is the increase for medical services and $16.3 million is for mental health services.

b. An increase of $27.3 million total funds ($2.5 million General Fund) for the forecasted caseload growth and costs for the Children's Basic Health Plan.

c. An increase of $21.7 million total funds ($11.6 million General Fund) for Medicaid funding for programs administered by the Department of Human Services.

d. An increase of $14.6 million General Fund for the Medicare Modernization Act State Contribution Payment (Part D "clawback"). Of this amount, $7.3 million is to restore one-time savings in FY 2008-09 from delaying the May 2009 payment until July 2009 and $7.3 million is for increased caseload and costs for prescription drugs.

e. An increase of $6.3 million total funds (no General Fund impact) to appropriate additional Disproportionate Share Payments (DSH) to hospitals from funds made available through the American Recovery and Reinvestment Act (ARRA).

f. A decrease of $60.2 million total funds ($29.9 million General Fund) for various Medicaid saving initiatives, including provider reimbursement reductions, utilization controls, enhanced estate recoveries, and program changes.

2. The appropriation increases funds by a total of $5.3 million ($1.9 million General Fund) to implement a Hospital Provider Fee pursuant to H.B. 09-1293 in order to increase hospital reimbursement rates and eligibility for the Medicaid and Children's Basic Health Plan programs. If the waiver is approved by the Centers for Medicare and Medicaid Services (CMS) prior to April 1, 2010, this appropriation is increased to $411.1 million total funds (no General Fund impact). If the waiver is approved after April 2010, then the majority of the impact from this bill will occur in FY 2010-11 instead of beginning in FY 2009-10.

3. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $0.9 million total funds, including $0.4 million General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

4. The appropriation decreases General Fund expenditures by $345.4 million due to the increase in the Federal Medical Assistance Percentage (FMAP) for the Medicaid program contained in the American Recovery and Reinvestment Act (ARRA). This ARRA impact is shown in the General Fund Overview and not in Department's appropriations.

5. The appropriation decreases General Fund by $83.9 million total funds ($78.7 million General Fund) from legislation sponsored by the Joint Budget Committee to balance the state budget. These bills are described in "Recent Legislation" section at the end of this department.

Detail of Appropriation by Administrative Section

Executive Director's Office

The appropriation for the Executive Director's Office contains the administrative funding for the Department. Specifically, this division's funding supports the Department's personnel and operating expenses. In addition, this section contains funding for provider audits, eligibility determinations, client and provider services, utilization and quality reviews, and information technology contracts. Major funding sources for this division

include the General Fund, federal funds received for the Medicaid and Children's Basic Health Plan programs, the Health Care Expansion Fund, the Children's Basic Health Plan Trust Fund, and various other cash funds.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$103,794,807	$35,342,770	$7,946,435	$1,790,768	$58,714,834	273.2
SB 08-006	298,495	74,624	0	0	223,871	0.0
SB 08-155	0	0	0	0	0	(1.5)
SB 08-160	183,960	0	64,386	0	119,574	0.0
SB 08-161	21,082	0	10,541	0	10,541	0.0
SB 08-217	382,400	128,700	62,500	0	191,200	0.0
HB 08-1072	55,000	27,500	0	0	27,500	0.0
HB 08-1114	254,922	0	127,461	0	127,461	1.3
HB 08-1250	3,400,000	1,000,000	700,000	0	1,700,000	0.0
SB 09-132	(1,640,346)	6,655	(1,653,656)	0	6,655	(3.8)
SB 09-187	(6,860,617)	(3,236,347)	71,262	0	(3,695,532)	0.0
SB 09-259	3,123,251	1,698,688	0	0	1,424,563	0.0
TOTAL	**$103,012,954**	**$35,042,590**	**$7,328,929**	**$1,790,768**	**$58,850,667**	**269.2**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$103,012,954	$35,042,590	$7,328,929	$1,790,768	$58,850,667	269.2
Information technology contract enhancements and projects	1,581,680	325,774	8,779	0	1,247,127	0.9
Colorado Benefits Management System realignment project	1,434,100	686,267	0	0	747,833	0.0
Medicaid value-based care coordination initiative	1,334,222	402,512	0	0	931,710	1.0
Pharmacy efficiencies initiative	991,380	304,095	0	0	687,285	0.0
Medicaid program efficiencies	634,927	317,463	0	0	317,464	0.9
Eligibility determinations	575,564	292,805	0	0	282,759	0.0
System changes to enact provider rate and utilization reductions	504,000	126,000	0	0	378,000	0.0
Auditing changes	363,566	64,933	0	0	298,633	0.0
Colorado Alliance for Health and Independence pilot program start-up costs	300,000	0	300,000	0	0	0.0
Employee benefit changes	192,306	46,512	23,245	55,733	66,816	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Benefit and indirect costs from other State departments	155,490	172,809	500	0	(17,819)	0.0
Improved eligibility and enrollment processing	100,000	47,854	0	0	52,146	0.0
Centrally-appropriated line items	54,699	26,946	284	159	27,310	0.0
Eliminate one-time expenditures and annualize prior year budget actions	(1,909,387)	(978,243)	151,142	(21,286)	(1,061,000)	3.0
Personal services base reduction	(455,732)	(183,169)	(10,985)	(29,239)	(232,339)	0.0
SB 09-259	**$108,869,769**	**$36,695,148**	**$7,801,894**	**$1,796,135**	**$62,576,592**	**275.0**
SB 09-262	0	(11,659)	11,659	0	0	0.0
HB 09-1047	53,480	0	26,740	0	26,740	0.8
HB 09-1073	52,500	0	26,250	0	26,250	0.0
HB 09-1196	200,000	0	200,000	0	0	0.0
HB 09-1293 /1	5,157,450	1,815,723	0	0	3,341,727	12.0
TOTAL	**$114,333,199**	**$38,499,212**	**$8,066,543**	**$1,796,135**	**$65,971,309**	**287.8**
Increase/(Decrease)	$11,320,245	$3,456,622	$737,614	$5,367	$7,120,642	18.6
Percentage Change	11.0%	9.9%	10.1%	0.3%	12.1%	6.9%

/1 If a federal waiver is approved for a hospital provider fee by April 1, 2010, then the Executive Director's Office appropriation for this bill is changed from the amount indicated in the table to $6,958,318 total funds and 12.0 FTE. Of this amount, $2,568,898 is cash funds and $4,389,420 is from federal funds.

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-187 and S.B. 09-259 included the following increases: (1) $3.3 million total funds ($1.7 million General Fund) for increased costs at the counties for Medicaid eligibility determinations; (2) $460,000 ($230,000 General Fund) to consolidate funding for the Governor's Office of IT; (3) $28,000 General Fund to adjust the Medicaid fraud software appropriation based on new cost information; (4) $9,000 total funds ($3,000 General Fund) for sunset reviews performed by the Department of Regulatory Agencies.

These increases were offset by the following decreases: (1) $3.7 million total funds ($1.8 million General Fund) to reduce funding for the Colorado Benefits Management System Medical Assistance Project; (2) $2.4 million total funds ($1.2 million General Fund) to transfer funding for Administrative Case Management to the Department of Human Services; (3) $1.2 million total funds ($488,000 General Fund) for other administrative cost savings implemented to balance the state budget including, but not limited to, the statewide hiring freeze; (4) $250,000 federal funds based on new cost estimates for the Medicaid fraud software.

For information on S.B. 09-132, see the "Recent Legislation" section at the end of this department.

Information technology contract enhancements and projects: The appropriation includes an increase of $1.6 million total funds and 0.9 FTE for four information technology projects including: (1) $546,000 total funds for system development costs to implement new rules issued by the Centers for Medicare and Medicaid Services (CMS) related to the Health Insurance Portability and Accounting Act (HIPAA); (2) $395,000 total funds and 0.9 FTE to fund additional support for the Medicaid Management Information System (MMIS) in order to reduce the backlog of customer service requests for system enhancements; (3) $351,000 for enhanced service and costs associated with rebidding the Web Portal contract that allows providers to send electronic transactions to the Department; and (4) $290,000 total funds to fund the contractual inflationary increases in the Department's fixed price contract for the MMIS.

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

Medicaid value-based care coordination initiative: The appropriation includes an increase of $1.3 million and 1.0 FTE to fund the administrative costs associated with implementing a coordinated health care delivery system for Medicaid clients by July 2010. Under this health care delivery model, 60,000 Medicaid clients would be enrolled with Administrative Services Organizations (ASOs). The ASOs would be responsible for ensuring that Medicaid clients have a medical home where primary and preventative care treatment and care coordination is provided. This managed care model is anticipated to reduce costs for the Medical Services Premiums line item beginning in FY 2010-11.

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

Medicaid program efficiencies: The appropriation includes an increase of $635,000 total funds and 0.9 FTE for the administrative costs associated with implementing six new initiatives to reduce Medicaid costs: (1) Medicaid Benefit Package Reform, (2) Health Outcomes Measurement Initiative, (3) Fluoride Varnish Benefit, (4) Hospital Back-Up Program Enhancements, (5) Oxygen Durable Medical Equipment Reform, and (6) Serious Reportable Events Initiatives. These administrative costs are offset by cost savings of $1.8 million in Medical Services Premiums. Additional costs savings are anticipated in future years once these initiatives are annualized or implemented.

Eligibility determinations: The appropriation includes an increase of $576,000 total funds for county administration in order to fund the increased workload anticipated due to increasing Medicaid caseloads in FY 2009-10.

System changes to enact provider rate and utilization reductions: The appropriation includes an increase of $504,000 total funds for the system changes needed to implement provider rate reductions and other saving initiatives for the Medicaid Program. These costs are offset by cost savings of $54.0 million in the Medical Services Premiums line item.

Auditing changes: The appropriation includes an increase of $234,000 federal funds to perform audits of the Medicaid School Health Services Program to ensure proper billing and compliance with federal rules. The appropriation also includes an increase of $130,000 total funds for the Department's audit contract for hospitals and Federally Qualified Health Clinics.

Colorado Alliance for Health and Independence pilot program start-up costs: The appropriation includes an increase of $300,000 from the Coordinated Care for People with Disabilities Fund to provide start-up administrative costs for the Colorado Alliance for Health and Independence pilot program.

Employee benefit changes: The appropriation includes an increase of $192,000 for employee benefit changes. Specifically, the appropriation includes the following total fund increases: (1) $125,000 for health, life and dental benefits; and (2) $113,000 for amortization of equalization disbursements for PERA and short-term disability. These increases are offset by a decrease of $46,000 to eliminate the non-base building components of the performance-based pay provided in FY 2008-09. Please note that the appropriation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance based pay increases, when provided, are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but were not appropriated in FY 2009-10.

Benefit and indirect costs from other State departments: The appropriation includes an increase of $576,000 total funds for administrative costs increases to Medicaid programs administered by other state departments. This funding is first appropriated in the Department of Health Care Policy and Financing and then transferred to the impacted departments.

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

Centrally-appropriated line items: The appropriation includes an increase of $55,000 total funds for adjustments to centrally-appropriated line items for workers' compensation, legal services, administrative law judge services, management and administration of the Office of Information Technology, payments to risk management and property funds, and capitol complex leased space.

Eliminate one-time expenditures and annualize prior year budget actions: The appropriation includes a total decrease of $1.9 million total funds to eliminate one-time costs associated with budget actions or legislation enacted in FY 2008-09. Included within this appropriation is an increase of 3.0 FTE positions to annualize partially funded FTE in FY 2008-09.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Medical Services Premiums

This division provides the health care funding for an estimated 476,632 Medicaid clients. Medical services provided include acute care services (*i.e.* physician visits, prescription drugs, hospitalization) and long-term care services (*i.e.* nursing home care and community-based services). In general, Medicaid health care services are appropriated with 50.0 percent state funds (General Fund, cash funds, or reappropriated funds) and 50.0 percent federal funds. In February 2009, the American Recovery and Reinvestment Act (ARRA) changed the Federal Medical Assistance Percentage (FMAP) rate for Medicaid expenditures in FY 2008-09, FY 2009-10, and FY 2010-11. However, the General Assembly chose to continue to appropriate Medicaid programs in the Long Bill based on the traditional FMAP of approximately 50.0 percent. The impact of the ARRA FMAP funding is shown on the General Fund Overview rather than in the funding tables located in this section. Significant sources of cash funds include the Health Care Expansion Fund and funds certified at public hospitals as the state match for federal funds. The majority of reappropriated funds are from a transfer from the Department of Public Health and Environment for disease management programs. chose

Medical Services Premiums						
	Total Funds	**General Fund /1**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$2,317,412,942	$1,074,026,741	$83,134,734	$767,998	$1,159,483,469	0.0
SB 08-090	(279,272)	(139,636)	0	0	(139,636)	0.0
SB 08-099	692,121	0	346,061	0	346,060	0.0
SB 08-118	4,000,000	0	0	2,000,000	2,000,000	0.0
SB 08-230	(2,285,340)	(1,142,670)	0	0	(1,142,670)	0.0
HB 08-1114	11,854,320	0	5,927,160	0	5,927,160	0.0
HB 08-1373	0	(1,800,529)	1,800,529	0	0	0.0
HB 08-1374	3,134,928	1,567,464	0	0	1,567,464	0.0
HB 08-1407	(277,780)	(138,890)	0	0	(138,890)	0.0
HB 08-1409	(300,000)	(150,000)	0	0	(150,000)	0.0
SB 09-187	145,888,388	64,104,770	9,539,452	(106,523)	72,350,689	0.0
SB 09-259	16,529,402	(6,919,244)	13,532,241	(30,407)	9,946,812	0.0
SB 09-261	0	(3,000,000)	3,000,000	0	0	0.0
SB. 09-263	0	(3,711,959)	3,711,959	0	0	0.0
TOTAL	**$2,496,369,709**	**$1,122,696,047**	**$120,992,136**	**$2,631,068**	**$1,250,050,458**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$2,496,369,709	$1,122,696,047	$120,992,136	$2,631,068	$1,250,050,458	0.0
Caseload and cost increase	220,249,897	98,560,659	9,596,068	115,261	111,977,909	0.0
Coordinated care for people with disabilities pilot program	500,000	0	250,000	0	250,000	0.0

	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Provider rate and utilization reductions	(54,027,100)	(26,283,969)	(386,575)	0	(27,356,556)	0.0
Transfer to Pediatric Speciality Hospital line item	(2,211,994)	(1,105,997)	0	0	(1,105,997)	0.0
Medicaid program efficiencies	(1,795,904)	(897,952)	0	0	(897,952)	0.0
Enhance estate recovery	(1,116,721)	(558,360)	0	0	(558,361)	0.0
Pharmacy efficiencies initiative	(1,022,887)	(511,443)	0	0	(511,444)	0.0
Increase health insurance buy-in program	(625,000)	(312,500)	0	0	(312,500)	0.0
Community transitions	(373,390)	(186,695)	0	0	(186,695)	0.0
SB 09-259	**$2,655,946,610**	**$1,191,399,790**	**$130,451,629**	**$2,746,329**	**$1,331,348,862**	**0.0**
SB 09-261	0	(6,000,000)	6,000,000	0	0	0.0
SB 09-262	0	(874,603)	874,603	0	0	0.0
SB 09-263	(26,455,954)	(17,140,089)	3,912,114	0	(13,227,979)	0.0
SB 09-265	(57,448,018)	(27,323,956)	(1,541,346)	0	(28,582,716)	0.0
SB 09-271	0	(27,400,000)	27,400,000	0	0	0.0
HB 09-1293 /2	0	0	0	0	0	0.0
TOTAL	**$2,572,042,638**	**$1,112,661,142**	**$167,097,000**	**$2,746,329**	**$1,289,538,167**	**0.0**
Increase/(Decrease)	$75,672,929	($10,034,905)	$46,104,864	$115,261	$39,487,709	0.0
Percentage Change	3.0%	(0.9)%	38.1%	4.4%	3.2%	n/a

1/ Includes General Fund Exempt amounts in FY 2008-09 related to the passage of Referendum C. Please see the table and explanation below.
2/ If a federal waiver is approved for a hospital provider fee is received by April 1, 2009, then the Medical Services Premiums appropriation for H.B. 09-1293 is changed from the amount indicated in the table to $327,171,460 total funds. Of this amount, $163,585,730 is from cash funds and $163,585,730 is from federal funds.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Appropriation	$1,072,222,480	$703,222,480	$369,000,000
FY 2008-09 Supplementals	50,473,567	380,221,775	(329,748,208)
FY 2008-09 Adjusted Appropriation	**1,122,696,047**	**1,083,444,255**	**39,251,792**
Medical Services Premiums changes	(10,034,905)	29,216,887	(39,251,792)
Total FY 2009-10 Appropriation	**$1,112,661,142**	**$1,112,661,142**	**$0**

General Fund Exempt

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

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-187 and S.B. 09-259 adjusted the Medical Services Premiums appropriation based on new caseload and cost information. The adjustment was based on actual Medicaid caseload and expenditure data through February 2009. The March 2009 forecast was slightly lower than the January 2009 forecast once more actual data was included. The final FY 2008-09 Medicaid caseload and cost assumptions are shown in the FY 2009-10 discussion on caseload and cost increases.

For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Caseload and cost increase: The FY 2009-10 appropriation supports medical services for an estimated 476,632 Medicaid clients. The FY 2009-10 caseload forecast reflects an increase of 43,328 clients (10.0 percent) from the final FY 2008-09 caseload forecast. The majority of the caseload increase is anticipated in the low-income categorical eligible adults and children. Table 1 shows the projected caseload growth from the final estimate for FY 2008-09 to FY 2009-10.

Table 1: FY 2009-10 Medicaid Caseload Forecast

Eligibility Category	FY 2008-09	FY 2009-10	# Change	%
Elderly Caseloads				
SSI 65+	37,578	38,279	701	1.9%
SSI 60-64	6,393	6,614	221	3.5%
Partially Dual Eligible	15,147	16,329	1,182	7.8%
Disabled Caseload				
SSI Disabled	51,298	52,254	956	1.9%
Low-Income Adults				
Categorical Eligible Adults	48,693	57,097	8,404	17.3%
Baby Care Adults	6,986	7,391	405	5.8%
Expansion Adults	12,484	16,015	3,531	28.3%
Breast and Cervical Cancer Adults	301	321	20	6.6%
Children				
Categorical Eligible Children	232,414	259,414	27,000	11.6%
Foster Children	18,010	18,663	653	3.6%
Other				
Non-Citizens	4,000	4,255	255	6.4%

Table 1: FY 2009-10 Medicaid Caseload Forecast				
Eligibility Category	**FY 2008-09**	**FY 2009-10**	**# Change**	**%**
Total Caseload Forecast	**433,304**	**476,632**	**43,328**	**10.0%**

After the caseload forecast is established, then the base service costs are calculated. The base service costs are the amount of funding needed for the Medicaid program under current law before any policy issues are added. The base service costs are a function of both the caseload forecast as well as the forecast for the cost of medical services based on prior year utilization patterns and rates. The base service costs include the following: (1) the cost of acute, community long-term care, institutional long-term care, supplemental insurance, and medical administrative costs; (2) the mix of services used by the different caseload aid categories described above; and (3) the acuity level of the caseload using the various services. Table 2 compares the final FY 2008-09 estimated costs with the FY 2009-10 base service cost appropriation for each service category.

Table 2: FY 2009-10 Medical Services Costs -- BASE COSTS BEFORE POLICY ADJUSTMENTS				
Service Category	**FY 2008-09**	**FY 2009-10 /1**	**$ Change**	**%**
Acute Care Services	$1,457,586,478	$1,610,377,439	$152,790,961	10.5%
Community Long-Term Care Services	276,647,133	296,711,070	20,063,937	7.3%
Long-Term Care and Insurance	701,391,277	748,508,050	47,116,773	6.7%
Medical Administrative Costs	31,315,630	34,860,579	3,544,949	11.3%
Bottom Line Financing	29,429,191	26,162,468	(3,266,723)	(11.1)%
Total Service Costs	$2,496,369,709	$2,716,619,606	$220,249,897	8.8%

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

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

Table 3: Analysis of Cost Drivers for FY 2009-10 BASE Increase						
Aid Category	**Caseload Change**	***Net* Cost Per Client Change**	**Cost Associated with Higher Caseload Estimate**	**Cost Associated with Change to Per Client Cost**	**Compounding Effect**	**Total Costs**
SSI 65+	701	$908.13	$14,695,889	$34,125,550	$636,599	$49,458,038
SSI 60-64	221	$738.54	$3,870,265	$4,721,474	$163,217	$8,754,956
SSI Disabled	956	$738.17	$13,441,747	$37,866,523	$705,691	$52,013,961
Low-Income Adults	8,404	($151.31)	$36,205,405	($7,367,781)	($1,271,609)	$27,566,015
Expansion Low-Income Adults	3,531	$852.06	$6,008,998	$10,637,101	$3,008,624	$19,654,723
Baby Care Adults	405	$359.39	$3,486,505	$2,510,694	$145,553	$6,142,752
Children	27,000	($5.24)	$46,965,099	($1,218,029)	($141,480)	$45,605,590
Foster Children	653	$123.42	$2,401,080	$2,222,837	$80,593	$4,704,510
B&C Cancer Treatment Patients	20	$586.22	$434,234	$176,451	$11,724	$622,409

Table 3: Analysis of Cost Drivers for FY 2009-10 BASE Increase						
Aid Category	**Caseload Change**	***Net* Cost Per Client Change**	**Cost Associated with Higher Caseload Estimate**	**Cost Associated with Change to Per Client Cost**	**Compounding Effect**	**Total Costs**
Partial Dual Eligibles	1,182	$66.83	$1,436,494	$1,012,207	$78,993	$2,527,694
Non-citizens (emergency care)	255	$630.84	$3,781,833	$2,523,373	$160,766	$6,465,972
Total	43,328	n/a	$132,727,549	$87,210,400	$3,578,671	$223,516,620
Change in Bottom of the Line Financing & Federal Disallowance						($3,266,723)
Total FY 2009-10 MSP Appropriated Base Increase over FINAL FY 2008-09 Appropriation						$220,249,897

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

Table 4: Fund Splits for FY 2009-10 JBC Medical Services Premiums BASE Appropriation - Before Policy Changes			
Fund	**FY 2008-09 Appropriation**	**FY 2009-10 Base Appropriation***	**Difference**
General Fund & General Fund Exempt	$1,122,696,047	$1,221,256,706	$98,560,659
CF - Certified Funds	21,762,046	22,107,094	345,048
CF - Health Care Expansion Fund	68,638,137	84,403,290	15,765,153
CF - Nursing Facility Cash Fund	25,149,575	22,418,342	(2,731,233)
CF - Breast and Cervical Cancer Fund	1,657,503	874,603	(782,900)
CF - Autism Fund	784,875	784,875	0
CF - Supplemental OAP Medical Fund	3,000,000	0	(3,000,000)
RF - Transfer from DPHE	2,631,068	2,746,329	115,261
Federal Funds	$1,250,050,458	$1,362,028,367	$111,977,909
TOTAL FUNDS	**$2,496,369,709**	**$2,716,619,606**	**$220,249,897**

* FY 2009-10 reflects only the Long Bill estimates for the base calculations **before** policy changes described below. These amounts also do not include impacts from legislation.

FY 2009-10 -- Policy Changes

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

Provider rate and utilization reductions: The appropriation includes a reduction of $54.0 million (including $26.3 million General Fund) for initiatives to controller Medicaid costs including provider reimbursement rate reductions and utilization controls. Table 5 describes the reductions associated with this issue.

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

Issue	Total Fund Amount	Description
Provider rate reductions	($30,833,419)	The appropriation was reduced by 2.0 percent of the estimated costs for the following provider classes: physicians, emergency transportation, non-emergency transportation, dental services, inpatient hospitals, outpatient hospital services, lab and x-ray services, durable medical equipment, home health, private duty nursing, hospice and single entry points. The Department may implement these savings either through utilization controls or reimbursement rate reductions.
Enroll eligible veterans into the Veterans Administration Health System	(10,826,952)	The appropriation assumes 4,800 Medicaid clients are eligible to receive some or all of their health benefits through the Veterans's Administration.
Reduce physician rates to Medicare Upper Payment Limit	(5,432,902)	In addition to the rate reductions above, the appropriation includes a $5.4 million reduction to reduce any physician codes that are currently above the Medicare reimbursement rate.
Pharmacy reductions	(5,011,445)	The appropriation reduces pharmacy rates to Average Whole Sale Price (AWP) minus 14.5 percent for brand names and AWP minus 45.0 percent for generic medication. This issue is effective January 2010. The appropriation also adds anti-convulsant pharmaceuticals to the prior authorization list. In a Joint Budget Committee letter dated April 23, 2009, the Committee provided the Department with some flexibility regarding how the Department implements the pharmacy rate reductions as long as the overall savings are achieved.
Restrict inpatient hospital claims for readmission within 24 hours	(1,400,000)	The appropriation makes system changes to automatically deny hospital claims for readmission for the same condition within 24 hours.
Correct home health billing for Dual Eligible clients	(500,000)	The appropriation reflects anticipated savings due to additional claim reviews that will ensure certain Medicare benefits are exhausted before Medicaid is billed.
Cost sharing for families over the resource limit	(22,382)	The appropriation reflects a $1.00 co-pay for home and community-based services provided to clients with incomes over the resource limit.
TOTAL	**($54,027,100)**	

Transfer to Pediatric Speciality Hospital line item: The appropriation includes a transfer of $2.2 million total funds from the Medical Services Premiums line item into the Pediatric Speciality Hospital line item. This transfer relocates the funding for two programs operated by The Children's Hospital from the Medicaid fee-for-service payment structure in the Medical Services Premiums line item to the Upper Payment Limit payment methodology used in the Pediatric Speciality Hospital line item. This transfer complies with a directive from the Centers for Medicare and Medicaid Services (CMS) regarding the proper payment methodology used for these two programs.

Medicaid program efficiencies: The appropriation includes a reduction of $1.8 million total funds ($897,952 General Fund) for two cost-saving initiatives. The first initiative saves $1.9 million total funds by increasing the bed capacity for the hospital back-up program. With additional bed capacity, the Department anticipates moving certain high cost clients from inpatient hospital settings to lower-cost skilled nursing facilities. The savings from the hospital back-up program are offset by a $146,182 total fund increase to provide a fluoride

varnish benefit for children. This new benefit is anticipated to significantly lower cavity rates and lead to out-year cost savings.

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

Pharmacy efficiencies initiative: The appropriation includes a reduction of $1.0 million ($511,443 General Fund) due to two cost saving pharmacy initiatives. The first initiative would save approximately $737,764 total funds by automating the prior authorization process for prescription drugs. The automated prior authorization system screens pharmacy claims against client information from the medical and pharmacy database and determines if the client meets the prior authorization requirement. This eliminates the current time-consuming process of filing the prior authorization requests manually. The second initiative implements another methodology to determine pharmacy reimbursement. Under the State Maximum Allowable Cost methodology, prescription drug costs are anticipated to decline by $285,123 total funds for FY 2009-10. Additional savings are anticipated in FY 2010-11 once the program is fully implemented.

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

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Medicaid Mental Health Community Programs

This division provides for mental health services through the purchase of services from five regional Behavioral Health Organizations (BHOs), which manage mental health services for eligible Medicaid recipients in a capitated, risk-based model. The division also contains funding for Medicaid mental health fee-for-service programs for those mental health services not covered within the capitation contracts and rates. The funding for this division is mainly General Fund and federal funds. The major source of the cash funds for this division is the Health Care Expansion Fund.

Medicaid Mental Health Community Programs

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$208,648,477	$97,715,743	$6,590,965	$7,205	$104,334,564	0.0
SB 08-099	736,679	0	368,339	0	368,340	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 08-1373	0	(16,891)	16,891	0	0	0.0
SB 09-187	7,748,639	1,923,751	1,949,257	125	3,875,506	0.0
SB 09-259	(803,000)	1,436,761	(1,838,861)	1,208	(402,108)	0.0
TOTAL	**$216,330,795**	**$101,059,364**	**$7,086,591**	**$8,538**	**$108,176,302**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$216,330,795	$101,059,364	$7,086,591	$8,538	$108,176,302	0.0
Caseload and cost increases for capitation program	16,271,083	6,242,213	1,891,022	670	8,137,178	0.0
Fee-for-service cost increases	174,374	87,187	0	0	87,187	0.0
SB 09-259	**$232,776,252**	**$107,388,764**	**$8,977,613**	**$9,208**	**$116,400,667**	**0.0**
SB 09-262	0	(10,028)	10,028	0	0	0.0
SB 09-265	(17,671,864)	(8,281,593)	(553,587)	0	(8,836,684)	0.0
HB 09-1293 /1	0	0	0	0	0	0.0
TOTAL	**$215,104,388**	**$99,097,143**	**$8,434,054**	**$9,208**	**$107,563,983**	**0.0**
Increase/(Decrease)	($1,226,407)	($1,962,221)	$1,347,463	$670	($612,319)	0.0
Percentage Change	(0.6)%	(1.9)%	19.0%	7.8%	(0.6)%	n/a

1/ If a federal waiver is approved for a hospital provider fee is received by April 1, 2009, then the Medicaid Mental Health Community Programs appropriation for H.B. 09-1293 is changed from the amount indicated in the table to $3,345,110 total funds. Of this amount, $1,672,555 is from cash funds and $1,672,555 is from federal funds.

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-187 and S.B. 09-259 increased the FY 2008-09 appropriation based on new caseload and cost information. The final FY 2008-09 Medicaid caseload and expenditure forecast was based on actual data through February 2009. The final FY 2008-09 Medicaid mental health caseload and costs as compared to the FY 2009-10 estimates are shown in Table 1 below.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Caseload and cost increases for capitation program: The appropriation includes a total fund increase of $16.3 million for FY 2009-10 to fund the Medicaid mental health program's forecasted caseload and capitation costs. The capitation rate increases are based on contractual obligations and are reviewed for actuarial soundness. For FY 2009-10 the capitation rates will be set at the mid-range of the actuarially sound range. Table 1 compares the projected costs for the mental health program by aid category in FY 2008-09 to the estimates for FY 2009-10.

Table 1: Final FY 2008-09 Estimates Compared to FY 2009-10 Appropriation							
Eligible Medicaid Mental Health Caseload -- ONLY	**FY 2008-09 Caseload**	**FY 2008-09 Est. Capitation Rate for Aid Category**	**FY 2008-09 Cost Estimate**	**FY 2009-10 Caseload**	**FY 2009-10 Average Capitation Rate for Aid Category**	**FY 2009-10 Cost Estimate**	**Cost Difference**
SSI 65+	37,578	$163.42	$6,140,996	38,280	$165.12	$6,320,794	$179,798
SSI 60-64	6,393	$1,586.85	$10,144,732	6,614	$1,670.84	$11,050,936	$906,204
SSI Disabled	51,298	$1,586.85	$81,402,231	52,254	$1,670.84	$87,308,073	$5,905,842
Low Income Adults	48,693	$250.69	$12,206,848	57,097	$259.31	$14,805,823	$2,598,975
Expansion Adults	12,484	$250.69	$3,129,614	16,015	$259.31	$4,152,850	$1,023,236
Baby Care Adults	6,986	$250.69	$1,751,320	7,391	$259.31	$1,916,560	$165,240
Breast and Cervical Cancer Treatment Adults	301	$241.54	$72,704	321	$260.47	$83,611	$10,907
Children	232,414	$187.37	$43,547,411	259,414	$192.69	$49,986,484	$6,439,073
Foster Children	18,010	$3,130.36	$56,377,784	18,663	$2,969.49	$55,419,592	($958,192)
Total	**414,157**	**n/a**	**$214,773,640**	**456,049**	**n/a**	**$231,044,723**	**$16,271,083**

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Indigent Care Program

This division contains funding for the following programs: (1) Safety Net Provider Payments; (2) Indigent Care Clinics; (3) Pediatric Specialty Hospital Payments; (4) Primary Care Program; (5) Medically Indigent Program; (6) Children's Basic Health Plan; (7) Hospital Provider Fee Payments; and (8) Comprehensive Primary and Preventative Care Grants. The first five programs provide funding for the Colorado Indigent Care Program (CICP) which partially reimburses health care providers for medical services provided to uninsured individuals with incomes up to 250.0 percent of the federal poverty level who do not qualify for Medicaid or the Children's Basic Health Plan. The CICP provides health care reimbursement for approximately 195,000 Coloradans at 45 participating hospitals and 16 participating clinics. Funding sources for these programs include the General Fund, funds certified at public hospitals, the Primary Care Program Fund, and federal funds.

The Children's Basic Health Plan (CBHP) provides health care insurance for children and adult pregnant women with incomes up to 205.0 percent of federal poverty level. If the Centers for Medicare and Medicaid

Services (CMS) approve the hospital provider fee contained in H.B. 09-1293, then the CBHP will provide insurance coverage for children and pregnant women up to 250 percent of the federal poverty level. The program is forecasted to serve 67,152 children and 1,821 adult pregnant women in FY 2009-10. Funding sources for this program include the CBHP Trust Fund, the Health Care Expansion, and federal funds.

The Hospital Provider Fee Payment program allows local governments to assess fees on hospitals in order to maximize the amount of federal reimbursement available under the federal upper payment limits. The funding source for this program is local government fee assessments to participating hospitals and federal funds.

Finally, the Comprehensive Primary and Preventative Care Grants program provides grant funding to build and maintain the health care infrastructure in medically under served areas. The grants are used to expand services to these areas and populations. This program is funded with tobacco settlement funds.

Indigent Care Program	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$572,461,207	$37,196,662	$236,229,333	$15,495,000	$283,540,212	0.0
SB 08-057	54,300	0	19,000	0	35,300	0.0
SB 08-160	6,156,335	0	2,163,816	30,328	3,962,191	0.0
SB 09-187	(28,472,188)	0	(12,306,943)	0	(16,165,245)	0.0
SB 09-210	(1,260,962)	0	(977,356)	0	(283,606)	0.0
SB 09-211	(3,195,789)	0	(1,127,624)	(30,328)	(2,037,837)	0.0
SB 09-259	239,654	0	1,298,966	0	(1,059,312)	0.0
SB 09-264	(2,148,113)	(2,149,250)	(51,292)	(2,149,250)	2,201,679	0.0
TOTAL	**$543,834,444**	**$35,047,412**	**$225,247,900**	**$13,345,750**	**$270,193,382**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$543,834,444	$35,047,412	$225,247,900	$13,345,750	$270,193,382	0.0
Children's Basic Health Plan program	27,340,674	2,500,000	6,184,039	2,500,000	16,156,635	0.0
Disproportionate Share Payment increase	6,358,136	0	3,179,068	0	3,179,068	0.0
Transfer to Pediatric Speciality Hospital line item	2,211,994	1,105,997	0	0	1,105,997	0.0
Annualize prior year funding	2,148,113	2,149,250	51,292	2,149,250	(2,201,679)	0.0
Comprehensive Primary and Preventative Care Public Hospitals	1,041,096	0	867,423	0	173,673	0.0
Primary Care Fund revenue increase	625,343	0	625,343	0	0	0.0
Revenue changes	10,134	9,000	(3,933)	9,000	(3,933)	0.0

	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Primary Care Preventative Care Grant Program reduction	(2,216,605)	0	(2,216,605)	0	0	0.0
SB 09-259	**$581,353,329**	**$40,811,659**	**$233,934,527**	**$18,004,000**	**$288,603,143**	**0.0**
SB 09-264	(4,201,653)	(3,160,000)	(1,102,407)	(3,160,000)	3,220,754	0.0
SB 09-265	(13,111,457)	0	(4,589,011)	0	(8,522,446)	0.0
SB 09-269	(104,536)	0	(104,536)	0	0	0.0
SB 09-271	(7,400,000)	0	(7,400,000)	0	0	0.0
HB 09-1293 /2	0	0	0	0	0	0.0
TOTAL	**$556,535,683**	**$37,651,659**	**$220,738,573**	**$14,844,000**	**$283,301,451**	**0.0**
Increase/(Decrease)	$12,701,239	$2,604,247	($4,509,327)	$1,498,250	$13,108,069	0.0
Percentage Change	2.3%	7.4%	(2.0)%	11.2%	4.9%	n/a

/1 This amount includes a General Fund Exempt appropriation. For FY 2008-09, the General Fund includes $495,000 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-22-117 (1) (c) (I) (B), C.R.S. For FY 2009-10, the General Fund includes $504,000 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-22-117 (1) (c) (I) (B), C.R.S.
/2 If the Centers for Medicare and Medicaid Services (CMS) approve the Hospital Provider Fee contained in H.B. 09-1293 by April 1, 2010, then appropriation shown in the table above is changed to $73,518,195. Of this amount, $33,631,275 is cash funds and $39,886,920 is from federal funds.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Appropriation	$37,196,662	$36,701,662	$495,000
FY 2008-09 Supplemental Adjustment	(2,149,250)	(2,149,250)	0
FY 2008-09 Adjusted Appropriation	**$35,047,412**	**$34,552,412**	**$495,000**
Program General Fund Issues	2,595,247	2,595,247	0
Tobacco Tax Revenue adjustment	9,000	0	9,000
Total FY 2009-10 Appropriation	**$37,651,659**	**$37,147,659**	**$504,000**

General Fund Exempt

In November 2004, the Colorado voters passed Amendment 35 to the Colorado Constitution. Amendment 35 requires that 3.0 percent of the new tobacco tax be appropriated to the General Fund and the Old Age Pension Fund, and be distributed to the counties and cities. Because Amendment 35 moneys are exempt from the TABOR limit, the General Fund appropriations of these moneys are General Fund Exempt. House Bill 05-1262 requires that beginning in FY 2006-07, 50.0 percent of the tobacco tax revenues appropriated to the General Fund be appropriated to the Pediatric Specialty Hospital Fund pursuant to Section 24-22-117 (1) (c) (I) (B), C.R.S.

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-187 and S.B. 09-259 included, among other changes, the following issues:

a. An increase of $8.2 million for the Disproportionate Share Hospitals (DSH) program. Of this amount, 4.1 million is from federal funds and $4.1 million is from certified expenditures from public hospitals.

b. A decrease of $28.5 million total funds based on new caseload and cost estimates for the Children's Basic Health Plan (CBHP). The final FY 2008-09 CBHP caseload and costs as compared to the FY 2009-10 estimates are shown in Table 1 below.

For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Eligible Caseload	FY 2008-09 Caseload	FY 2008-09 Est. Per Capita Cost for Aid Category	FY 2008-09 Cost Estimate	FY 2009-10 Caseload	FY 2009-10 Average Per Capita Costs for Aid Category	FY 2009-10 Cost Estimate	Cost Difference
Children - Medical	61,801	$1,625.74	$100,472,358	67,152	$1,874.70	$125,889,845	$25,417,487
Children - Dental	same as above	$163.04	$10,076,035	same as above	$163.04	$10,948,462	$872,427
Adult Prenatal - Medical	1,693	$12,054.70	$20,408,607	1,821	$10,859.07	$19,774,366	($634,241)
Total Caseload Impacts	**63,494**	**n/a**	**$130,957,000**	**68,973**	**n/a**	**$156,612,674**	**$25,655,674**

Table 1: Final FY 2008-09 Estimates Compared to FY 2009-10 Appropriation							
Eligible Caseload	FY 2008-09 Caseload	FY 2008-09 Est. Per Capita Cost for Aid Category	FY 2008-09 Cost Estimate	FY 2009-10 Caseload	FY 2009-10 Average Per Capita Costs for Aid Category	FY 2009-10 Cost Estimate	Cost Difference
Impact to CBHP Trust Fund			$0			$2,500,000	$2,500,000
Impact to CBHP Administration			$6,352,590			$5,537,590	($815,000)
TOTAL CBHP IMPACTS			**$137,309,590**			**$164,650,264**	**$27,340,674**

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

Transfer to Pediatric Speciality Hospital line item: The appropriation includes a transfer of $2.2 million total funds from the Medical Services Premiums line item into the Pediatric Speciality Hospital line item. This transfer relocates the funding for two programs operated by The Children's Hospital from the Medicaid fee-for-service payment structure in the Medical Services Premiums line item to the Upper Payment Limit payment methodology used in the Pediatric Speciality Hospital line item. This transfer complies with a directive from the Centers for Medicare and Medicaid Services (CMS) regarding the proper payment methodology used for these two programs.

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

Comprehensive Primary and Preventative Care Grants: The appropriation restores a one-time reduction enacted in S.B 09-210 to public hospital grants.

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

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

Primary Care Preventative Care Grant Program reduction: The appropriation includes a reduction of $2.2 million to reflect the impact of S.B. 09-210, which transferred $2.4 million from this program's fund source to the General Fund. This reduction is partially offset by appropriating the fund balance, as well as the remaining revenue, for FY 2009-10. This program is further impacted by S.B. 09-269 discussed in the summary section of this report.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Other Medical Services

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

Other Medical Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$134,022,791	$82,300,680	$31,692,000	$3,980,000	$16,050,111	0.0
SB 08-230	2,285,340	1,142,670	0	0	1,142,670	0.0
SB 09-132	(2,278,378)	0	(2,278,378)	0	0	0.0
SB 09-187	(5,871,804)	(5,871,804)	0	0	0	0.0
SB 09-259	(8,333,971)	(1,074,557)	(3,629,707)	0	(3,629,707)	0.0
TOTAL	**$119,823,978**	**$76,496,989**	**$25,783,915**	**$3,980,000**	**$13,563,074**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$119,823,978	$76,496,989	$25,783,915	$3,980,000	$13,563,074	0.0
Medicare Modernization Act State Contribution Payment increase	14,599,752	14,599,752	0	0	0	0.0
Changes in revenue available	101,768	0	56,768	45,000	0	0.0
Public School Health Services audits	(237,264)	0	0	0	(237,264)	0.0
Other	7,398	2,948	0	0	4,450	0.0
SB 09-259	**$134,295,632**	**$91,099,689**	**$25,840,683**	**$4,025,000**	**$13,330,260**	**0.0**
TOTAL	**$134,295,632**	**$91,099,689**	**$25,840,683**	**$4,025,000**	**$13,330,260**	**0.0**
Increase/(Decrease)	$14,471,654	$14,602,700	$56,768	$45,000	($232,814)	0.0
Percentage Change	12.1%	19.1%	0.2%	1.1%	(1.7)%	n/a

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-187 and S.B. 09-259 mainly reduced the Medicare Modernization Act State Contribution Payment based on new caseload and cost estimates as well as delaying the May 2009 payment until July 2009.

For information on additional legislation, see the "Recent Legislation" section at the end of this department.

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

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

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

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

Department of Human Services Medicaid-Funded Programs

This section contains funding for programs administered by the Department of Human Services that are funded with Medicaid dollars. General Fund is appropriated in this section, matched with anticipated federal funds, and then transferred to the Department of Human Services as Medicaid cash funds.

Department of Human Services Medicaid-Funded Programs

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$408,940,303	$201,525,426	$1,583,199	$1,459,854	$204,371,824	0.0
SB 08-002	34,264	17,132	0	0	17,132	0.0
SB 08-006	94,092	44,079	5,142	487	44,384	0.0
SB 08-007	2,000	1,000	0	0	1,000	0.0
SB 08-160	31,866	0	16,835	0	15,031	0.0
SB 08-161	5,554	0	2,933	0	2,621	0.0
HB 08-1046	28,408	13,371	1,580	0	13,457	0.0
SB 09-187	(8,633,760)	(4,923,513)	1,108,365	(446,336)	(4,372,276)	0.0
SB 09-209	(2,000)	(1,000)	0	0	(1,000)	0.0
SB 09-259	1,304,939	652,470	0	0	652,469	0.0
TOTAL	**$401,805,666**	**$197,328,965**	**$2,718,054**	**$1,014,005**	**$200,744,642**	**0.0**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$401,805,666	$197,328,965	$2,718,054	$1,014,005	$200,744,642	0.0
Services for People with Disabilities	26,228,070	13,033,498	(999,999)	1,113,380	13,081,191	0.0
Mental Health and Alcohol and Drug Abuse Services	449,306	224,654	24,114	0	200,538	0.0
Division of Child Welfare	248,613	124,307	0	0	124,306	0.0
Information Technology Services	(1,808,324)	695,013	(1,109,200)	(1,825)	(1,392,312)	0.0
Executive Director's Office	(1,320,210)	(594,576)	0	0	(725,634)	0.0
Personal services base reduction	(1,037,470)	(518,483)	(66)	(93)	(518,828)	0.0
Other Transfers to Department of Human Services	(710,857)	(1,210,857)	0	0	500,000	0.0
Office of Operations	(477,609)	(238,805)	0	0	(238,804)	0.0
Division of Youth Corrections	(22,022)	(11,011)	0	0	(11,011)	0.0
SB 09-259	**$423,355,163**	**$208,832,705**	**$632,903**	**$2,125,467**	**$211,764,088**	**0.0**
HB 09-1293 /1	123,228	61,614	0	0	61,614	0.0
TOTAL	**$423,478,391**	**$208,894,319**	**$632,903**	**$2,125,467**	**$211,825,702**	**0.0**
Increase/(Decrease)	$21,672,725	$11,565,354	($2,085,151)	$1,111,462	$11,081,060	0.0
Percentage Change	5.4%	5.9%	(76.7)%	109.6%	5.5%	n/a

1/ If a federal waiver is approved for a hospital provider fee is received by April 1, 2009, then the amount of funding for the Colorado Benefits Management System appropriation for H.B. 09-1293 is changed from the amount indicated in the table to $159,003 total funds. Of this amount, $79,612 is from cash funds and $79,391 is from federal funds.

FY 2008-09 Appropriation Adjustments

1. Supplemental appropriations included in S.B. 09-187 included, among other adjustments:

   a. A total increase of $2.6 million for Information Technology Services, reflecting an increase of $1.7 million due to changes in federal/state allocation formulas for the Colorado Benefits Management System (CBMS) for prior years and $974,000 associated with expenses for the transition to the new CBMS support vendor, offset in part by a reduction of $94,000 for the hiring freeze.

   b. A one-time increase of $1.2 million General Fund associated with federal disallowance from prior years.

   c. A reduction of $12.1 million in Services for People with Disabilities, primarily reflecting a reduction of $12.0 million for Community Services for People with Developmental Disabilities. This reduction was based on: (1) the availability of roll-forward funds from prior years that

could backfill FY 2008-09 funding needs on a one-time basis ($5.1 million reduction); (2) one-time savings associated with changes in the billing structure for developmental disability Medicaid waiver programs and the impact of interim rates ($5.3 million reduction); and (3) savings associated with the changes in the Medicaid waiver billing structure ($1.6 million reduction) anticipated to be ongoing. The balance of the reduction reflects the hiring freeze.

d. A reduction of $268,000 for the Division of Child Welfare based primarily on a technical correction to the Child Welfare Services increase originally provided for FY 2008-09.

e. A decrease of $76,000 in the Executive Director's Office, reflecting savings due to the hiring freeze, among other adjustments.

2. Supplemental appropriations included in S.B. 09-259 included:

a. A one-time increase of $2.2 million for the Regional Centers for People with Developmental Disabilities (Services for People with Disabilities), to address prior year accounting errors and federal disallowance.

b. An increase of $347,000 for Mental Health and Alcohol and Drug Abuse Services, including an increase of $597,000 for the High Risk Pregnant Women Program, offset by a reduction of $251,000 in revenue earned by the Mental Health Institutes

c. A reduction of $1.2 million for the Division of Youth Corrections, based on projected Medicaid-eligible expenditures for the Division.

For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Services for People with Disabilities: The appropriation primarily reflects an increase for Community Services for People with Developmental Disabilities, including $12.7 to annualize new residential and supported living placements added in FY 2008-09, $10.4 million to restore one-time FY 2008-09 supplemental reductions, and $2.4 million for new placements added for six months in FY 2009-10, partially offset by a reduction of $2.0 million for federally-matched local program costs, among other adjustments. The appropriation also includes a variety of adjustments to the regional centers, including annualization of prior year funding, that net to a total reduction of $125,000, excluding the 2.8 percent personal services reduction.

Mental Health and Alcohol and Drug Abuse Services: The appropriation reflects an increase of $428,897 for the High Risk Pregnant Women program, and other miscellaneous changes such as the annualization of salaries and benefits.

Division of Child Welfare: The appropriation includes an increase for growth in the child and adolescent population.

Information Technology Services: The appropriation reflects changes primarily for eliminations of one-time expenses associated with the Colorado Benefits Management System: reallocation of the federal/state share of

expenses for prior fiscal years, transition expenses associated with the change to a new support vendor, and prior-year special bills.

Executive Director's Office: The appropriation includes elimination of $2.6 million in funding for the Salary Survey and Performance-based Pay line items, partially offset by increases in other centrally-appropriated items.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff. The total fund reduction is allocated to the following subdivisions: (1) $18,847 to the Executive Director's Office - Medicaid Funding; (2) $30,469 to the Office of Information Technology Services - Medicaid Funding; (3) $73,167 to the Office of Operations - Medicaid Funding; (4) $2,382 to the Division of Child Welfare - Medicaid Funding; (5) $911,753 to the Services for People with Disabilities - Medicaid Funding; and (6) $852 to the Division of Youth Corrections - Medicaid Funding.

Other Transfers to Department of Human Services: The appropriation includes an increase of $500,000 federal funds for federal Medicaid Indirect Cost Reimbursements. This increase is offset by a decrease of $1,210,857 General Fund from eliminating a one-time expense in FY 2008-09 associated with repaying a federal Medicaid disallowance.

Office of Operations: The reduction primarily reflects a change in how Medicaid indirect costs for the Department of Human Services are budgeted and expended.

Division of Youth Corrections: The appropriation includes a reduction of $22,022 total funds, based on projected Medicaid-eligible expenditures for the Division.

Additional legislation: For information on H.B. 09-1293, see the "Recent Legislation" section at the end of the Department of Health Care Policy and Financing.

Recent Legislation

2008 Session Bills

S.B. 08-002: Specifies that the Department of Human Services may purchase services and supports for persons with developmental disabilities from a family care giver in the family home if it is determined that this provides services in the least restrictive environment. Provides the following appropriations for FY 2008-09: $17,132 General Fund and $17,132 federal funds to the Department of Health Care Policy and Financing; and $34,264 reappropriated funds (transferred from the Department of Health Care Policy and Financing) and 0.5 FTE to the Department of Human Services. Also reduces the FY 2008-09 Long Bill appropriation for the Controlled Maintenance Trust Fund by $17,132 General Fund.

S.B. 08-006: Specifies that persons who are eligible for Medicaid just prior to their confinement in a jail, juvenile commitment facility, a Department of Corrections facility, or a Department of Human Services facility shall have their Medicaid benefits suspended, rather than terminated, during the period of their confinement. Also clarifies that juveniles retain Medicaid eligibility when held in a facility operated by or under contract with the Division of Youth Corrections or Department of Human Services if care within that facility qualifies for federal financial participation. Provides the following appropriations for FY 2008-09: $118,703 General

Fund, $5,142 cash funds, $487 reappropriated funds (transferred from the Department of Human Services), and $268,255 federal funds to the Department of Health Care Policy and Financing; and $42,546 General Fund, $21,754 cash funds, $94,092 reappropriated funds (transferred from the Department of Health Care Policy and Financing) and $112,688 federal funds to the Department of Human Services. Also reduces the FY 2008-09 Long Bill appropriation for the Controlled Maintenance Trust Fund by $161,249 General Fund.

S.B. 08-007: Creates the Inmate Assistance Demonstration Grant Program to provide grants to counties for the purpose of assisting inmates in county jails to access health care, housing, and employment benefits. Connects inmates with appropriate public benefits, including mental health treatment. Senate Bill 09-209 delayed implementation of this legislation and eliminated the FY 2008-09 appropriation.

S.B. 08-057: Requires health insurance coverage for medically appropriate hearing aids for minor children whose hearing loss is verified by a physician or audiologist. Appropriates $54,300 (including $19,000 cash funds and $35,300 federal funds) to the Department of Health Care Policy and Financing for the implementation of the act in FY 2008-09.

S.B. 08-090: Allows Medicaid clients to use a mail-order pharmacy if they have third-party insurance and require maintenance medications; and authorizes a mail-order pharmacy to bill Medicaid for the difference between the Medicaid co-payment and a third-party insurer's co-payment or deductible. The bill reduces the Department of Health Care Policy and Financing's FY 2008-09 appropriation for Medical Services Premiums by $279,272 total funds (including $139,636 General Fund and $139,636 federal funds).

S.B. 08-099: Expands Medicaid eligibility to young adults, under age 21, for whom the state made subsidized adoption or foster care payments immediately prior to the client turning age 18. These young adults were not eligible for Title IV-E federal funds while in foster care, but received state benefits. The bill appropriates $1,428,800 total funds (including $714,400 cash funds and $714,400 federal funds) to the Department of Health Care Policy and Financing in FY 2008-09.

S.B. 08-118: Provides that for FY 2008-09 through FY 2012-13, the Department of Public Health and Environment shall transfer $2.0 million in funding from the Prevention, Early Detection, and Treatment Fund to the Department of Health Care Policy and Financing for Medicaid disease management programs. This funding is matched by $2.0 million in federal funds.

S.B. 08-155: Consolidates the responsibility for information technology (IT) oversight of most of the state's executive branch in the Governor's Office of Information Technology (OIT) by transferring several IT functions and staff positions from various state agencies to OIT. Transfers 1.5 FTE from the Department of Health Care Policy and Financing to OIT in FY 2008-09. For more information on this bill, please see the Recent Legislation section for the Governor's Office.

S.B. 08-160: Expanded eligibility in the Children's Basic Health Plan (CBHP) from 205 percent to 225 percent of federal poverty level (FPL) for children (beginning in March 2009) and for pregnant women (beginning in October 2009). This provision was eliminated in S.B. 09-211. Also allows the Department of Health Care Policy and Financing to increase CBHP eligibility to 250 percent of FPL if appropriations become available to fund the program at this level. The bill also increases the CBHP mental health benefit for children to be as comprehensive as the mental health benefit in the Medicaid program. Provides the following appropriations for FY 2008-09: $2,245,037 cash funds, $30,328 reappropriated funds (transferred from the CBHP Trust Fund), and $4,096,796 federal funds to the Department of Health Care Policy and Financing; and $21,776 cash funds,

$31,866 reappropriated funds (transferred from the Department of Health Care Policy and Financing) and $38,164 federal funds to the Department of Human Services. Senate Bill 09-211 reduced these appropriations.

S.B. 08-161: Requires the Department of Health Care Policy and Financing to establish rules for Medicaid and the Children's Basic Health Plan (CBHP) to verify applicant income through records of the Department of Labor and Employment (DOLE). Allows applicants to provide other forms of income verification if it is more recent than information available through the DOLE. In addition, requires the Advisory Committee on Covering All Children in Colorado to investigate the feasibility of combining Medicaid and the CBHP. Provides the following appropriations for FY 2008-09: $13,474 cash funds and $13,162 federal funds to the Department of Health Care Policy and Financing; and $3,791 cash funds, $5,554 reappropriated funds (transferred from the Department of Health Care Policy and Financing) and $6,655 federal funds to the Department of Human Services.

S.B. 08-217: Requires the Department of Health Care Policy and Financing, in coordination with the Division of Insurance and a panel of experts, to prepare a request for information from health insurance carriers and other interested parties. Carriers are requested to provide information regarding the design of a new health insurance product, known as a value benefit plan, to be offered in the individual market. After information is received, the Department, in collaboration with the division and the panel of experts, must acquire actuarial projections, research potential cost savings, and analyze the information provided by the carriers. The original appropriations for this bill were reduced in S.B. 09-187.

S.B. 08-230: Authorizes specified governmental hospital care providers, subject to voter approval, to levy and collect a sales tax within certain geographic areas. Establishes a definition of "state university teaching hospital" and authorizes the General Assembly to appropriate moneys annually to state university teaching hospitals for services provided under the state's Medicaid program. Provides direct appropriations to Denver Health Hospital and University Hospital for graduate medical education programs by transferring current funding for these activities contained in the Medical Services Premiums and Commission on Family Medicine line items in FY 2007-08 and FY 2008-09. The net impact of the funding transfer is zero in both years.

H.B. 08-1046: For juveniles in a juvenile commitment facility and certain individuals committed to a Department of Human Services facility, requires appropriate personnel in each facility to provide assistance in applying for Medicaid, Children's Basic Health Plan benefits, Supplemental Security Income, or Social Security Disability Insurance at least 120 days prior to release from commitment, or as soon as practicable for those juveniles committed for less than 120 days. Appropriates $11,941 General Fund, $6,106 cash funds, $26,408 reappropriated funds (transferred from the Department of Health Care Policy and Financing), and $31,626 federal funds to the Department of Human Services in FY 2008-09. Appropriates $13,371 General Fund, $1,580 cash funds, and $13,457 federal funds to the Department of Health Care Policy and Financing in FY 2008-09. Also reduces the FY 2008-09 Long Bill appropriation for the Controlled Maintenance Trust Fund by $25,312 General Fund. For more information on H.B. 08-1046, see the "Recent Legislation" section at the end of the Department of Human Services.

H.B. 08-1072: Establishes a Medicaid Buy-in Program for people with disabilities who earn too much to qualify for Medicaid and for those whose medical condition improves while participating in the program. Requires the Department of Health Care Policy and Financing (DHCPF) to submit an amendment to the State's Medical Assistance Plan, and request any necessary waivers to expand eligibility under Medicaid to implement the Medicaid Buy-in Program. Requires qualifying individuals to pay a medical premium based on a sliding

payment schedule in order to participate in the program. Senate Bill 09-187 modified the appropriations that were contained in this bill.

H.B. 08-1114: Establishes a new methodology for reimbursing nursing facilities under the Medicaid program by establishing: (1) a reimbursement schedule for administrative and general services; (2) per diem rates for direct and indirect care, capital assets, and performance quality; (3) an additional per diem payment for clients with severe mental health conditions or cognitive dementia; and (4) reimbursement for speech therapy services. In addition, requires the Department of Health Care Policy and Financing to charge and collect a quality assurance fee from nursing facilities, with certain exceptions. Fees are intended to allow for increased payments to Medicaid nursing facilities based on the new reimbursement system. The fee can be used for administrative costs related to assessing the fee and to limit growth of General Fund expenditures to 3.0 percent annually. Both S.B. 09-187 and S.B. 09-259 modified the appropriations that were contained in this bill.

H.B. 08-1250: Restructures funding of the County Administration group of line items. Replaces the County Contingency Fund with a new County Tax Base Relief Fund. Replaces the formulas used to determine the amount of assistance for which counties with high social services costs relative to their property tax base will be eligible. Appropriates $3,400,000 total funds (including $1,000,000 General Fund, $700,000 cash funds, and $1,700,000 federal funds) to the Department of Health Care Policy and Financing for County Administration in FY 2008-09. For more information on H.B. 08-1250 and impact to the Department of Human Services, see the "Recent Legislation" section at the end of the Department of Human Services.

H.B. 08-1285: Supplemental appropriation to the Department of Health Care Policy and Financing to modify the FY 2007-08 appropriations included in the FY 2007-08 Long Bill (S.B. 07-239). Also modifies appropriations for FY 2006-07.

H.B. 08-1373: Extends the repeal date for the Breast and Cervical Cancer Treatment and Prevention Fund (BCCTP Fund) until FY 2013-14 and allows the BCCTP Fund to fund all of the state match for the Breast and Cervical Cancer Treatment Program in both FY 2007-08 and FY 2008-09. From FY 2009-10 through FY 2013-14, 50 percent of the state match for the Breast and Cervical Cancer Treatment Program will be paid from the BCCTP Fund and 50 percent will be paid from the General Fund. The FY 2008-09 appropriation contained in this bill were modified in both S.B. 09-187 and S.B. 09-259.

H.B. 08-1374: Raises the rate cap on the Program for All Inclusive Care for the Elderly (PACE) from 95 percent of fee-for-service rates to up to 100 percent of fee-for-service rates. Appropriates $3.1 million total funds to the Department of Health Care Policy and Financing for FY 2008-09 for the additional expenses for the PACE program associated with increasing the rate cap. These costs are split equally between the General Fund and federal funds.

H.B. 08-1375: General Appropriations Act for FY 2007-08. Also includes supplemental adjustments to modify appropriations to the Department of Health Care Policy included in the FY 2007-08 Long Bill (S.B. 07-239) and in the FY 2006-07 Long Bill (H.B. 06-1385).

H.B. 08-1407: Prohibits the unreasonable delay or denial of payment of a claim for benefits owed by an insurance company, and provides remedies for claimants, including a new cause of action. The bill reduces the Department of Health Care Policy and Financing's FY 2008-09 appropriation for Medical Services Premiums by $277,780 total funds (including $138,890 General Fund and $138,890 federal funds).

H.B. 08-1409: Authorizes the Department of Health Care Policy and Financing to take all reasonable measures to determine the legal liability of third parties to pay for services provided to Medicaid clients and to pursue claims against liable parties. Reduces the Department of Health Care Policy and Financing's FY 2008-09 appropriation for Medical Services Premiums by $300,000 total funds (including $150,000 General Fund and $150,000 federal funds).

2009 Session Bills

S.B. 09-132: Repeals and then restructures the Colorado Cares Rx Program. The Department of Health Care Policy and Financing is required to research and make information available to the public about discount prescription drug programs including ways to obtain lower-cost prescription drugs and contact information for programs. The bill eliminates the Colorado Cares Rx Program Cash Fund and reduces the FY 2008-09 appropriation to the Department of Health Care Policy and Financing by $3,918,724 total funds.

S.B. 09-187: Supplemental appropriation to the Department of Health Care Policy and Financing to modify the FY 2008-09 appropriations contained in the FY 2008-09 Long Bill (S.B. 08-1375). The bill also modified FY 2008-09 appropriations contained in S.B. 08-007, S.B. 08-217, S.B. 09-239, H.B. 08-1072, H.B. 08-1114, and H.B. 08-1373. Lastly, the bill also modified the FY 2007-08 appropriation contained in S.B. 07-239 (FY 2007-08 Long Bill).

S.B. 09-209: This bill removes the Inmate Assistance Demonstration Grant Program from statute, and removes the General Fund appropriation for the program that was made during the 2008 legislative session.

S.B. 09-210: Beginning in FY 2009-10, eliminates the requirement that certain Master Tobacco Settlement money be deposited into the Children's Basic Health Plan (CBHP)Trust Fund Account instead of directly into the CBHP Trust Fund. Starting in FY 2009-10, replaces the annual transfer that provided up to $1.0 million of tobacco settlement moneys to the Colorado Autism Treatment Fund with a transfer that provides exactly $1.0 million annually. Makes the following transfers to the General Fund:

Transfers to the General Fund in FY 2008-09 to increase FY 2008-09 General Fund revenues	
From Public Health Services Support Fund (administered by the Department of Public Health and Environment)	$149,070
From Tobacco Litigation Settlement Cash Fund (administered by DPHE)	65,000
From Supplemental Tobacco Litigation Settlement Moneys Account of the Comprehensive Primary and Preventative Grant Fund (administered by the Department of Health Care Policy and Financing)	977,356
Total FY 2008-09 transfers to the General Fund	**$1,191,426**
Transfers to the General Fund in FY 2009-10 to increase FY 2009-10 General Fund revenues	
From Supplemental Tobacco Litigation Settlement Moneys Account of the Comprehensive Primary and Preventative Grant Fund (administered by the HCPF)	2,400,000
Total FY 2009-10 transfers to the General Fund	**$2,400,000**

Adjusts the following FY 2008-09 Long Bill appropriations:

FY 2008-09 Appropriation Adjustments	Total	CF	FF
Department of Public Health and Environment			
Support for local nursing services and local health departments	($149,070)	($149,070)	$0
Colorado HIV/AIDS Drug Assistance Program	(65,000)	(65,000)	0
Subtotal - Department of Public Health and Environment	**($214,070)**	**($214,070)**	**$0**
Department of Health Care Policy and Financing - Comprehensive primary and preventative care payments to hospitals	(1,954,712)	(977,356)	(977,356)
Total	**($2,168,782)**	**($1,191,426)**	**($977,356)**

S.B. 09-211: Eliminates the requirement that the Children's Basic Health Plan (CBHP) program be expanded to 225 percent of federal poverty level (FPL) for children by March 1, 2009 and for adult pregnant women by October 1, 2009. Current law allows the CBHP program to be expanded to 250 percent of FPL if appropriations become available. This provision is retained in law. For FY 2008-09, the bill reduced appropriations by $3,195,789 total funds. Of this amount, $1,127,624 is cash funds, $30,328 is reappropriated funds, and $2,037,837 is federal funds.

S.B. 09-259: General Appropriations Act for FY 2009-10. Also includes supplemental adjustments to modify appropriations to the Department of Health Care Policy and Financing included in the FY 2008-09 Long Bill (H.B. 08-1375) and in the FY 2007-08 Long Bill (S.B. 07-239). The bill also modified appropriations in H.B. 08-1114 and H.B. 08-1373.

S.B. 09-261: This bill allows the Supplemental Old Age Pension Health and Medical Care Fund to pay up to $3.0 million dollars in FY 2008-09 and $6.0 million dollars in FY 2009-10 of the state costs associated with serving Old Age Pension medical clients in the Medicaid program. The appropriation clause for FY 2008-09, reduces the General Fund by $3.0 million and increases cash fund appropriations by $3.0 million. In FY 2009-10, the appropriation clause reduces the General Fund by $6.0 million and increases cash fund appropriations by $6.0 million.

S.B. 09-262: This bill allows up to 100 percent of the State match costs for the Breast and Cervical Cancer Prevention and Treatment program to be paid from the Breast and Cervical Cancer Prevention and Treatment (BCCPT) Fund. Prior to the passage of this bill, in FY 2009-10 50 percent of the State match for this program was required to be paid from the General Fund and 50 percent was required to come from the BCCPT Fund. This bill reduces General Fund expenditures by $896,290 and increases expenditures from the BCCPT Fund by $896,290 in FY 2009-10.

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

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

b) Reduces the General Fund cap to 0.0 percent growth in FY 2009-10 and allows a 5.0 percent growth cap for FY 2010-11. Reinstates the current 3.0 percent cap on General Fund growth for the fiscal years after FY 2010-11.

c) Caps the nursing facility provider fee to $7.50 per nonmedicare-resident day in FY 2009-10. This cap is allowed to grow by inflation in future years.

d) For FY 2009-10 and subsequent fiscal years, provides that the increase in the cost of direct and indirect health care services and raw food shall not exceed 8.0 percent. This provision reduces the provider fee in FY 2009-10 to ensure the provider fee stays below the $7.50 in FY 2009-10 when the General Fund growth rate is capped at 0.0 percent growth. Reduces and delays other rate components in order to ensure the $7.50 cap is not exceeded.

S.B. 09-264: This bill allows the state to use certain federal stimulus moneys related to Medicaid to reduce General Fund obligations, instead of using the federal money to expand programs. It will not affect the amount paid to providers. Adjustments are for FY 2008-09 through FY 2010-11, the period of enhanced federal match under the ARRA. The table below shows both the increased General Fund revenues and the decreases in appropriations that are anticipated to result from this bill.

S.B. 09-264 Fiscal Impact Summary	FY 2008-2009	FY 2009-2010
State Transfers or Diversions		
Increase to General Fund from retained Federal Funds not transferred to Public Hospitals or School Districts	$18.9 million	$31.1 million
State Expenditures		
Total	($2,148,113)	($4,201,653)
General Fund	(2,149,250)	(3,160,000)
Cash Funds		
Pediatric Specialty Hospital Fund	(51,292)	(72,359)
Comprehensive Primary and Prev. Care Fund	0	(1,030,048)
Reappropriated Funds	(2,149,250)	(3,160,000)
Federal Funds	2,201,679	3,220,754

S.B. 09-265: This bill has three main provisions: (1) clarifies that the Medicare Modernization Act State Contribution Payment does not have to be paid before the date it is due; (2) provides that managed care capitation payments shall not be made before the first day of the month following the enrollment of the recipients; and (3) allows the Department to delay the last weekly payment cycles in FY 2009-10 to after July 1, 2010. This bill is anticipated to reduce expenditures in FY 2009-10 by $87.9 million total funds (including $35.6 million General Fund).

FY 2009-10 Expenditure Impacts	Delay Managed Care Payments	Shift Last Payment Cycle to FY 2010-11	Total
Medical Services Premiums	(14,102,731)	(43,611,120)	(57,713,851)
Mental Health Capitation Payments	(17,671,863)	0	(17,671,863)
Children's Basic Health Plan	(12,845,625)	0	(12,845,625)
Total Fund Appropriation Impact	**($44,620,219)**	**($43,611,120)**	**($88,231,339)**
General Fund	(15,332,958)	(20,272,591)	(35,605,549)
Cash Funds	(5,283,891)	(1,400,053)	(6,683,944)

FY 2009-10 Expenditure Impacts	Delay Managed Care Payments	Shift Last Payment Cycle to FY 2010-11	Total
Federal Funds	(24,003,369)	(21,938,477)	(45,941,846)

S.B. 09-269: See the Department of Public Health and Environment for a description of this bill. The table below shows the impacts to the Department of Health Care Policy and Financing only.

Department / Program	Change to CF Appropriations FY 2009-10
Department of Health Care Policy and Financing	
Comprehensive Primary and Preventive Care Grants Program	(99,177)
Medicaid shortfalls at Children's Hospital	(5,359)
Subtotal - Department of Health Care Policy and Financing	**(104,536)**

S.B. 09-270: Credits interest and income earned by various cash funds that are supported by Amendment 35's tobacco-tax to the General Fund for fiscal years 2008-09 through 2011-12. The estimated revenue to the General Fund is as follows:

Estimated Interest and Income from	FY 2008-09	FY 2009-10
Health Care Expansion Fund	$4,497,179	$2,923,166
Prevention, Detection and Early Treatment Fund*	997,075	572,000
Primary Care Fund*	223,897	147,000
Tobacco Education Programs Fund*	287,419	122,000
Health Disparities Grant Program Fund	144,986	94,241
Tobacco Tax Cash Fund	67,400	43,810
Total	**$6,217,956**	**$3,902,217**

* Due to changes to S.B. 09-271, the estimated earnings for these cash funds differs from that shown in the Legislative Council Staff Fiscal Note for S.B. 09-270.

S.B. 09-271: Utilizes the State Fiscal Emergency declared by S.J.R. 09-035 to appropriate $27.4 of Amendment 35 tobacco-tax moneys to the Department of Health Care Policy and Financing for Medical Services Premiums. The table below shows the impact to appropriations in the Department of Health Care Policy and Financing. See the Department of Public Health and Environment for additional impacts.

Department of Health Care Policy and Financing	FY 2009-10 Appropriations
Medical Services Premiums	
General Fund	($27,400,000)
CF - Tobacco Education Programs Fund	8,000,000

Department of Health Care Policy and Financing	FY 2009-10 Appropriations
CF - Prevention, Early Detection and Treatment Fund	12,000,000
CF - Primary Care Fund	7,400,000
Indigent Care Program, Primary Care Fund Program	
CF - Primary Care Fund	(7,400,000)
Total -- Department of Health Care Policy and Financing	**($7,400,000)**

S.J.R. 09-035: Declares a State Fiscal Emergency for FY 2009-10, which allows Amendment 35 tobacco-tax revenues to be used in that year for any health-related purpose. See S.B. 09-271.

H.B. 09-1047: Establishes a pilot program allowing Medicaid clients with spinal cord injuries who are eligible for Home- and Community-based Services (HCBS) to receive complementary or alternative therapies. Alternative therapies are limited to chiropractic care, massage, and acupuncture performed by licensed or certified providers. Independent evaluation of the program is required in the third year. The State Medical Board is required to adopt rules for the implementation and administration of the program, and the bill includes a repeal date of September 1, 2015. The bill appropriates $53,480 total funds and 0.8 FTE to the Department of Health Care Policy and Financing in FY 2009-10. Of this amount, $26,740 is cash funds and $26,740 is federal funds.

H.B. 09-1073: Requires the Department of Health Care Policy and Financing to contract with a nonprofit organization to study the feasability and advisability of the use of electronic prescriptions in Medicaid. The department must submit its report to the Health and Human Services Committees of the General Assembly by June 30, 2010. The bill appropriates $52,500 total funds to the Department of Health Care Policy and Financing in FY 2009-10. Of this amount, $26,250 is cash funds and $26,250 is federal funds.

H.B. 09-1196: Allows the Nursing Home Penalty Cash Fund to be used for initiatives to improve the quality of life for residents in nursing facilities. The Department of Health Care Policy and Financing is required to distribute $200,000 in FY 2009-10 and up to 25 percent of moneys deposited into the fund in future years to these efforts.

H.B. 09-1293: Creates the Health Care Affordability Act of 2009. The Department of Health Care Policy and Financing is authorized to collect hospital provider fees for the purpose of obtaining federal financial participation for the Medicaid and Children's Basic Health Plan programs. Fees are set by the State Medical Services Board based on federal regulations and may be used for the following purposes if approved by the Centers for Medicare and Medicaid Services (CMS).

Payments to Hospitals. Hospital rates will increase through (1) maximizing provider payments based on federal regulations, (2) increasing payments under the Colorado Indigent Care Program (CICP) to 100 percent of cost, and (3) paying a new quality incentive payment.

Expand Eligibility: If revenues are sufficient from the hospital provider fee, then the following eligibility changes are allowed: (1) CBHP eligibility may increase from 205% of the Federal Poverty Level (FPL) to 250% FPL; (2) eligibility for Medicaid adults may increase from 60% FPL to 100% FPL; (3) Medicaid eligibility will be continuous for 12-months; (4) creates a Medicaid buy-in program for disabled adults and children with incomes up to 450% FPL; and (5) creates a new medical assistance program from childless adults with incomes up to 100% FPL.

The appropriations shown in the summary appropriation tables in the Appropriations Report are the administrative costs associated with applying for the waiver and collecting the fee if the waiver is approved **after** April 1, 2010. The bill appropriates $5,280,678 total funds ($1,877,337 General Fund) and 12.0 FTE in order to apply for the waiver. However, this appropriation is replaced with a much higher cost in FY 2009-10 if the waiver is actually approved before April 1, 2010. The table below shows the estimated revenue and expenditure impacts for the bill if waiver is approved **before** April 1, 2010.

Fiscal Impact Summary If Waiver is Approved Before April 1, 2010	**FY 2009-2010**
State Revenue	
Cash Funds	
Hospital Provider Fee Cash Fund	$336.4 million
Children Basic Health Plan Trust - Cost Sharing	0.1 million
State Expenditures	
Total	$411.4 million
Cash Funds	
Hospital Provider Fee Cash Fund	336.4 million
Children's Basic Health Plan Trust	0.1 million
Certified Public Expenditures	(135.0 million)
Local Funds	0.1 million
Federal Funds	209.7 million
FTE Position Change	12.0 FTE

H.B. 09-1353: Authorizes the Department of Health Care Policy and Financing to provide medical benefits under Medicaid and the Children's Basic Health Plan (CBHP) to pregnant women and children who are legal immigrants without a waiting period, so long as other eligibility criteria is met. Under current law, legal immigrants are not eligible for Medicaid or CBHP for 5 years after the date of entry into the United States. Because no funding is currently available to expand eligibility for this bill, the bill does not contain an appropriation clause for FY 2009-10.

DEPARTMENT OF HIGHER EDUCATION

This department is responsible for higher education and vocational training programs in the state. The Colorado Commission on Higher Education (CCHE) serves as the central policy and coordinating board for the Department. The Commission is responsible for negotiating performance contracts with public higher education institutions. 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 College Assist and CollegeInvest, which are both statutorily authorized state enterprises with responsibilities related to student loans and college savings programs.

Appropriations in the College Opportunity Fund Program section provide stipends for undergraduate resident students to attend public colleges and participating private colleges. The section also includes appropriations for fee-for-service contracts with public higher education institutions for graduate education and other educational services not covered by the stipends. Tuition, stipend, and fee-for-service spending authority for public higher education institutions is provided in the Governing Boards section.

The Division of Occupational Education oversees Colorado Vocational Act programs, the Area Vocational Schools, federal Perkins technical training programs, and resources for the promotion of job development, job training, and job retraining.

The Department also includes: state subsidies for Local District Junior Colleges; 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 and Health Sciences Center.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund/1	$694,142,988	$747,717,300	$661,973,800	$660,575,732
Cash Funds/2	24,345,935	23,204,523	1,224,926,051	1,373,468,595
Cash Funds Exempt/2	1,610,697,386	1,764,573,730	n/a	n/a
Reappropriated Funds/2	n/a	n/a	582,085,866	585,643,182
Federal Funds	20,080,322	20,478,236	170,906,168	170,881,054
Total Funds	**$2,349,266,631**	**$2,555,973,789**	**$2,639,891,885**	**$2,790,568,563**
Full Time Equiv. Staff	18,876.2	19,277.9	19,803.3	20,948.0

/1 Includes General Fund Exempt.

/2 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

College Opportunity Fund Program (S.B. 04-189)

In FY 2005-06 the General Assembly changed the funding mechanism for higher education. Senate Bill 04-189 required that direct appropriations for higher education institutions be replaced by a combination of (1) stipends for students and (2) "fee-for-service" contracts. Collectively the stipends and fee-for-service contracts are referred to here as the College Opportunity Fund (COF) Program.

Stipends: Stipends can be used by eligible undergraduate students to attend any of the twenty-six state-operated institutions. In limited circumstances students may also receive a stipend to attend a private institution. The stipend to attend private institutions is worth half as much as the stipend to attend state-operated institutions. To use a stipend at a private institution, a student must qualify for the need-based federal Pell grant. They must also attend a participating private, non-sectarian, accredited, baccalaureate college.

The amount of the flat-rate, per-credit-hour stipend is determined annually by the legislature through the budget process. Stipends may only be used for tuition payments. The total amount required for student stipends, and the amount each higher education institution earns from student stipend payments, is the product of the number of eligible student credit hours and the stipend rate set by the General Assembly.

Fee-for-service contracts: With money appropriated by the General Assembly, the Colorado Commission on Higher Education may purchase higher education services from the state institutions of higher education through fee-for-service contracts. Pursuant to Section 23-5-130, C.R.S., the Commission may purchase:

- ✓ Educational services in rural areas or communities where the cost of educational services is not sustained by tuition;
- ✓ Educational services required to meet reciprocal agreements with other states;
- ✓ Graduate school services;
- ✓ Educational services that increase economic development opportunities in the state, including career development and retraining; and
- ✓ Specialized educational services and professional degrees and programs that address identified state or national priorities.

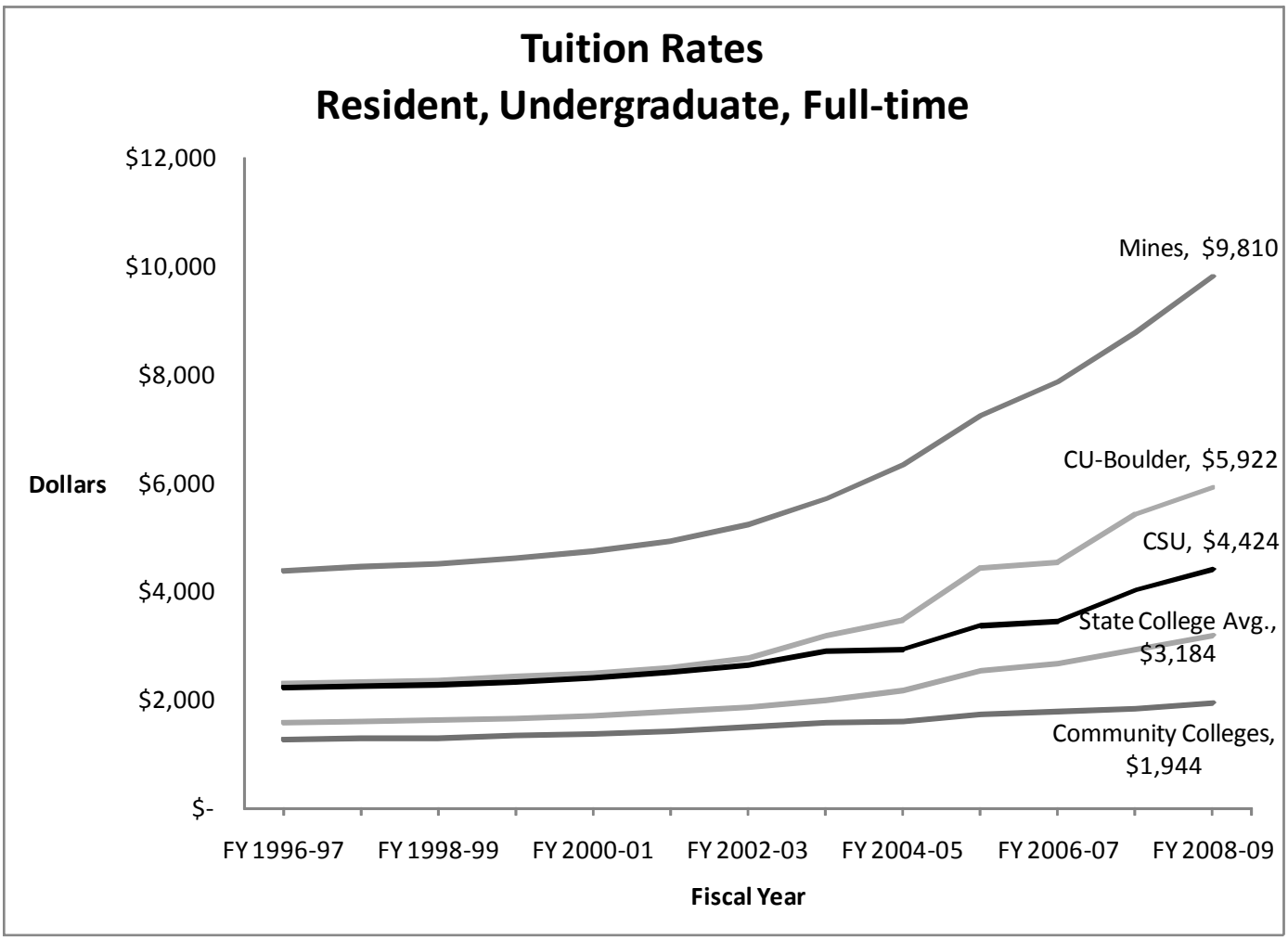
Relationship of fee-for-service contracts to stipends and tuition: The flat-rate stipends, the student's share of tuition, and other revenues available to the institution cover a varying amount of the costs of undergraduate education at each institution. The remaining revenue from these sources is applied toward the types of educational services that are purchased through the fee-for-service contracts. For this reason, the relationship of the fee-for-service contract amount to the cost of the service being purchased can not be seen without taking into account all of the revenues available to the higher education institution. The sum of stipends and fee-for-service contracts is the total state support that makes its way to the institutions through the COF Program.

Performance Contracts: As a condition of participation in the College Opportunity Fund Program, higher education institutions must negotiate performance contracts with CCHE. Performance contracts are *not* the same thing as fee-for-service contracts. The performance contracts establish parameters for measuring the success of higher education institutions in meeting statewide goals. The performance contracts can also delegate certain functions to the governing boards that were previously administered statewide, or regulated by CCHE.

Enterprise Status: Senate Bill 04-189 provided a mechanism for designating qualifying institutions as enterprises, so that tuition and other cash fund revenue used by the institutions is exempt from limitations imposed by TABOR. To achieve enterprise status under TABOR a program must: 1) be a government-owned business; 2) have authority to issue revenue bonds; and 3) receive less than 10 percent of annual revenue from state and local grants. Senate Bill 04-189 stated that stipends and fee-for-service contracts are not state grants for TABOR purposes. In the case of stipends, the payments are on behalf of students who have choice in where to apply the funds, and thus the benefit to higher education institutions is indirect. In the case of fee-for-service contracts, a market exchange occurs where services are provided and paid for at a rate sufficient for the independent operation of the enterprise. The final determination of whether a higher education institutions qualifies for enterprise status is made at the end of each fiscal year when actual revenues from state grants are compared to the 10 percent threshold.

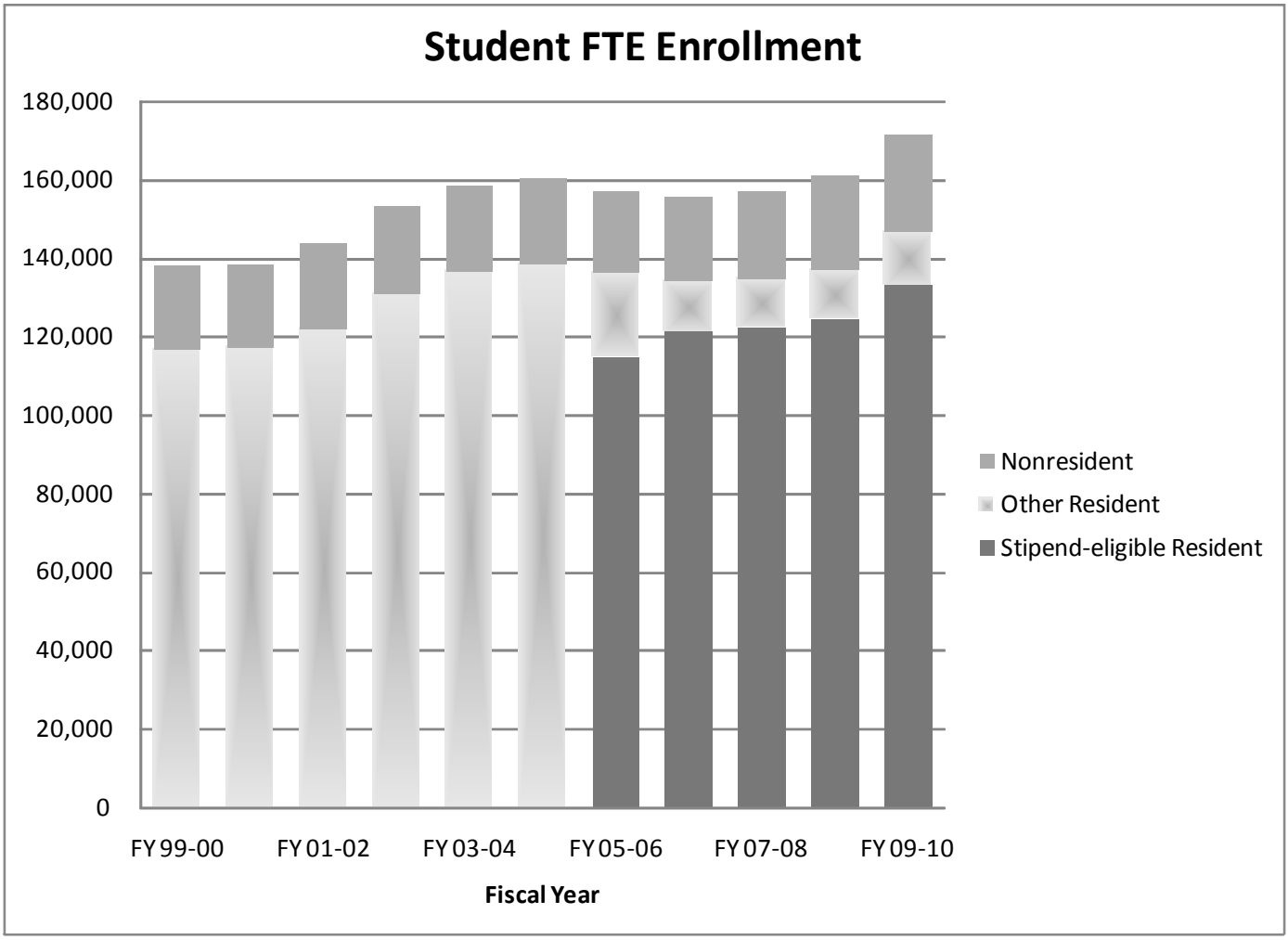
Tuition

Tuition rates are a central consideration in discussions about access and affordability. The total projected tuition revenues for the governing boards influences legislative decisions about how much General Fund to appropriate for stipends and fee-for-service contracts. The table below charts tuition rates at selected institutions over the last 12 years.



Enrollment

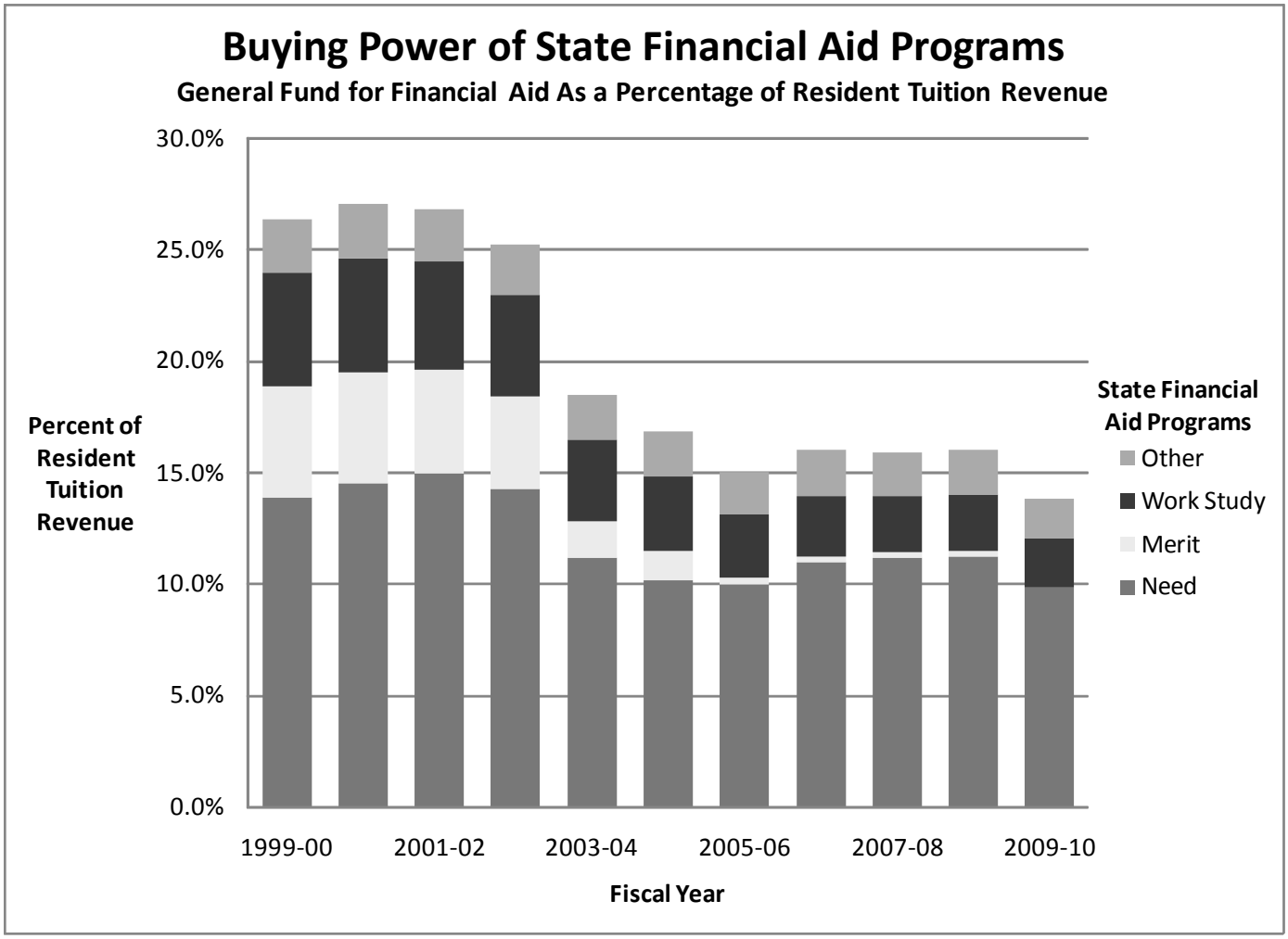
Enrollment is both a workload and performance measure for the campuses, and it affects tuition revenue. For a few schools, nonresident enrollment is important in terms of total revenue, since nonresident tuition helps subsidize resident education. Enrollment tends to be counter-cyclical. In other words, when the economy slows, higher education enrollment increases. The following chart reports student FTE over time. Thirty credit hours in a year equals one full-time-equivalent student.



Financial Aid

Of the General Fund appropriation for higher education in FY 2009-10, $103.9 million (16.0 percent) is for financial aid. The majority of the money goes for need based aid and work study. There are also a number of smaller, special purpose financial aid programs. Financial aid funds are appropriated to the Commission and then allocated to the institutions based on formulas that consider financial need at the schools, total student enrollment, and program eligibility criteria.

The following table shows General Fund appropriations for financial aid as a percentage of resident tuition revenues over time. The table provides an indication of the buying power of financial aid appropriations. However, it should be noted that financial aid is used for more than paying tuition. It also helps pay for expenses related to room, board, transportation, student fees, and learning materials. Also, the table does not take into account changes in the economic circumstances of the overall student population, including the number of students with financial need and the amount of need for those students.



The federal government also provides a significant amount of financial aid for students. The most recent year of data shows federal Pell Grants to the neediest students attending schools in Colorado (both public and private) totaled $156.1 million in FY 2007-08. Federal guaranteed loan programs provided another $988.4 million for students and their parents. The federal government also provides tax credits and deductions for tuition.

Another source of funding for financial aid is money set aside by the institutions. Some of the money comes from fund raising, but the majority comes from the operating budgets of the schools. There is significant variation in the amount of money available by institution based on differences in school policies and fund raising. The Commission reports the total institutional financial aid available in the state in FY 2007-08 was $288.2 million.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Higher Education

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$2,639,891,885**	**$661,973,800**	**$1,224,926,051**	**$582,085,866**	**$170,906,168**	**19,803.3**
Breakdown of Total Appropriation by Administrative Section						
Department Administrative Office	2,304,755	0	1,330,789	863,031	110,935	0.0
Colorado Commission on Higher Education	24,315,684	0	21,214,191	2,741,016	360,477	38.9
Colorado Commission on Higher Education Financial Aid	107,668,796	105,768,796	0	0	1,900,000	0.2
College Opportunity Fund Program	534,997,542	534,997,542	0	0	0	0.0
Governing Boards	1,851,037,018	0	1,169,789,231	536,557,073	144,690,714	19,481.7
Local District Junior College Grants	15,890,257	12,601,934	0	0	3,288,323	0.0
Division of Occupational Education	53,457,802	8,505,528	0	25,297,494	19,654,780	32.0
Auraria Higher Education Center	16,627,252	0	0	16,627,252	0	123.6
State Historical Society	33,592,779	100,000	32,591,840	0	900,939	126.9
Breakdown of Total Appropriation by Bill						
HB 08-1375	2,772,882,878	812,337,483	1,213,631,101	726,684,181	20,230,113	19,802.1
SB 08-079	221,660	71,760	78,140	71,760	0	0.0
SB 08-133	500,000	500,000	0	0	0	0.2
SB 08-166	28,612	28,612	(28,612)	28,612	0	0.0
SB 08-167	31,500	0	31,500	0	0	0.0
SB 08-212	105,180	0	0	105,180	0	1.0
SB 09-188	(47,868,009)	(30,000,000)	11,213,922	(29,081,931)	0	0.0
SB 09-259	(86,009,936)	(120,964,055)	0	(115,721,936)	150,676,055	0.0
FY 2009-10 Total Appropriation:	**$2,790,568,563**	**$660,575,732**	**$1,373,468,595**	**$585,643,182**	**$170,881,054**	**20,948.0**
Breakdown of Total Appropriation by Administrative Section						
Department Administrative Office	1,803,348	0	1,003,720	755,546	44,082	0.0
Colorado Commission on Higher Education	25,581,734	0	22,252,890	2,951,248	377,596	32.0
Colorado Commission on Higher Education Financial Aid	105,832,344	103,906,932	0	25,412	1,900,000	0.2
College Opportunity Fund Program	536,205,776	536,205,776	0	0	0	0.0

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Governing Boards	2,009,875,707	0	1,327,161,506	537,670,447	145,043,754	20,563.6
Local District Junior College Grants	15,890,257	12,601,934	0	0	3,288,323	0.0
Division of Occupational Education	53,508,107	7,636,090	0	26,570,277	19,301,740	32.0
Auraria Higher Education Center	17,670,252	0	0	17,670,252	0	191.3
State Historical Society	24,201,038	225,000	23,050,479	0	925,559	128.9
Breakdown of Total Appropriation by Bill						
SB 09-259	2,789,749,412	660,480,872	1,373,857,678	584,529,808	170,881,054	20,948.0
SB 09-043	1,863,374	0	750,000	1,113,374	0	0.0
SB 09-052	1,000,000	0	1,000,000	0	0	0.0
SB 09-269	(262,571)	0	(262,571)	0	0	0.0
HB 09-1039	(1,876,512)	0	(1,876,512)	0	0	0.0
HB 09-1267	94,860	94,860	0	0	0	0.0
HB 09-1290	0	0	0	0	0	0.0
Increase/(Decrease)	$150,676,678	($1,398,068)	$148,542,544	$3,557,316	($25,114)	1,144.7
Percentage Change	5.7%	(0.2)%	12.1%	0.6%	0.0%	5.8%

/1 Includes $800,000 General Fund Exempt in FY 2008-09. See division detail for more information.

FY 2008-09 Appropriation Adjustment Highlights:

1. Supplemental appropriations included in S.B. 09-188 and S.B. 09-259 reduce appropriations for state-operated higher education institutions by $150.7 million General Fund to match the FY 2005-06 funding level, or the minimum to meet the maintenance of effort requirements for eligibility for the federal American Recovery and Reinvestment Act of 2009;

2. Supplemental appropriations included in S.B. 09-188 and S.B. 09-259 reflect $150.7 million of anticipated federal stimulus money from the American Recovery and Reinvestment Act of 2009.

FY 2009-10 Appropriation Highlights:

1. The appropriation reduces financial aid programs by a net $1.8 million, including eliminating graduate student aid and precollegiate programs;

2. The appropriation provides $141.4 million tuition spending authority for rate increases of 9.0 percent for resident students and 5.0 percent for nonresidents;

3. The appropriation reflects an additional $11.7 million for academic and academic facility fees, primarily due to reporting changes;

4. The appropriation reflects a projected $9.8 million decrease in historic preservation grants due to lower limited gaming revenue; and

5. The appropriation reflects the estimate by each governing board of FY 2008-09 FTE.

6. The appropriation does not include any funding for Colorado Commission on Higher Education, Division of Occupational Education, or State Historical Society salary increases for FY 2009-10. For FY 2008-09, an increase of $510,000, including $336,000 General Fund, was provided for salary survey and performance-based pay increases for these staff. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

Detail of Appropriation by Administrative Section

Department Administrative Office

This division includes funding for centrally appropriated items for the Colorado Commission on Higher Education, Division of Private Occupational Schools, and the Historical Society. These centrally appropriated items include salary survey, risk management, leased space, health benefits, and other miscellaneous expenses. These expenses are not appropriated centrally for the other divisions within the Department. The sources of cash funds include limited gaming revenues deposited in the State Historical Fund and various fees. The source of reappropriated funds is indirect cost recoveries.

Department Administrative Office

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$2,304,755	$0	$1,330,789	$863,031	$110,935	0.0
TOTAL	**$2,304,755**	**$0**	**$1,330,789**	**$863,031**	**$110,935**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$2,304,755	$0	$1,330,789	$863,031	$110,935	0.0
Centrally-appropriated line items	8,370	0	9,305	4,391	(5,326)	0.0
Eliminate salary survey and performance-based pay	(509,777)	0	(336,374)	(111,876)	(61,527)	0.0
SB 09-259	**$1,803,348**	**$0**	**$1,003,720**	**$755,546**	**$44,082**	**0.0**
TOTAL	**$1,803,348**	**$0**	**$1,003,720**	**$755,546**	**$44,082**	**0.0**
Increase/(Decrease)	($501,407)	$0	($327,069)	($107,485)	($66,853)	0.0
Percentage Change	(21.8)%	n/a	(24.6)%	(12.5)%	(60.3)%	n/a

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Colorado Commission on Higher Education

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

Colorado Commission on Higher Education

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$24,312,158	$0	$21,202,692	$2,748,989	$360,477	37.9
SB 08-167	31,500	0	31,500	0	0	0.0
SB 08-212	105,180	0	0	105,180	0	1.0
SB 09-188	(133,154)	0	(20,001)	(113,153)	0	0.0
TOTAL	**$24,315,684**	**$0**	**$21,214,191**	**$2,741,016**	**$360,477**	**38.9**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$24,315,684	$0	$21,214,191	$2,741,016	$360,477	38.9
Annualize salary and benefits adjustments	162,914	0	31,965	106,840	24,109	0.0
Annualize FY 2008-09 hiring freeze	133,154	0	20,001	113,153	0	0.0
Postage increase	2,384	0	0	2,384	0	0.0
FTE adjustment	0	0	0	0	0	(6.9)
Fund source adjustment	0	0	(13,267)	13,267	0	0.0
Personal services base reduction	(32,402)	0	0	(25,412)	(6,990)	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-259	**$24,581,734**	**$0**	**$21,252,890**	**$2,951,248**	**$377,596**	**32.0**
SB 09-052	1,000,000	0	1,000,000	0	0	0.0
TOTAL	**$25,581,734**	**$0**	**$22,252,890**	**$2,951,248**	**$377,596**	**32.0**
Increase/(Decrease)	$1,266,050	$0	$1,038,699	$210,232	$17,119	(6.9)
Percentage Change	5.2%	n/a	4.9%	7.7%	4.7%	(17.7)%

FY 2008-09 Appropriation Adjustments

Supplemental adjustments included in S.B. 09-188 reflect savings associated with the hiring freeze.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

FTE adjustment: The appropriation reflects a reduction in the FTE authorization for the Department Administration. However, the Joint Budget Committee sent a letter to the Department dated April 27, 2009 indicating that the reduction in FTE was a technical error that would be corrected during the 2010 legislative session.

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Colorado Commission on Higher Education Financial Aid

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

Colorado Commission on Higher Education Financial Aid						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$107,168,796	$105,268,796	$0	$0	$1,900,000	0.0
SB 08-133	500,000	500,000	0	0	0	0.2
TOTAL	**$107,668,796**	**$105,768,796**	**$0**	**$0**	**$1,900,000**	**0.2**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$107,668,796	$105,768,796	$0	$0	$1,900,000	0.2
Native American students	1,263,548	1,263,548	0	0	0	0.0
Indirect cost recovery adjustment	0	(25,412)	0	25,412	0	0.0
Eliminate Precollegiate Programs	(1,600,000)	(1,600,000)	0	0	0	0.0
Eliminate Merit Based Aid	(1,500,000)	(1,500,000)	0	0	0	0.0
SB 09-259	**$105,832,344**	**$103,906,932**	**$0**	**$25,412**	**$1,900,000**	**0.2**
HB 09-1290	0	0	0	0	0	0.0
TOTAL	**$105,832,344**	**$103,906,932**	**$0**	**$25,412**	**$1,900,000**	**0.2**
Increase/(Decrease)	($1,836,452)	($1,861,864)	$0	$25,412	$0	0.0
Percentage Change	(1.7)%	(1.8)%	n/a	n/a	0.0%	0.0%

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Indirect cost recovery adjustment: The appropriation reflects applying $25,412 of indirect cost recoveries to offset General Fund for need based grants.

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

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

College Opportunity Fund Program

This section includes General Fund for student stipend payments for students attending state-operated higher education institutions and students attending private institutions, and for fee-for-service contracts between CCHE and the institutions. *For a summary of the impact of these changes by governing board, see the Governing Boards section.*

College Opportunity Fund Program	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$679,875,884	$679,875,884	$0	$0	$0	0.0
SB 08-079	71,760	71,760	0	0	0	0.0
SB 08-166	28,612	28,612	0	0	0	0.0
SB 09-188	(28,968,778)	(28,968,778)	0	0	0	0.0
SB 09-259	(116,009,936)	(116,009,936)	0	0	0	0.0
TOTAL	**$534,997,542**	**$534,997,542**	**$0**	**$0**	**$0**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$534,997,542	$534,997,542	$0	$0	$0	0.0
Stipends State-operated institutions	17,127,092	17,127,092	0	0	0	0.0
Fee-for-service contracts	(17,127,092)	(17,127,092)	0	0	0	0.0
SB 09-259	**$534,997,542**	**$534,997,542**	**$0**	**$0**	**$0**	**0.0**
SB 09-043	1,113,374	1,113,374	0	0	0	0.0
HB 09-1267	94,860	94,860	0	0	0	0.0
TOTAL	**$536,205,776**	**$536,205,776**	**$0**	**$0**	**$0**	**0.0**
Increase/(Decrease)	$1,208,234	$1,208,234	$0	$0	$0	0.0
Percentage Change	0.2%	0.2%	n/a	n/a	n/a	n/a

/1 This amount includes a General Fund Exempt appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Appropriation	$679,976,256	$349,476,256	$330,500,000
SB 09-188	(28,968,778)	(28,968,778)	0
SB 09-259	(116,009,936)	213,690,064	(329,700,000)
FY 2008-09 Adjusted Appropriation	**$534,997,542**	**$534,197,542**	**$800,000**
Stipend payments	17,127,092	17,927,092	(800,000)

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
Fee-for-service contracts	(17,127,092)	(17,127,092)	0
S.B. 09-043 and H.B. 09-1267	1,208,234	1,208,234	0
Total FY 2009-10 Appropriation	**$536,205,776**	**$536,205,776**	**$0**

General Fund Exempt

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

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-188 and S.B. 09-259 reduced appropriations for state-operated higher education institutions by $150.7 million General Fund to match the FY 2005-06 funding level, or the minimum to meet the maintenance of effort requirements for eligibility for the federal American Recovery and Reinvestment Act of 2009. The bills also reduce appropriations for stipends for students attending participating private institutions by $288,000.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Stipends State-operated institutions: The appropriation includes an increase of $17,127,092 General Fund for a projected increase of 8,395.6 in the number of full-time equivalent students eligible for stipends. For more detail of the impact by institution, see the Governing Boards section below.

Fee-for-service contracts: The appropriation reduces fee-for-service contracts by an amount equal to the projected increase in stipends, such that the combined stipend and fee-for-service contract payment for each governing board remains unchanged from FY 2008-09.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Governing Boards

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

Governing Boards						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$1,839,653,195	$0	$1,158,505,780	$681,147,415	$0	19,481.7
SB 08-079	149,900	0	78,140	71,760	0	0.0
SB 08-166	0	0	(28,612)	28,612	0	0.0
SB 09-188	(17,734,855)	0	11,233,923	(28,968,778)	0	0.0
SB 09-259	28,968,778	0	0	(115,721,936)	144,690,714	0.0
TOTAL	**$1,851,037,018**	**$0**	**$1,169,789,231**	**$536,557,073**	**$144,690,714**	**19,481.7**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$1,851,037,018	$0	$1,169,789,231	$536,557,073	$144,690,714	19,481.7
Tuition	140,609,075	0	140,609,075	0	0	0.0
Academic fees	18,786,012	0	18,786,012	0	0	0.0
Stipends State-operated institutions	17,127,092	17,127,092	0	0	0	0.0
FTE Adjustment	0	0	0	0	0	1,081.9
Fee-for-service contracts	(17,127,092)	(17,127,092)	0	0	0	0.0
Tobacco	(633,729)	0	(633,729)	0	0	0.0
SB 09-259	**$2,009,798,376**	**$0**	**$1,328,550,589**	**$536,557,073**	**$144,690,714**	**20,563.6**
SB 09-043	2,216,414	0	750,000	1,113,374	353,040	0.0
SB 09-269	(262,571)	0	(262,571)	0	0	0.0
HB 09-1039	(1,876,512)	0	(1,876,512)	0	0	0.0
TOTAL	**$2,009,875,707**	**$0**	**$1,327,161,506**	**$537,670,447**	**$145,043,754**	**20,563.6**
Increase/(Decrease)	$158,838,689	$0	$157,372,275	$1,113,374	$353,040	1,081.9
Percentage Change	8.6%	n/a	13.5%	0.2%	0.2%	5.6%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-188 and S.B. 09-259 reduced appropriations for state-operated higher education institutions by $150.7 million for stipends and fee-for-service contracts to match the FY 2005-06 funding level, or the minimum to meet the maintenance of effort requirements for eligibility for the federal American Recovery and Reinvestment Act of 2009 (ARRA). Supplemental appropriations included in S.B. 09-188 and S.B. 09-259 also reflect $150.7 million of anticipated federal stimulus money from the ARRA of

2009 to backfill reductions to stipends and fee-for-service contracts. Senate Bill 09-188 also made adjustments to tuition and fee spending authority for several governing boards.

Distribution of Federal Stimulus Money by Higher Education Institution		
	FY 2008-09	FY 2009-10
Adams	$2,459,127	$2,459,127
Mesa	4,117,215	4,117,215
Metro	9,934,844	9,934,844
Western	2,280,870	2,280,870
CSU System	33,271,484	33,271,484
Fort Lewis	3,978,508	3,978,508
CU Regents	49,995,467	49,995,467
Mines	4,443,761	4,443,761
UNC	8,909,433	8,909,433
Community Colleges[/1]	25,300,005	25,653,045
Subtotal - Governing Boards	$144,690,714	$145,043,754
Local District Junior Colleges	3,288,323	3,288,323
Area Vocational Schools[/1]	2,697,018	2,343,978
TOTAL	$150,676,055	$150,676,055

[/1] Reflects the merger of San Juan Area Vocational School with Pueblo Community College, pursuant to S.B. 09-43

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Tuition: The appropriation provides a 9.0 percent increase in resident tuition spending authority and a 5.0 percent increase in nonresident tuition spending authority.

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

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

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

Stipends State-operated institutions: The appropriation includes reappropriated funds spending authority for General Fund received by the institutions through stipends and fee-for-service contracts. For stipends the appropriation includes $17,127,092 for a projected increase of 8,395.6 in the number of full-time equivalent students eligible for stipends.

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

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

Fee-for-service contracts: The appropriation includes reappropriated funds spending authority for General Fund received by the institutions through stipends and fee-for-service contracts. The appropriation reduces fee-for-service contracts by an amount equal to the projected increase in stipends, such that the combined stipend and fee-for-service contract payment for each governing board remains unchanged from FY 2008-09.

Stipends and Fee-for-service Contracts			
Governing Board	FY 2008-09	FY 2009-10	Difference
Adams	**$12,149,322**	**$12,149,322**	**$0**
Stipends	2,813,160	2,656,080	(157,080)
Fee-for-service	9,336,162	9,493,242	157,080

Stipends and Fee-for-service Contracts			
Governing Board	FY 2008-09	FY 2009-10	Difference
Mesa	**19,888,392**	**19,888,392**	**0**
Stipends	9,037,200	9,014,760	(22,440)
Fee-for-service	10,851,192	10,873,632	22,440
Metro	**39,778,568**	**39,778,568**	**0**
Stipends	32,511,480	34,578,000	2,066,520
Fee-for-service	7,267,088	5,200,568	(2,066,520)
Western	**9,892,147**	**9,892,147**	**0**
Stipends	2,958,000	2,921,280	(36,720)
Fee-for-service	6,934,147	6,970,867	36,720
CSU System	**113,620,028**	**113,620,028**	**0**
Stipends	39,813,388	41,524,200	1,710,812
Fee-for-service	73,806,640	72,095,828	(1,710,812)
Fort Lewis	**8,757,822**	**8,757,822**	**0**
Stipends	5,238,720	4,706,280	(532,440)
Fee-for-service	3,519,102	4,051,542	532,440
CU Regents	**159,103,982**	**159,103,982**	**0**
Stipends	57,301,560	59,051,880	1,750,320
Fee-for-service	101,802,422	100,052,102	(1,750,320)
Mines	**22,387,257**	**22,387,257**	**0**
Stipends	5,491,680	5,526,360	34,680
Fee-for-service	13,301,945	13,267,265	(34,680)
UNC	**35,176,878**	**35,176,878**	**0**
Stipends	16,116,000	15,754,920	(361,080)
Fee-for-service	19,060,878	19,421,958	361,080
Com. Colleges	**117,020,778**	**117,020,778**	**0**
Stipends	82,473,120	95,147,640	12,674,520
Fee-for-service	34,547,658	21,873,138	(12,674,520)
TOTAL	**$534,181,542**	**$534,181,542**	**$0**
Stipends	253,754,308	270,881,400	17,127,092
Fee-for-service	280,427,234	263,300,142	(17,127,092)

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.

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

Local District Junior College Grants	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$15,890,257	$15,890,257	$0	$0	$0	0.0
SB 09-188	(604,824)	(604,824)	0	0	0	0.0
SB 09-259	604,824	(2,683,499)	0	0	3,288,323	0.0
TOTAL	**$15,890,257**	**$12,601,934**	**$0**	**$0**	**$3,288,323**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$15,890,257	$12,601,934	$0	$0	$3,288,323	0.0
No changes	0	0	0	0	0	0.0
SB 09-259	**$15,890,257**	**$12,601,934**	**$0**	**$0**	**$3,288,323**	**0.0**
TOTAL	**$15,890,257**	**$12,601,934**	**$0**	**$0**	**$3,288,323**	**0.0**
Increase/(Decrease)	$0	$0	$0	$0	$0	0.0
Percentage Change	0.0%	0.0%	n/a	n/a	0.0%	n/a

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-188 and S.B. 09-259 reduced grants for the Local District Junior Colleges to the FY 2005-06 level, or the minimum to meet the maintenance of effort requirements for eligibility for the federal American Recovery and Reinvestment Act of 2009. The appropriations also reflect federal funds anticipated to be received by the institutions from the Education Stabilization Fund of the American Recovery and Reinvestment Act of 2009.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Division of Occupational Education

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

Division of Occupational Education						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$53,457,802	$11,202,546	$0	$25,297,494	$16,957,762	32.0
SB 09-188	(426,398)	(426,398)	0	0	0	0.0
SB 09-259	426,398	(2,270,620)	0	0	2,697,018	0.0
TOTAL	**$53,457,802**	**$8,505,528**	**$0**	**$25,297,494**	**$19,654,780**	**32.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$53,457,802	$8,505,528	$0	$25,297,494	$19,654,780	32.0
Colorado Vocational Act distributions	1,516,719	0	0	1,516,719	0	0.0
Fund source adjustment	0	243,936	0	(243,936)	0	0.0
SB 09-259	**$54,974,521**	**$8,749,464**	**$0**	**$26,570,277**	**$19,654,780**	**32.0**
SB 09-043	(1,466,414)	(1,113,374)	0	0	(353,040)	0.0
TOTAL	**$53,508,107**	**$7,636,090**	**$0**	**$26,570,277**	**$19,301,740**	**32.0**
Increase/(Decrease)	$50,305	($869,438)	$0	$1,272,783	($353,040)	0.0
Percentage Change	0.1%	(10.2)%	n/a	5.0%	(1.8)%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-188 and S.B. 09-259 reduced grants for the Area Vocational Schools to the FY 2005-06 level, or the minimum to meet the maintenance of effort requirements for eligibility for the federal American Recovery and Reinvestment Act of 2009. The appropriations also reflect federal funds anticipated to be received by the institutions from the Education Stabilization Fund of the American Recovery and Reinvestment Act of 2009. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Auraria Higher Education Center

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

Auraria Higher Education Center

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$16,627,252	$0	$0	$16,627,252	$0	123.6
TOTAL	**$16,627,252**	**$0**	**$0**	**$16,627,252**	**$0**	**123.6**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$16,627,252	$0	$0	$16,627,252	$0	123.6
Increase in campus operating budget	1,043,000	0	0	1,043,000	0	67.7
SB 09-259	**$17,670,252**	**$0**	**$0**	**$17,670,252**	**$0**	**191.3**
TOTAL	**$17,670,252**	**$0**	**$0**	**$17,670,252**	**$0**	**191.3**
Increase/(Decrease)	$1,043,000	$0	$0	$1,043,000	$0	67.7
Percentage Change	6.3%	n/a	n/a	6.3%	n/a	54.8%

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

State Historical Society

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

State Historical Society	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$33,592,779	$100,000	$32,591,840	$0	$900,939	126.9
TOTAL	**$33,592,779**	**$100,000**	**$32,591,840**	**$0**	**$900,939**	**126.9**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$33,592,779	$100,000	$32,591,840	$0	$900,939	126.9
Museum and preservation operations	322,380	0	287,738	0	34,642	0.0
Cumbres and Toltec Scenic Railroad	125,000	125,000	0	0	0	0.0
Implement S.B. 08-206	83,186	0	83,186	0	0	2.0
Statewide preservation grant program	(8,225,868)	0	(8,225,868)	0	0	0.0
Gaming cities distribution	(1,597,335)	0	(1,597,335)	0	0	0.0
Personal services base reduction	(99,104)	0	(89,082)	0	(10,022)	0.0
SB 09-259	**$24,201,038**	**$225,000**	**$23,050,479**	**$0**	**$925,559**	**128.9**
TOTAL	**$24,201,038**	**$225,000**	**$23,050,479**	**$0**	**$925,559**	**128.9**
Increase/(Decrease)	($9,391,741)	$125,000	($9,541,361)	$0	$24,620	2.0
Percentage Change	(28.0)%	125.0%	(29.3)%	n/a	2.7%	1.6%

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

Statewide preservation grant program: The appropriation reflects an anticipated $8.2 million reduction in statewide preservation grants based on projected gaming revenues that will be deposited in the State Historical Fund through the constitutional formula, less costs for the Society Museum and Preservation Operations appropriated pursuant to Section 12-47.1-1202 (5), C.R.S. These are FY 2008-09 revenues that will be available for expenditure in FY 2009-10, and so do not reflect any impact associated with Amendment 50, which will begin generating revenue for the state in FY 2009-10 for expenditure in FY 2010-11.

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Recent Legislation

2008 Session Bills

S.B. 08-071: Extends the forest restoration pilot program administered by the Colorado State Forest Service at Colorado State University through FY 2011-12. Creates the Forest Restoration Pilot Program Cash Fund and continuously appropriates the fund to the Department of Higher Education. Transfers $1,000,000 per year through FY 2011-12 from the Operational Account of the Severance Tax Trust Fund to the fund. By placing the transfers within the structure of H.B. 08-1398, makes the transfers subject to the reserve requirements and proportional reductions if there are insufficient revenues that are associated with tier 2 programs.

S.B. 08-079: Establishes that a student meeting the following criteria shall be afforded in-state tuition rates for attendance at institutions of higher education:

- the student is a United States citizen;
- the student graduated from a high school in Colorado; and,
- the student attended high school for three years preceding enrollment.

Makes the following appropriations to the Department of Higher Education in FY 2008-09:

	TOTAL	General Fund	Cash Funds (tuition)	Reappropriated Funds (stipend spending authority)
Stipends	$71,760	$71,760	$0	$0
Metropolitan State College of Denver	$144,825	$0	$75,825	$69,000
Community Colleges	$5,075	$0	$2,315	$2,760
TOTAL	$221,660	$71,760	$78,140	$71,760

Reduces the General Fund appropriation to the Controlled Maintenance Trust Fund by $71,760.

S.B. 08-133: Creates the Teach Colorado Grant Initiative in the Department of Higher Education to provide scholarships to students in state institution teacher preparation programs who excel academically in high-need content areas. Requires the Department of Higher Education and the Colorado Department of Education to collaborate yearly to identify such content areas. Appropriates $500,000 General Fund and 0.2 FTE to the

Department of Higher Education in FY 2008-09 for the grant program, and reduces the appropriation to the Controlled Maintenance Trust Fund by a like amount.

S.B. 08-166: Makes Colorado National Guard members who are not yet state residents eligible for the College Opportunity Fund stipend. Appropriates $28,612 General Fund in FY 2008-09 to the Department of Higher Education for stipend payments and reduces the appropriation to the Controlled Maintenance Trust Fund by a like amount. Increases the FY 2008-09 reappropriated funds stipend spending authority for the higher education governing boards by $28,612 and reduces cash fund tuition spending authority for the governing boards by the same amount. Reduces the General Fund appropriation to the Controlled Maintenance Trust Fund by $28,612.

S.B. 08-167: Requires that private colleges or universities of higher education apply for and receive approval from the Department of Higher Education before doing business in the state. Once approved, the private college must receive accreditation based on an on-site review conducted by a nationally recognized accreditation agency. Defines deceptive trade practices and authorizes the Department to investigate substantiated student complaints of such practices made against a private college. Requires CCHE to establish an application fee to charge a private college or university when it seeks approval from the Department to cover all direct and indirect costs to the state. Appropriates $31,500 cash funds from the fees paid by private colleges and universities to the Department of Higher Education in FY 2008-09.

S.B. 08-206: Authorizes the state to enter into lease-purchase agreements for the development and construction of a state justice center (to be known as the "Ralph L. Carr Justice Complex") and a new Colorado State Museum. See the Capital Construction section for more detail.

S.B. 08-212: Requires the State Board Education and the Colorado Commission on Higher Education (CCHE) to negotiate a consensus and adopt a *description of postsecondary and workforce readiness* by December 15, 2009, and to adopt one or more postsecondary and workforce planning, preparation, and readiness assessments by December 15, 2010. Authorizes the Department of Education and CCHE to receive and expend gifts, grants, or donations to implement the act. Requires the Department of Education, by September 15, 2009, to contract for a study of the costs of implementing this act. Appropriates a total of $792,453 cash funds from the State Education Fund and 5.0 FTE to the Department of Education for FY 2008-09, including: $437,273 for the Department's administrative costs of implementing the act; $250,000 for the postsecondary and workforce readiness assessments pilot program, and $105,180 to be transferred to the Department of Higher Education to cover its administrative costs of implementing the act. Appropriates $105,180 reappropriated funds and 1.0 FTE to the Department of Higher Education for FY 2008-09. See the Department of Education section for more detail.

S.B. 08-218: Beginning July 1, 2008, modifies the allocation of federal mineral lease (FML) revenues, other than FML revenues generated by oil shale production on oil shale lands that current law segregates from other FML revenues, as follows:

- Segregates the portion of FML revenues attributable to bonus payments from other FML revenues, and requires 50 percent of the bonus payment revenues to be transferred to a newly created local government permanent fund (permanent fund) and 50 percent of the bonus payment revenues to be transferred to a newly created higher education maintenance and reserve fund (maintenance and reserve fund).

- For any fiscal year in which the total amount of FML revenues received by the state declines by at least 10 percent, allows the general assembly to appropriate and the executive director of the department of local affairs (DOLA) to make formula-based direct distributions of permanent fund moneys to counties and municipalities to the extent necessary to prevent any reduction from the prior fiscal year in the amount of formula-based direct distributions of FML revenues to counties and municipalities.

- Allows the general assembly to annually appropriate investment earnings of the maintenance and reserve fund for controlled maintenance projects of state-supported institutions of higher education, but only allows use of fund principal to mitigate reductions in general fund appropriations for operating expenses of state-supported institutions of higher education necessitated by a general fund revenue shortfall.

- For the 2008-09, 2009-10, and 2010-11 fiscal years, requires the lesser of 48.3 percent of the FML revenues, other than bonus payments, or $65,000,000 of such revenues to be transferred to the state public school fund.

- For the 2011-12 fiscal year or during any succeeding fiscal year, requires the lesser of 48.3 percent of the FML revenues, other than bonus payments, or $65,000,000 multiplied by 104 percent per year to be transferred to the state public school fund.

- For the 2008-09 fiscal year, requires the lesser of 10 percent of the FML revenues, other than bonus payments, or $14,000,000 to be paid into the Colorado water conservation board construction fund.

- For the 2009-10 fiscal year or during any succeeding fiscal year, requires the lesser of 10 percent of the FML revenues, other than bonus payments, or $14,000,000 multiplied by 104 percent per year to be paid into the Colorado water conservation board construction fund.

- Requires 40 percent of the FML revenues, other than bonus payments, to be credited to the local government mineral impact fund, requires the executive director of DOLA to distribute 50 percent of the revenues so credited as mineral impact grants in a manner that gives priority to those communities most substantially and directly impacted by energy production on federal mineral lands and to multi-jurisdictional and large projects, and requires the executive director of DOLA to make formula-based direct distributions of 50 percent of the revenues so credited to counties and municipalities.

- For the 2008-09 fiscal year, requires the lesser of an additional 1.7 percent of the FML revenues, other than bonus payments, or $3,300,000 to be credited to the local government mineral impact fund and distributed directly by the executive director of DOLA to each school district within a county that receives formula-based direct distributions of FML revenues on the basis of both the formula used to make direct distributions to counties and the percentage of the total funded pupil count of all school districts within the county attributable to the district's funded pupil count.

- For the 2009-10 fiscal year and for each succeeding fiscal year, requires the lesser of an additional 1.7 percent of the FML revenues, other than bonus payments, or $3,300,000 multiplied by 104 percent per year to be credited to the local government mineral impact fund and distributed directly by the executive director of DOLA to each school district within a county that receives formula-based direct distributions of FML revenues on the basis of both the formula used to make direct distributions to counties and the

percentage of the total funded pupil count of all school districts within the county attributable to the district's funded pupil count.

- Requires the lesser of all FML revenues, other than bonus payments, in excess of the amounts credited to the local government mineral impact fund for distribution to counties, municipalities, and school districts, transferred to the state public school fund, or paid into the Colorado water conservation board construction fund or the first $50,000,000 of such revenues to be transferred to a newly created higher education federal mineral lease revenues fund (revenues fund). Requires any remaining FML revenues to be transferred to the maintenance and reserve fund.

- Allows the general assembly to appropriate moneys in the revenues fund to directly pay for or pay the costs of financing capital construction projects at state-supported institutions of higher education that are included on a specified prioritized list of such projects approved pursuant to a joint resolution of the general assembly, and also allows the general assembly to appropriate such moneys to the department of education for distribution by the department, or any board or division within the department that the department may designate, to school districts for capital construction projects at area vocational schools. Requires priority consideration to be given to projects located in communities that are substantially impacted by energy production or conversion activities.

Appropriates $16,292 and 0.3 FTE to DOLA, division of local government, for the implementation of the act. Adjusts appropriations for the 2008-09 fiscal year for the implementation of the act. Decreases the cash funds appropriation from the State Public School Fund to the Department of Education for FY 2008-09 for the State Share of Districts' Total Program Funding by $9,470,900 based on the anticipated impact of the new FML allocation formula. Increases the cash funds appropriation from the State Education Fund to the Department of Education for FY 2008-09 for the State Share of Districts' Total Program Funding by $9,470,900.

S.B. 08-233: Directs the Colorado Commission on Higher Education ("CCHE") to submit to the Office of State Planning and Budgeting ("OSPB") and the Capital Development Committee ("CDC") a prioritized list of capital construction projects at state-supported institutions of higher education ("higher education projects") to be constructed through lease-purchase agreements funded through the higher education federal mineral lease revenues fund ("fund"). Directs the OSPB to submit its prioritized list of higher education projects to the CDC. Directs the CDC to submit its prioritized list of higher education projects to the Joint Budget Committee ("JBC"). Directs the JBC to sponsor a joint resolution that proposes a prioritized list of higher education projects and that, if approved by the General Assembly, is presented to the Governor for approval. Limits the amount of the total average annual payments under all lease-purchase agreements related to the prioritized list and entered into during the fiscal year commencing July 1, 2008.

If projects on the prioritized list are not subject to lease-purchase agreements entered into during the fiscal year commencing July 1, 2008, provides that the remaining projects in the joint resolution shall constitute a prioritized list for the fiscal year commencing July 1, 2009. Directs the State Treasurer to notify annually CCHE, OSPB, CDC, and JBC of the amount of money in the fund and whether the Treasurer determines that there are sufficient moneys available in the fund to enter into additional lease-purchase agreements for higher education projects. Authorizes the State Treasurer to enter into lease-purchase agreements not to exceed a specified number of annual payments for the construction of the higher education projects on the prioritized list in the joint resolution. Specifies terms of the lease-purchase agreements. Authorizes local governments and state-supported institutions of higher education to assist the state in making payments on the lease-purchase

agreements. Establishes the higher education institutions lease-purchase cash fund. Authorizes the State Treasurer to enter into interest rate lock agreements related to the lease-purchase agreements.

If there is insufficient money in the fund, authorizes the General Assembly to transfer money to the fund from the principal of the Higher Education Maintenance and Reserve Fund or to reduce the transfer from the Mineral Leasing Fund to the Public School Fund and transfer the money to the fund. Appropriates from the Higher Education Federal Mineral Lease Revenues Fund $10,000,000 to the State Treasurer in FY 2008-09 to make payments on any lease-purchase agreements. Appropriates cash funds of $22,227,526 to the Auraria Higher Education Center for the Science Building Addition and Renovation in FY 2008-09, but reduces the appropriation by any amount that is included in a lease-purchase agreement. Reduces the FY 2006-07 cash fund appropriation to the Colorado School of Mines for the Marquez Hall Petroleum Engineering Building by $20,000,000. Specifies that the act will take effect only if Senate Bill 08-218 is enacted at the second regular session of the Sixty-sixth General Assembly and becomes law. Specifies that certain sections of the act shall take effect only if House Joint Resolution 08-1042 is adopted by the General Assembly and is signed by the Governor.

H.B. 08-1375: General appropriations act for FY 2008-09.

H.J.R. 08-1042: Specifies the capital construction projects in priority order for which the State Treasurer is authorized to enter into lease-purchase agreements pursuant to S.B. 08-233.

2009 Session Bills

S.B. 09-043: Authorizes San Juan Basin Area Vocational School to merge into Pueblo Community College and change its name to Southwest Colorado Community College, a division of Pueblo Community College. Also, limits the two-year authority of Fort Lewis College to include only an associates of arts degree in agricultural science. Makes the following changes to appropriations:

	TOTAL	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Area Vocational Schools	($1,466,414)	($1,113,374)	$0	$0	($353,040)
Stipends (for 300.0 Student FTE)	612,000	612,000	0	0	0
Fee-for-service Contracts	501,374	501,374	0	0	0
Community Colleges	2,216,414	0	750,000	1,113,374	353,040
TOTAL	**$1,863,374**	**$0**	**$750,000**	**$1,113,374**	**$0**

S.B. 09-052: Transfers $1.0 million limited gaming funds that would otherwise be deposited in the General Fund to the Innovative Higher Education Research Fund in FY 2008-09. Requires similar transfers in future years, but contingent on there being enough General Fund revenue to allow the maximum General Fund appropriations permitted by Section 24-75-201.1 (1) (a), C.R.S. Appropriates $1.0 million cash funds from the Innovative Higher Education Research Fund to the Department of Higher Education for distribution to the Higher Education Competitive Research Authority for grants.

S.B. 09-188: Supplemental appropriation to modify FY 2008-09 appropriations included in the FY 2008-09 Long Bill (H.B. 08-1375).

S.B. 09-259: General appropriations act for FY 2009-10. Contains supplemental adjustments to FY 2007-08 and FY 2008-09 appropriations.

S.B. 09-269: Reduces appropriations from tobacco-settlement moneys, including a reduction of $262,571 in the appropriation for the University of Colorado Health Sciences Center, and transfers tobacco-settlement moneys to the General Fund. For a complete list of the appropriation reductions and transfers in the bill, see the description in the Department of Public Health and Environment.

H.B. 09-1039: Changes eligibility criteria for in-state tuition for active and honorably discharged members of the armed forces and their dependents. Reduces net cash funds tuition spending authority for various governing boards by an aggregate total of $1,876,512.

H.B. 09-1267: Eliminates current statutory language referring to "pervasively sectarian" institutions and replaces it with language that prohibits assistance to students pursuing professional degrees in theology or degrees in preparation for careers in the clergy. Appropriates $94,860 General Fund for stipends for an estimated 93.0 additional eligible full-time-equivalent students at participating private institutions.

H.B. 09-1290: Increases the maximum the Colorado Commission on Higher Education must allocate to tuition assistance for members of the National Guard from money appropriated for financial aid from $650,000 to $800,000. Reduces General Fund appropriations for need based grants by $150,000 and increases General Fund appropriations for tuition assistance for members of the National Guard by a like amount.

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, alcohol and drug treatment programs, and programs for the aging. The Department is also responsible for inspecting and licensing child care facilities and for the care and treatment of the State's dependent citizens who are mentally ill, developmentally disabled, or juvenile offenders. The Department operates two mental health institutes, three regional centers for persons with developmental disabilities, and ten institutions for juvenile delinquents. The Department also provides funding for the care of indigent mentally ill people, contracts with community centered boards for services for persons with developmental disabilities, and contracts for the supervision and treatment of delinquent juveniles.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$618,419,127	$649,483,006	$679,623,093	$670,638,807
Cash Funds/1	105,029,794	110,605,461	350,035,263	359,676,315
Cash Funds Exempt/1	593,954,220	634,002,276	n/a	n/a
Reappropriated Funds/1	n/a	n/a	429,009,532	449,135,870
Federal Funds	603,475,506	639,620,692	679,631,600	700,743,466
Total Funds	**$1,920,878,647**	**$2,033,711,435**	**$2,138,299,488**	**$2,180,194,458**
Full Time Equiv. Staff	5,365.7	5,489.3	5,528.1	5,581.8

/1 Appropriations for FY 2008-09 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Funding for this department in FY 2009-10 consists of approximately 30.8 percent General Fund, 16.5 percent cash funds, 20.6 percent reappropriated funds, and 32.1 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Employee Salaries and Benefits

The Long Bill appropriation includes increases to centrally-appropriated line items for state contributions to health, life, and dental benefits, shift differential, and state contributions to the Public Employees' Retirement Association (PERA) pension fund. The appropriation includes an increase of $6.2 million from assorted fund sources for such employee benefits for FY 2009-10.

Consistent with statewide policy, no funding was provided for salary increases for FY 2009-10. The FY 2008-09 cost of salary increases in this department was $13.4 million, most of which is continued in the base for FY 2009-10.

Community Provider Rate Increases

Some departments of state government contract with community providers to provide services to eligible clients. To ensure that community provider arrangements are viable over the long term, the General Assembly has generally awarded annual inflationary increases, also known as cost of living adjustments (COLAs) for community provider programs. In the Department of Human Services, the following programs typically receive community provider rate increases: County Administration, Child Welfare, Child Care, Mental Health Community Programs, Developmental Disability Services, Vocational Rehabilitation, and community programs in Youth Corrections. An FY 2008-09 overall appropriations increase of $12.9 million for the Department, including $7.7 million General Fund, was retained for FY 2008-09 and continued in the base for FY 2009-10. However, no additional increase was provided for FY 2009-10.

Child Welfare Services

County departments of social services receive and respond to reports of potential child abuse or neglect under the supervision of the Colorado Department of Human Services. In FY 2007-08, the most recent year of actual data, counties received about 75,000 reports of abuse or neglect. On average, counties conducted an assessment (investigation) in response to about one in three reports received. Following an assessment, a county is required to provide necessary and appropriate child welfare services to the child and the family. About 25 percent of county assessments result in the county providing child welfare services, which may include in-home support or court-ordered placement in a foster care home or 24-hour child care facility. Of the 41,847 children who received child welfare services in FY 2007-08: 18,877 (45.1) percent remained in their own home; 10,132 (24.2 percent) were children who had been adopted out of foster care but whose families continued to receive support from county departments; and 12,838 (30.7 percent) were in foster care.

Appropriations for child welfare programs for FY 2009-10 ($425.5 million) consist of 51.4 percent General Fund, 31.1 percent federal funds, and 17.5 percent county funds and various cash fund sources. The vast majority of funds appropriated (over 97 percent) are made available to county departments for the provision of child welfare services. County expenditures are driven by:

- ✓ the number of reports of abuse or neglect received;
- ✓ the number of children and families requiring child welfare services;
- ✓ the number of children who are removed from the home and placed in residential care; and
- ✓ the cost of providing residential care and other services.

Each year, the General Assembly decides whether to increase child welfare funding to cover caseload increases and inflationary increases in the cost of providing services. A county that overspends its annual share of state and federal funds is required to cover the over-expenditure with other funds. County child welfare expenditures have exceeded the annual appropriation in each of the last six fiscal years for which data is available; however, these over-expenditures have occurred in just a few counties in the most recent years.

Child Welfare Allocations to Counties and County Over-expenditures						
	FY 2004-05	**FY 2005-06**	**FY 2006-07**	**FY 2007-08**	**FY 2008-09**	**FY 2009-10**
Approp. for Child Welfare Services and Family and Children's Programs line items ($ millions)	$343.2	$359.3	$370.4	$384.9	$394.9	$399.3
Percent Change	*0.4%*	*4.7%*	*3.1%*	*3.9%*	*2.6%*	*1.1%*
County Expenditures In Excess of Capped Allocations ($ millions)	$10.8	$14.2	$12.2	$20.4	n/a	n/a
Shortfall as Percent of Capped Allocations	*3.1%*	*4.0%*	*3.3%*	*5.3%*	n/a	n/a

Note: The FY 2005-06 appropriation excludes $4.5 million for training and administrative costs; this amount was previously included in the Family and Children's Programs line item but was transferred to other line items for FY 2005-06. These costs are also excluded for subsequent years.

Services for People with Developmental Disabilities

The State funds residential and support services for people with developmental disabilities who are unable to care for themselves without assistance. Most of these services are locally coordinated by 20 non-profit agencies known as community centered boards (CCBs). The state also operates three residential facilities, known as regional centers. The demand for state-funded services has grown significantly over time, reflecting the aging of family members who care for persons with disabilities and state population growth. Service costs have also risen over time due to inflation.

The State has had discretion over the growth of programs for persons with developmental disabilities, based on state and federal law. The vast majority of services are funded through federal Medicaid waivers for home- and community-based services. These Medicaid waivers enable the State to support services for persons with developmental disabilities using Medicaid funds that originate as 50 percent state General Fund and 50 percent federal funds. However, they differ from other parts of the Medicaid program in that the State may limit the total number of program participants. As a result, there are waiting lists for services.

All institutional funding and the majority of funding for community-based services for persons with developmental disabilities is for residential services for adults with developmental disabilities. The table below reflects, for FY 2009-10, the total number of full-year participants ("resources") funded, associated dollars, average cost per participant, and waiting lists for community programs for persons with disabilities. Adult Comprehensive Services, Adult Supported Living Services, and the Children's Extensive Support programs are funded primarily or entirely by Medicaid. Family Support Services are funded entirely with state General Fund, and Early Intervention services are funded primarily by state General Fund.

Community Program Costs/1	**FY 2009-10 Funding**	**Full Year Persons Funded FY 2009-10 /2**	**Avg. Cost per Full Year Person Funded**	**Waiting List June 2009/3**
Adult Comprehensive Services	$273,785,089	4,230	$64,732	1,250
Adult Supported Living Services	54,167,273	3,940	13,748	2,315

Community Program Costs/1	FY 2009-10 Funding	Full Year Persons Funded FY 2009-10 /2	Avg. Cost per Full Year Person Funded	Waiting List June 2009/3
Early Intervention	11,098,328	2,176	5,100	n/a
Children's Extensive Support	6,882,727	393	17,513	255
Family Support Services	6,507,966	1,226	5,308	4,908
Case Management /2	23,122,398	11,965	1,933	n/a
Special Purpose	890,158	n/a	n/a	n/a
Total	$376,453,939	11,965	n/a	8,728

/1 Reflects funding in the Community Services for People with Developmental Disabilities, Program Costs line item. Does not include funding for placements at the regional centers or services supported with federal funds (apart from Medicaid) or local dollars.
/2 Funding provided for one person for half of a year is counted as 0.5 of a full year placement. Of the amounts shown, support for 57 adult comprehensive placements and 29 adult supported living placements is for an average of six months in FY 2009-10. Note that individuals served are funded for case management *in addition to* direct services.
/3 June 2009 count of the persons who request placement by the end of FY 2009-10. (1) The number of children served in early intervention services exceeds the number supported by state funds. Additional children are served using federal Part C "payer of last resort" dollars, insurance funds, and local funds; waiting lists are not allowed. (2) Current funding for the Family Support Services Program is generally spread to serve over 3,000 families, so that many of those on the waiting list are actually receiving some support from the dollars shown.

The following table reflects the overall growth in state funding for community services for persons with developmental disabilities.

State Funding - Community Services for People with Developmental Disabilities, Program Costs/1						
Community Programs:	FY 2004-05 Approp	FY 2005-06 Approp	FY 2006-07 Approp	FY 2007-08 Approp	FY 2008-09 Approp /2	FY 2009-10 Approp
Total ($ millions)	$271.6	$287.2	$314.1	$341.6	$344.8	$376.5
Change ($ millions)	$0.3	$15.6	$26.9	$27.5	$3.2	$31.7
% Change	0.1%	5.7%	9.4%	8.8%	0.9%	9.2%

/1 For years prior to FY 2008-09, reflects the funding in the Developmental Disability Services, Adult Program Costs and Services for Children and Families, Program Funding line items. These were merged into the Program Costs line item in FY 2008-09.
2/ The final FY 2008-09 appropriation included one-time reductions to the Family Support Services Program ($4.3 million) and the Comprehensive program ($5.1 million) that were backfilled with funds rolled-forward from prior years. An additional $4.0 million rolled forward from prior years was also made available for various special purposes. Thus, the appropriation shown understates funds available to support developmental disability community programs in FY 2008-09.

As reflected in the table, funding for community-based programs for persons with developmental disabilities has increased substantially in recent years. Beginning in FY 2005-06, cuts taken during the FY 2002-03 and 2003-04 economic downturn were largely restored and the General Assembly began to provide significant increases to serve additional individuals and increase provider rates. Increases for FY 2009-10 largely reflect extending to a full year placements that were added for six months in FY 2008-09, as well as the restoration

of one-time funding reductions taken in FY 2008-09.[1] Adjustments in recent years include the impact of federally-required changes in the management of Medicaid developmental disability waiver programs.

Number of Participants

The table below reflects changes in the number of persons served and funded.

	Persons Served				Full-year Persons Funded		
	FY 04-05 Served June	FY 05-06 Served June	FY 06-07 Served March	FY 07-08 Served June	FY 07-08 Approp.	FY 08-09 Approp.	FY 09-10 Approp.
Adult Comprehensive/1	3,607	3,652	3,607	3,845	3,872	4,049	4,230
Percent Change	0.7%	1.2%	(1.2)%	6.6%	n/a	4.6%	4.5%
Adult Supported Living	3,663	3,703	3,427	3,612	3,584	3,812	3,940
Percent Change	0.1%	1.1%	(7.5)%	5.4%	n/a	6.4%	3.4%
Early Intervention/2	2,099	2,755	2,496	4,770	2,176	2,176	2,176
Percent Change	9.8%	31.3%	(9.4)%	91.1%	n/a	0.0%	0.0%
Children's Extensive Support	210	341	328	388	395	393	393
Percent Change	2.9%	62.4%	(3.8)%	18.3%	n/a	(0.5)%	0.0%
Family Support Services/3	3,019	3,651	3,062	3,855	1,176	1,226	1,226
Percent Change	(15.4)%	20.9%	(16.1)%	25.9%	n/a	4.3%	0.0%

/1 Does not include residential placements at the state regional centers for the developmentally disabled.
/2 "Served June" figure is based on the number served during an average month throughout the year. Federal funds, local funds, and insurance dollars fund support services for more children than those whose services are funded by state dollars. The large FY 2007-08 increase in persons served reflects changes in the data collection system; FY 2007-08 served is not comparable to prior years.
/3 "Served June" figure is based on the unduplicated number served throughout the year. As this is a General Fund program, dollars are "stretched" to serve additional persons.

The number of persons served declined significantly in FY 2006-07 primarily as a result of federally-imposed changes in the management and billing of Medicaid waiver programs. Substantially fewer persons were served than the numbers for whom funding was appropriated, and unused funds were reduced at the close of the year. This in part reflected one-time transition difficulties, and expenditures and persons served increased in FY 2007-08. As shown, the FY 2008-09 and FY 2009-10 appropriations provide for significant increases in persons served in adult residential and supported living programs.

Rate Increases

The table below reflects the impact of provider rate and base rate adjustments on the budget from FY 2004-05 through FY 2009-10. Provider rate increases are generally provided to qualified programs throughout state

[1]One-time reductions were taken in FY 2008-09 due to: (1) funds rolled forward from prior years that backfilled FY 2008-09 appropriations; and (2) the impact of Medicaid waiver system changes and interim Medicaid rates that temporarily suppressed spending.

government based on a common policy. Base rate adjustments shown in the table below were provided exclusively for developmental disability programs.

Rate Increases						
	FY 2004-05	FY 2005-06[/1]	FY 2006-07[/1]	FY 2007-08	FY 2008-09	FY 2009-10
Provider Rate Increase	0.0%	2.0%	3.3%	1.5%	1.5%	0.0%
Base Rate Increase	0.0%	0.4%	1.4%	0.0%	0.0%	0.0%
Total Impact on base of DD Community Programs ($ millions)	$0.0	$6.3	$11.1	$4.7	$4.9	$0.0

/1 Amounts shown for FY 2005-06 and FY 2006-07 reflect overall base rate increase of 1.79 percent on selected services implemented beginning the last quarter of FY 2005-06 and annualized in FY 2006-07.

Division of Youth Corrections

The Division of Youth Corrections provides for the housing of juveniles who are detained while awaiting adjudication (similar to adult jail), or committed for a period of time as a result of a juvenile delinquent adjudication (similar to adult prison). Also, the Division supervises juveniles during a mandatory parole period 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) and the Legislative Council Staff population projections. Senate Bill 03-286 capped the youth detention population at 479. As a result, this population has remained relatively constant and is not included in the table below.

	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Projection	FY 2009-10 Projection
Commitment	1,454	1,453	1,425	1,286	1,206	1,175
Percent Difference	*4.9%*	*(0.1)%*	*(1.9)%*	*(9.8)%*	*(6.2)%*	*(2.6)%*
Parole/1	495	500	517	508	485	460
Percent Difference	*(7.0)%*	*1.0%*	*3.4%*	*(1.7)%*	*(4.5)%*	*(5.2)%*

/1 Senate Bill 03-284 reduced the period of mandatory parole from 9 months to 6 months.

The Mental Health Institutes

The Department of Human Services administers the State's two mental health hospitals: the Colorado Mental Health Institute at Fort Logan, located in Denver, and the Colorado Mental Health Institute at Pueblo. The Fort Logan Institute serves children ages five and older, as well adults. The Pueblo Institute is comprised of a civil unit, which treats adolescents and adults, and the Institute for Forensic Psychiatry (IFP), which treats people that the court system determines to be either incompetent to proceed (ITP) or not guilty by reason of insanity. The IFP provides services to restore people to competency. The Institutes' FY 2009-10 combined budget is $99.7 million, and they will serve approximately 2,587 individual patients. The average cost per bed for the institutes is estimated at $200,425, which is an increase of 6.4 percent from the prior fiscal year. The Pueblo Institute's General Hospital unit will close its inpatient medical-surgical unit in November 2009, which will eliminate 20 beds. After the General Hospital's closure, the Institutes will have a combined annual average of 611 beds.

The rate of hospitalization has declined in recent years due to two primary factors: (1) changes in the delivery of mental health services resulting from managed care; and (2) "deinstitutionalization", the shift to treating clients in community settings instead of hospitals. However, the Institutes' expenditures have increased despite the overall decline in census. These increases are attributable to inflationary factors such as salaries and the overall rising cost of medical care, improved staff-to-patient ratios, and the opening of the State's new Institute for Forensic Psychiatry facility.

Mental Health Institutes					
	FY 2005-06 Actual	**FY 2006-07 Actual**	**FY 2007-08 Actual**	**FY 2008-09 Approp.**	**FY 2009-10 Approp.**
Institute Budget	$84,337,046	$89,015,608	$93,656,556	$99,563,958	$98,067,775
FTE	1,190.9	1,217.0	1,249.1	1,310.6	1,294.0
Ft. Logan Avg. Daily Census	149	147	149	143	143
Pueblo Avg. Daily Census	377	378	417	418	411
Total Avg. Daily Census	526	525	566	561	554
Change in Funding	$1,020,281	$4,678,562	$4,640,948	$5,907,402	($1,496,183)
Change in FTE	(1.7)	81.6	(23.4)	61.5	(16.6)
Change in Census	0	(1)	41	(5)	(7)

County Administration

The County Administration group of line items provides funding for county departments of social services to administer a variety of programs. Funding provided through these line items has decreased in recent years as some of the funding for social services administration was transferred to specific program areas. For example, S.B. 06-219 shifted responsibility for medical assistance programs and $18.3 million in funding from the County Administration line item to the Department of Health Care Planning and Financing.

Adult Assistance Programs

Old Age Pension Program

The Old Age Pension (OAP) Program, authorized by the State Constitution, provides cash assistance to low-income individuals ages 60 and over. It is primarily funded through excise and state sales taxes. The revenues on which the OAP has first call are considerably larger than the current level of expenditures. Revenues that are not utilized for the OAP Program are transferred into the General Fund. The General Assembly does not directly control program expenditures for OAP as it does for many other state programs. Grant levels are set by the State Board of Human Services, and the funds are continuously appropriated by the State Constitution. The Long Bill reflects anticipated increases in program expenditures, shown for informational purposes.

Aid to the Needy Disabled Programs

There are three distinct Aid to the Needy Disabled (AND) programs. The AND Colorado Supplement (AND-CS) program provides supplemental income to individuals receiving Supplemental Security Income (SSI) payments. The federal SSI program is an entitlement program that provides financial assistance to persons with a disability that precludes them from securing or retaining employment for at least 12 months. The AND-CS program is one of a number of programs that provide additional state assistance to SSI recipients. The State

is subject to a federal maintenance-of-effort (MOE) agreement with the Social Security Administration to provide at least as much assistance to SSI recipients in each calendar year as it did in any previous calendar year. The federal government can impose severe financial sanctions on the State for failure to meet the MOE requirement. The State has been required to take corrective action in five of the last six years in order to avoid being out of compliance with federal requirements.

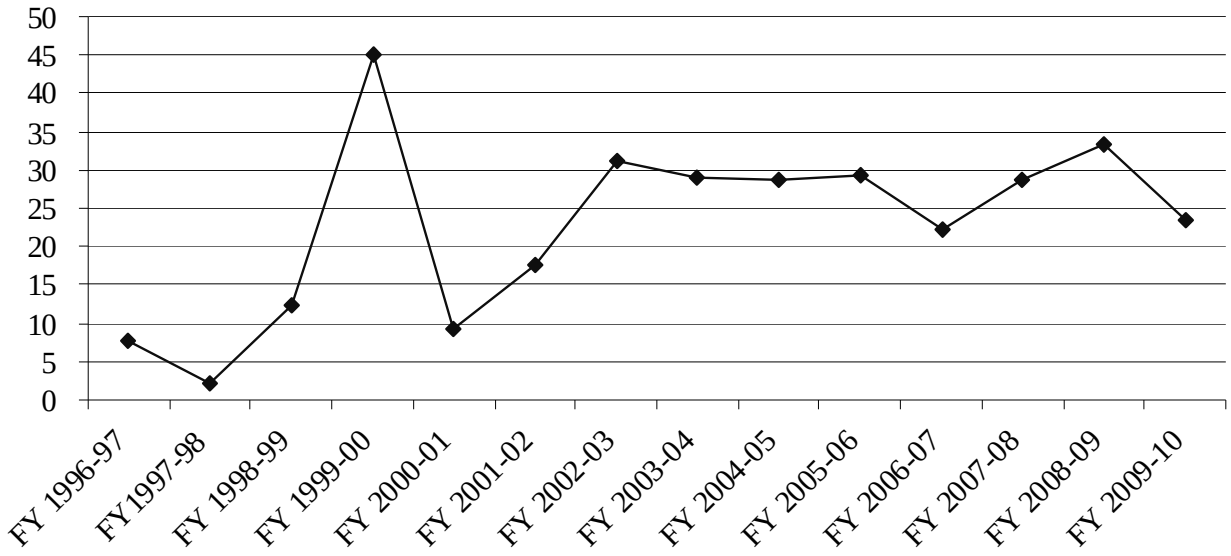
Information Technology Systems

The Department makes significant expenditures to support the large information technology systems required to manage the social services programs in Colorado. These systems include:

1. the County Financial Management System, which tracks county expenditures for social services;
2. Colorado Trails, which provides case management and tracking for county and state child welfare services workers; and
3. the Colorado Benefits Management System.

The Colorado Benefits Management System (CBMS) became operational in September 2004 and replaced six different systems used by county staff to determine eligibility for financial, medical, and nutritional benefits. CBMS is involved in eligibility or claims processing for over 500,000 individual clients, more than 80 distinct programs, and about $2.5 billion in annual benefit payments. The system is also responsible for collecting data, generating many of the reports required by federal programs in which the state participates, and for the necessary exchange of information with other states. Any changes in eligibility rules, benefit formulas, or data collection and reporting requirements made by either federal or state authorities for any of the programs must be reflected in CBMS. The base operating expenses for CBMS are approximately $23.0 to $25.0 million dollars per year. Higher expenses in FY 2007-08 and FY 2008-09 reflect additional one-time expenses, which vary from year to year.

CBMS-Related Spending, Total
(Millions of Dollars)



Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Human Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$2,138,299,488**	**$679,623,093**	**$350,035,263**	**$429,009,532**	**$679,631,600**	**5,528.1**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	71,600,193	39,933,966	2,146,664	17,989,512	11,530,051	145.8
Office of Information Technology Services	58,899,831	18,769,964	7,545,348	11,784,788	20,799,731	170.7
Office of Operations	40,576,229	21,031,307	2,460,135	12,679,015	4,405,772	462.7
County Administration	66,165,211	25,880,593	18,754,752	0	21,529,866	0.0
Division of Child Welfare	419,288,194	216,971,202	71,756,627	18,635,914	111,924,451	37.5
Division of Child Care	102,234,634	18,791,669	9,951,299	0	73,491,666	67.5
Office of Self Sufficiency	357,573,275	6,404,827	38,557,933	2,183,460	310,427,055	286.3
Mental Health and Alcohol and Drug Abuse Services	227,267,533	139,844,737	17,485,845	12,184,320	57,752,631	1,395.9
Services for People with Disabilities	516,249,691	37,845,207	77,175,541	350,065,775	51,163,168	1,923.4
Adult Assistance Programs	145,086,441	25,431,151	104,111,571	96,991	15,446,728	28.5
Division of Youth Corrections	133,358,256	128,718,470	89,548	3,389,757	1,160,481	1,009.8
Breakdown of Total Appropriation by Bill						
HB 08-1375	2,114,535,245	684,028,055	350,818,183	436,616,696	643,072,311	5,534.5
SB 08-002	34,264	0	0	34,264	0	0.5
SB 08-004	34,293	34,293	0	0	0	0.5
SB 08-006	271,080	42,546	21,754	94,092	112,688	0.0
SB 08-007	279,000	279,000	0	0	0	0.0
SB 08-155	0	0	0	0	0	(6.0)
SB 08-160	91,806	0	21,776	31,866	38,164	0.0
SB 08-161	16,000	0	3,791	5,554	6,655	0.0
SB 08-177	13,373,471	0	0	0	13,373,471	1.0
SB 08-216	0	8,001,927	(8,001,927)	0	0	0.0
HB 08-1005	376,950	0	376,950	0	0	0.0
HB 08-1031	500,000	500,000	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 08-1046	76,081	11,941	6,106	26,408	31,626	0.0
HB 08-1047	23,800	23,800	0	0	0	0.5
HB 08-1108	3,000,000	0	3,000,000	0	0	0.0
HB 08-1156	55,997	0	0	55,997	0	0.8
HB 08-1227	15,578	0	15,578	0	0	0.2
HB 08-1246	33,000	0	33,000	0	0	0.0
HB 08-1250	5,200,000	(1,000,000)	1,600,000	0	4,600,000	0.0
HB 08-1268	81,024	0	81,024	0	0	1.0
HB 08-1314	146,684	0	0	146,684	0	0.1
HB 08-1342	0	0	0	0	0	0.0
HB 08-1387	(5,950,000)	0	(5,950,000)	0	0	0.0
HB 08-1388	85,092	85,092	0	0	0	1.5
HB 08-1391	2,100,169	2,100,169	0	0	0	0.0
HB 08-1404	550,000	350,000	200,000	0	0	0.0
SB 09-189	(12,750,885)	(12,858,356)	7,714,405	(11,197,806)	3,590,872	(6.5)
SB 09-206	(500,000)	(500,000)	0	0	0	0.0
SB 09-207	(2,100,169)	(2,100,169)	0	0	0	0.0
SB 09-209	(279,000)	(279,000)	0	0	0	0.0
SB 09-259	19,000,008	903,795	94,623	3,195,777	14,805,813	0.0
FY 2009-10 Total Appropriation:	**$2,180,194,458**	**$670,638,807**	**$359,676,315**	**$449,135,870**	**$700,743,466**	**5,581.8**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	65,215,500	35,777,086	2,275,465	16,950,946	10,212,003	149.6
Office of Information Technology Services	49,872,928	21,161,845	1,204,990	10,150,199	17,355,894	173.3
Office of Operations	41,538,795	21,746,620	2,693,180	12,618,172	4,480,823	470.7
County Administration	66,165,211	25,880,593	18,754,752	0	21,529,866	0.0
Division of Child Welfare	425,470,722	209,409,079	74,403,729	18,882,148	122,775,766	50.0
Division of Child Care	105,121,702	18,737,608	10,075,446	0	76,308,648	69.1
Office of Self Sufficiency	345,699,790	6,741,726	26,105,110	2,184,598	310,668,356	289.0
Mental Health and Alcohol and Drug Abuse Services	226,702,662	138,269,960	18,377,241	12,266,454	57,789,007	1,380.2
Services for People with Disabilities	560,807,989	38,833,081	86,416,875	372,611,584	62,946,449	1,963.4
Adult Assistance Programs	159,342,005	24,449,618	119,278,160	107,362	15,506,865	28.5

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Division of Youth Corrections	134,257,154	129,631,591	91,367	3,364,407	1,169,789	1,008.0
Breakdown of Total Appropriation by Bill						
SB 09-259	2,174,459,222	674,489,340	350,457,986	448,877,453	700,634,443	5,578.5
SB 09-068	843,430	0	843,430	0	0	0.7
SB 09-133	730,525	0	730,525	0	0	0.0
SB 09-144	270,378	0	135,189	135,189	0	1.6
SB 09-245 /1	86,000	86,000	0	0	0	0.0
SB 09-267	0	(4,028,564)	4,028,564	0	0	0.0
SB 09-269	(80,379)	0	(80,379)	0	0	0.0
HB 09-1237	3,561,000	0	3,561,000	0	0	1.0
HB 09-1293 /2	324,282	92,031	0	123,228	109,023	0.0
Increase/(Decrease)	$41,894,970	($8,984,286)	$9,641,052	$20,126,338	$21,111,866	53.7
Percentage Change	2.0%	(1.3)%	2.8%	4.7%	3.1%	1.0%

/1 The appropriation for S.B. 09-245 is contingent upon enactment of H.B. 09-1366 with a Legislative Council Staff final fiscal note reflecting an anticipated state income tax revenue increase sufficient to support this appropriation that is not otherwise appropriated by H.B. 09-1366. The final fiscal note had not been completed at the time the FY 2009-10 Appropriations Report went to print.
/2 The exact appropriation for H.B. 09-1293 depends on the revisor of statutes receiving written notice by March 31, 2010, that the federal government has approved a waiver establishing the hospital provider fee created in Section 25.5-4-402.3 (3), C.R.S.

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation adds $11.1 million federal funds for the Child Care Assistance Program, based on increased federal Child Care Development Funds anticipated to be received pursuant to the federal American Recovery and Reinvestment Act of 2009. This increase is continued in FY 2009-10.

2. The appropriation adds $8.1 million, including $4.4 million "net" General Fund[2] on a one-time basis to address prior year accounting errors and federal disallowances at the regional centers for people with developmental disabilities.

3. The appropriation adds $2.8 million cash funds in order to pay a federal Food Stamp sanction.

4. The appropriation adds $1.0 million General Fund for the Mental Health Institutes to reimburse the federal government for Medicare overpayments.

[2]"Net" General Fund includes both General Fund appropriated directly to the Department of Human Services and the General Fund portion of Medicaid funds appropriated to the Department of Health Care Policy and Financing that are transferred to the Department of Human Services as reappropriated funds.

5. The appropriation increases the General Fund portion of the appropriation for the Mental Health Institutes by $3.7 million, to backfill for less-than-anticipated revenue from other sources such as patient fees and fund transfers. The Institutes have been required to reimburse the federal government for Medicare overpayments in prior years, which then reduces the cash funds available to support the Institutes' operating expenses.

6. The appropriation includes one-time reductions of $12.0 million Medicaid reappropriated funds and $4.3 million General Fund for community services for people with developmental disabilities, based on expenditure projections and amounts that could be backfilled with funds rolled forward from prior years.

7. The appropriation includes a reduction of $9.2 million General Fund to eliminate flexible funding provided to the Division of Youth Corrections.

8. Through S.B. 09-206, S.B. 09-207, and S.B. 09-209, the appropriation repeals or delays new disability services, child welfare, and self sufficiency programs created in 2008 session legislation, resulting in General Fund savings of $2.9 million.

9. The appropriation reduces funding for child welfare block allocations to counties by $2.5 million, including $1.8 million General Fund, to correct a prior year error and refinances $4.8 million General Fund for child welfare services with federal Title IV-E funds, based in part on additional funds anticipated to be received pursuant to the American Recovery and Reinvestment Act of 2009.

10. The appropriation includes a reduction of $2.0 million resulting from the hiring freeze.

FY 2009-10 Appropriation Highlights:

1. The appropriation adds $16.3 million, including $7.5 million "net" General Fund, for new and annualized developmental disability community placements. This includes $13.7 million to provide full-year funding for developmental disability community placements added for six months in FY 2008-09 (305 residential and 228 supported living placements) and $2.6 million for new placements added for six months in FY 2009-10 (57 adult residential and 37 adult supported living).

2. The appropriation adds $15.5 million, including $9.5 million "net" General Fund to restore one-time FY 2008-09 reductions to community services for people with developmental disabilities.

3. The appropriation adds $15.2 million cash funds to the informational appropriation for the Old Age Pension cash assistance program. This increase reflects the estimated effects of caseload increases and the direct cash assistance benefit increase approved by the State Board of Human Services.

4. The appropriation increases employee benefits by $6.0 million, including $4.2 million "net" General fund, and increases other centrally-appropriated line items including legal services, administrative law judge services, and risk management payments by $190,000, including $130,000 "net" General Fund.

5. The appropriation adds $4.4 million, including $2.7 million "net" General Fund, for caseload increases within the child welfare system.

6. The appropriation reflects an additional $4.0 million federal funds for vocational rehabilitation and independent living services for persons with disabilities, based on increases in the federal American Recovery and Reinvestment Act of 2009.

7. The appropriation reflects an additional $3.6 million federal funds for early intervention services to assist infants and toddlers with developmental disabilities and delays, based on increases in the federal American Recovery and Reinvestment Act of 2009.

8. The appropriation adds $3.3 million, including $2.6 million General Fund, and 0.5 FTE for four new Functional Family Therapy programs intended to reduce child welfare out-of-home placement and youth corrections placement for high risk offenders ages 11 through 17.

9. The appropriation adds $2.8 million federal funds for initiatives to improve the quality of child care, based on increased federal Child Care Development Funds anticipated to be received pursuant to the American Recovery and Reinvestment Act of 2009.

10. The appropriation adds $1.6 million, including $654,000 "net" General Fund, and 39.6 FTE to increase staffing intensity at the regional centers for people with developmental disabilities. This includes $1.3 million and 30.4 FTE to annualize FY 2008-09 increases and $323,000 and 9.2 FTE for staff to be hired in FY 2009-10. These increases are partially offset by personal services reductions of $415,000 related to a late supplemental penalty and $267,000 related to a change in the policy on client cash contributions, as well as the 1.82 percent statewide personal services base reduction.

11. The appropriation adds $1.4 million General Fund and 28.1 FTE at the mental health institutes and in the department's Office of Operations to open the new High Security Forensic Institute in Pueblo.

12. The appropriation adds $1.2 million, including $767,000 General Fund, and 7.5 FTE for initiatives to improve state child welfare services. This includes $881,000 and 3.0 FTE to improve training for child welfare workers and supervisors (child welfare training academy) and $339,000 and 4.5 FTE for increased state supervision of child welfare services. These amounts annualize to $2.1 million and 15.0 FTE in FY 2010-11.

13. The appropriation adds $1.0 million, including $513,124 General Fund, for the High Risk Pregnant Women Program (alcohol and drug abuse treatment) to expand its services.

14. The appropriation increases the General Fund portion of the appropriation for the Mental Health Institutes by $3.0 million General Fund to refinance lower-than-anticipated revenue from other sources, as well as to compensate for some accounting issues that led to spending restrictions.

15. The appropriation refinances $9.5 million General Fund for child welfare family and children's programs ("core services") with $9.5 million federal funds from the Temporary Assistance to Needy Families block grant.

16. The appropriation does not include any funding increase for staff salaries for FY 2009-10. For FY 2008-09, an increase of $13.4 million, including $9.5 million "net" General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

17. The appropriation removes $13.3 million in one-time expenses associated with federal Food Stamp sanctions.

18. The appropriation removes $10.1 million in one-time expenses associated with the Colorado Benefits Management System. This includes $4.7 million in mandatory prior year federal reallocations, $2.9 million for changes associated with the federal reauthorization of the Temporary Assistance for Needy Families program, and $2.5 million for transition to a new support vendor.

19. The appropriation removes $8.1 million in one-time FY 2008-09 appropriations for prior year accounting errors and federal disallowances at the regional centers for people with developmental disabilities.

20. The appropriation includes a reduction of $5.0 million for a 1.82 percent personal services base reduction.

21. The appropriation reduces vocational rehabilitation funding by $5.0 million, including $1.1 million General Fund, based on federal funds not anticipated to be received and General Fund revenue restrictions.

22. The appropriation reduces funds for the Colorado Mental Health Institute at Pueblo, its General Hospital, and the department's Office of Operations by a total of $3.0 million and 35.7 FTE to reflect the closure of the Hospital's medical-surgical unit.

23. The appropriation eliminates $2.8 million cash funds for Excess Federal Title IV-E Reimbursements to counties not anticipated to be available.

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, and quality control, as well as some program supervision, coordination, and evaluation. This section includes centrally appropriated line items, such as workers' compensation, legal services, administrative law judge services, and payments related to risk management. In addition, this office includes funding for specific functions including: (1) the Juvenile Parole Board; (2) the Developmental Disabilities Council; (3) the Colorado Commission for the Deaf and Hard of Hearing; (4) the Colorado Commission for Individuals Who are Blind or Visually Impaired; (5) compliance with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA); and (6) the child welfare administrative review unit, which performs case reviews of children and youth who are placed in out-of-home residential care.

Cash fund sources include patient payments collected by the mental health institutes, in addition to other sources. Reappropriated funds are largely Medicaid cash funds transferred from the Department of Health Care Policy and Financing. Federal fund sources include indirect cost recoveries, the Temporary Assistance for Needy Families Block Grant, the Substance Abuse Prevention and Treatment Block Grant, and other sources.

Executive Director's Office						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$71,686,788	$40,013,862	$2,150,659	$17,962,607	$11,559,660	144.2
HB 08-1156	55,997	0	0	55,997	0	0.8
HB 08-1314	2,866	0	0	2,866	0	0.0
SB 09-189	(145,458)	(79,896)	(3,995)	(31,958)	(29,609)	0.8
TOTAL	**$71,600,193**	**$39,933,966**	**$2,146,664**	**$17,989,512**	**$11,530,051**	**145.8**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$71,600,193	$39,933,966	$2,146,664	$17,989,512	$11,530,051	145.8
Centrally-appropriated line items	6,228,656	3,504,844	146,188	1,866,587	711,037	0.0
Annualize salary and benefits adjustments	507,375	206,231	29,471	70,908	200,765	0.0
Annualize FY 2008-09 hiring freeze	199,740	79,896	3,995	31,958	83,891	0.0
Administrative Review Unit	149,461	204,136	0	0	(54,675)	2.2
Postage increase	8,650	5,347	155	31	3,117	0.0
Eliminate salary survey and performance-based pay	(13,411,626)	(8,093,334)	(179,945)	(2,951,399)	(2,186,948)	0.0
Personal services base reduction	(160,856)	(65,045)	(5,819)	(21,627)	(68,365)	0.0
Federal indirect cost adjustment:	(160,000)	0	0	(160,000)	0	0.0
Annualize prior year funding	(16,471)	1,045	(433)	(10,213)	(6,870)	0.0
SB 09-259	**$64,945,122**	**$35,777,086**	**$2,140,276**	**$16,815,757**	**$10,212,003**	**148.0**
SB 09-144	270,378	0	135,189	135,189	0	1.6
TOTAL	**$65,215,500**	**$35,777,086**	**$2,275,465**	**$16,950,946**	**$10,212,003**	**149.6**
Increase/(Decrease)	($6,384,693)	($4,156,880)	$128,801	($1,038,566)	($1,318,048)	3.8
Percentage Change	(8.9)%	(10.4)%	6.0%	(5.8)%	(11.4)%	2.6%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-189 reduced personal services expenditures by $199,740 to reflect reductions associated with the hiring freeze and added $54,282 federal funds and 0.8 FTE for the Administrative Review Unit to comply with federal requirements for review of child out-of-home placements.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

Administrative Review Unit: The appropriation adds $149,461, including $132,433 General Fund, and 2.2 FTE to annualize a FY 2008-09 supplemental adjustment that increased staffing for the final quarter of the year. The appropriation also includes a fund split adjustment that increases General Fund by $71,703 and decreases federal funding by the same amount to more accurately reflect the State's ability to earn federal Title IV-E revenue for this program.

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Office of Information Technology Services

This section includes funding for expenses associated with departmental information systems, including systems that support public benefits programs administered through the state's 64 counties and other local entities. Appropriations in this section include personnel and operating funds that support information systems

used by over 8,800 Department and county staff; development and maintenance costs (software and hardware) for the Department's numerous information technology systems; and funds to purchase information technology and communications services for the entire Department from the Governor's Office of Information Technology. Collectively, the data systems managed by this section process case management files for approximately 634,000 Colorado citizens. Major systems funded through this section of the budget include the Colorado Benefits Management System (CBMS), the Colorado Financial Management System, and the Colorado Trails information system. Because this section includes information systems that support multiple program areas, there are multiple sources of cash funds, reappropriated funds, and federal funds. The most significant source of reappropriated funds is Medicaid funds transferred from the Department of Health Care Policy and Financing. Significant sources of federal funds include Title IV-E of the Social Security Act and the Temporary Assistance for Needy Families (TANF) block grant.

Office of Information Technology Services						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$51,144,627	$18,474,311	$2,041,782	$8,932,393	$21,696,141	176.7
SB 08-006	271,080	42,546	21,754	94,092	112,688	0.0
SB 08-155	0	0	0	0	0	(6.0)
SB 08-160	91,806	0	21,776	31,866	38,164	0.0
SB 08-161	16,000	0	3,791	5,554	6,655	0.0
HB 08-1046	76,081	11,941	6,106	26,408	31,626	0.0
HB 08-1391	175,000	175,000	0	0	0	0.0
SB 09-189	7,300,237	241,166	5,450,139	2,694,475	(1,085,543)	0.0
SB 09-207	(175,000)	(175,000)	0	0	0	0.0
TOTAL	**$58,899,831**	**$18,769,964**	**$7,545,348**	**$11,784,788**	**$20,799,731**	**170.7**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$58,899,831	$18,769,964	$7,545,348	$11,784,788	$20,799,731	170.7
Annualize salary and benefits adjustments	727,717	373,336	20,284	111,680	222,417	0.0
Postage increase	340,895	53,504	27,357	118,325	141,709	0.0
Annualize prior year funding	86,982	162,508	(17,886)	(26,071)	(31,569)	2.6
CBMS reallocation	0	2,334,899	(2,434,083)	(79,559)	178,743	0.0
Annualize prior year CBMS federal reallocations	(4,702,859)	0	(3,728,466)	(974,393)	0	0.0
Annualize CBMS TANF changes	(2,907,487)	(53,000)	(1,654)	(5,342)	(2,847,491)	0.0
Annualize CBMS new vendor transition	(2,500,000)	(392,375)	(200,625)	(867,750)	(1,039,250)	0.0
Reduce Colorado Trails contract staff	(250,000)	(134,975)	0	0	(115,025)	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Personal services base reduction	(232,433)	(130,047)	(5,285)	(34,707)	(62,394)	0.0
SB 09-259	**$49,462,646**	**$20,983,814**	**$1,204,990**	**$10,026,971**	**$17,246,871**	**173.3**
SB 09-245 /1	86,000	86,000	0	0	0	0.0
HB 09-1293 /2	324,282	92,031	0	123,228	109,023	0.0
TOTAL	**$49,872,928**	**$21,161,845**	**$1,204,990**	**$10,150,199**	**$17,355,894**	**173.3**
Increase/(Decrease)	($9,026,903)	$2,391,881	($6,340,358)	($1,634,589)	($3,443,837)	2.6
Percentage Change	(15.3)%	12.7%	(84.0)%	(13.9)%	(16.6)%	1.5%

/1 The appropriation for S.B. 09-245 is contingent upon enactment of H.B. 09-1366 with a Legislative Council Staff final fiscal note reflecting an anticipated state income tax revenue increase sufficient to fund this appropriation. The final fiscal note had not been completed at the time the FY 2009-10 Appropriations Report went to print.

/2 The exact appropriation for H.B. 09-1293 depends on the revisor of statutes receiving written notice by March 31, 2010, that the federal government has approved a waiver establishing the hospital provider fee created in Section 25.5-4-402.3 (3), C.R.S.

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-189 included:

- an increase of $4.7 million for changes in federal/state allocation formulas for the Colorado Benefits Management System (CBMS) for prior years (state share paid from the Supplemental and Overexpenditures Account in the Tobacco Litigation Settlement Fund);
- an increase of $2.5 million associated with expenses for the transition to the new CBMS support vendor;
- an increase of $368,000 in payments to the Governor's Office of Information Technology for new back-office support functions; and
- a decrease of $271,000 due to the repeal of the appropriations clause for S.B. 08-006 (Suspend Medicaid for Confined Persons).

For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Annualize prior year funding: The appropriation includes annualization of prior year funding. This includes the addition of information technology support staff and removal of one-time CBMS expenses associated with eligibility and benefits changes.

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

Annualize prior year CBMS federal reallocations: The appropriation removes one-time expenses associated with reallocation of CBMS funding with the State's federal partners for prior fiscal years. The prior-year reallocations are required under federal rules, based on measured usage of the system.

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Office of Operations

This section contains appropriations for various central departmental functions and incorporates four department units: Facilities Management, Accounting, Procurement, and Contract Management. The largest of these, the *Division of Facilities Management*, is responsible for operating, cleaning, and maintaining all 301 Department buildings and facilities, including youth correctional facilities, the two state mental health institute campuses, and three regional centers for the developmentally disabled, in addition to Department office buildings. The Department's vehicle leases and facility utility costs are also managed by this division. The *Division of Accounting* manages all departmental financial operations and resources, including payments to counties and service providers throughout the State for human services programs, Medicaid, Medicare and private party billing for the Department's various community and institutional programs, and overall accounts and controls over expenditures and revenues from multiple state and federal sources. The *Procurement Division* purchases goods and services for Departmental programs and operates warehouses and distribution centers for all facilities that house direct care clients. The *Contract Management Unit* is responsible for managing the contracting process in the Department including development, approval, and oversight of performance of all Department contracts.

Office of Operations Staffing

Division or Unit	FTE
Division of Facilities Management	327.2
Division of Accounting	114.0

Office of Operations Staffing	
Division or Unit	**FTE**
Procurement Division	25.0
Contract Management Unit	3.5
Administration	1.0
Total	470.7

Cash funds, reappropriated funds, and federal funds are from various sources, including indirect cost recoveries, since this Office supports programs throughout the Department. A portion of the reappropriated funds amounts are Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). These funds are appropriated as 50 percent General Fund and 50 percent federal funds in HCPF.

Office of Operations						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$40,025,901	$20,562,003	$2,379,111	$12,679,015	$4,405,772	461.2
HB 08-1047	23,800	23,800	0	0	0	0.5
HB 08-1268	81,024	0	81,024	0	0	1.0
SB 09-259	445,504	445,504	0	0	0	0.0
TOTAL	**$40,576,229**	**$21,031,307**	**$2,460,135**	**$12,679,015**	**$4,405,772**	**462.7**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$40,576,229	$21,031,307	$2,460,135	$12,679,015	$4,405,772	462.7
Annualize salary and benefits adjustments	1,003,468	475,557	31,974	417,406	78,531	0.0
Annualize prior year funding	451,434	451,434	0	0	0	9.5
Operating increases	331,851	330,138	44	1,537	132	0.0
Buildings and Grounds Fund increase	228,372	0	228,372	0	0	0.0
Centrally-appropriated line items	224,047	164,821	4,246	26,907	28,073	0.0
Annualize one-time supplemental	(445,504)	(445,504)	0	0	0	0.0
Personal services base reduction	(444,017)	(214,048)	(31,591)	(166,693)	(31,685)	0.0
Medicaid indirect costs adjustment	(340,000)	0	0	(340,000)	0	0.0
Close CMHIP General Hospital	(47,085)	(47,085)	0	0	0	(1.5)
SB 09-259	**$41,538,795**	**$21,746,620**	**$2,693,180**	**$12,618,172**	**$4,480,823**	**470.7**
TOTAL	**$41,538,795**	**$21,746,620**	**$2,693,180**	**$12,618,172**	**$4,480,823**	**470.7**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	$962,566	$715,313	$233,045	($60,843)	$75,051	8.0
Percentage Change	2.4%	3.4%	9.5%	(0.5)%	1.7%	1.7%

FY 2008-09 Appropriation Adjustments

A supplemental appropriation included in S.B. 09-259 provided an increase of $445,504 for utilities, due to an FY 2007-08 utilities overexpenditure and associated FY 2008-09 spending restriction.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

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

County Administration

This section contains appropriations for 64 county departments of social services to administer several programs including: Food Stamps, Adult Cash Assistance Programs (except Old Age Pension), Adult Protection, Low Income Energy Assistance, Child Support Enforcement, and Medicaid eligibility determination. Counties also administer the Colorado Works Program and the state's child welfare and child care assistance programs; however, associated administrative funding is currently appropriated as part of the Works Program (in the Office of Self Sufficiency), and in the Divisions of Child Welfare and Child Care, respectively. Cash funds sources in the County Administration section include retained child support collections, fraud refunds, and state revenue intercepts. Federal funds include the Title XX Social Services Block Grant and various other sources.

County Administration

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$58,881,878	$27,297,260	$14,654,752	$0	$16,929,866	0.0
HB 08-1250	5,200,000	(1,000,000)	1,600,000	0	4,600,000	0.0
HB 08-1342	2,500,000	0	2,500,000	0	0	0.0
SB 09-189	(416,667)	(416,667)	0	0	0	0.0
TOTAL	**$66,165,211**	**$25,880,593**	**$18,754,752**	**$0**	**$21,529,866**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$66,165,211	$25,880,593	$18,754,752	$0	$21,529,866	0.0
No changes	0	0	0	0	0	0.0
SB 09-259	**$66,165,211**	**$25,880,593**	**$18,754,752**	**$0**	**$21,529,866**	**0.0**
TOTAL	**$66,165,211**	**$25,880,593**	**$18,754,752**	**$0**	**$21,529,866**	**0.0**
Increase/(Decrease)	$0	$0	$0	$0	$0	0.0
Percentage Change	0.0%	0.0%	0.0%	n/a	0.0%	n/a

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-189 reduced the General Fund appropriation for County Tax Base Relief.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Division of Child Welfare

This section provides funding and state staff associated with the state supervision and county administration of programs that protect children from harm and assist families in caring for and protecting their children. Reappropriated funds reflect Medicaid funds transferred from the Department of Health Care Policy and Financing. Cash funds include county tax revenues, excess federal Title IV-E reimbursements to counties that are deposited to a cash fund, docket fee revenues, and grants and donations. Federal fund sources include those available pursuant to Titles IV-B, IV-E, and XX of the Social Security Act, and the Child Abuse Prevention and Treatment Act.

Division of Child Welfare						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$419,809,299	$214,214,960	$79,630,952	$18,903,719	$107,059,668	37.5
SB 08-216	0	8,001,927	(8,001,927)	0	0	0.0
HB 08-1005	376,950	0	376,950	0	0	0.0
HB 08-1391	1,925,169	1,925,169	0	0	0	0.0
HB 08-1404	550,000	350,000	200,000	0	0	0.0
SB 09-189	(1,408,055)	(2,219,838)	(449,348)	(267,805)	1,528,936	0.0
SB 09-207	(1,925,169)	(1,925,169)	0	0	0	0.0
SB 09-259	(40,000)	(3,375,847)	0	0	3,335,847	0.0
TOTAL	**$419,288,194**	**$216,971,202**	**$71,756,627**	**$18,635,914**	**$111,924,451**	**37.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$419,288,194	$216,971,202	$71,756,627	$18,635,914	$111,924,451	37.5
Population increase	4,413,972	2,527,611	779,396	238,722	868,243	0.0
Functional Family Therapy	3,281,941	2,632,599	649,342	0	0	0.5
Child welfare training academy	880,718	496,325	0	0	384,393	3.0
Child welfare staffing increase	338,673	270,938	0	0	67,735	4.5
Improve Title IV-E claiming	321,250	321,250	0	0	0	0.0
Annualize salary and benefits adjustments	135,597	79,454	0	6,865	49,278	0.0
Annualize FY 2008-09 hiring freeze	53,282	33,445	0	3,026	16,811	0.0
Title IV-E revenue projection	0	597,230	0	0	(597,230)	0.0
Refinance Core Services with TANF	0	(9,500,000)	0	0	9,500,000	0.0
Annualize Title IV-E FMAP adjustment	0	(575,290)	0	0	575,290	0.0
Eliminate appropriation for excess federal Title IV-E reimbursements	(2,800,000)	0	(2,800,000)	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	(396,267)	(386,067)	(10,200)	0	0	0.5
Personal services base reduction	(49,027)	(33,403)	0	(2,379)	(13,245)	0.0
Other	2,389	2,349	0	0	40	4.0
SB 09-259	**$425,470,722**	**$213,437,643**	**$70,375,165**	**$18,882,148**	**$122,775,766**	**50.0**
SB 09-267	0	(4,028,564)	4,028,564	0	0	0.0
TOTAL	**$425,470,722**	**$209,409,079**	**$74,403,729**	**$18,882,148**	**$122,775,766**	**50.0**
Increase/(Decrease)	$6,182,528	($7,562,123)	$2,647,102	$246,234	$10,851,315	12.5
Percentage Change	1.5%	(3.5)%	3.7%	1.3%	9.7%	33.3%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-189 included the following changes, among other adjustments:
- a reduction of $2.5 million for child welfare services, including $1.8 million General Fund, to correct a technical error in the original appropriation;
- a refinance, for child welfare services, of $1.5 million General Funds with federal Title IV-E funds based on modified federal revenue projections; and
- a one-time $53,000 reduction to child welfare administration for the hiring freeze.

Supplemental appropriations included in S.B. 09-259 included the following:
- a further refinance, for child welfare services, of $3.3 million General Fund with federal Title IV-E funds due to an increase in the federal match rate for Title IV-E (FMAP) from 50 percent to 56.2 percent for the last three quarters of FY 2008-09. This adjustment was pursuant to the federal American Recovery and Reinvestment Act of 2009; and
- a one-time $40,000 reduction to child welfare administration based on projected expenditures.

For information on S.B. 09-207 see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Child welfare training academy: The appropriation adds funding associated with an increase in the number and length of training sessions provided for county child welfare workers and supervisors and a new on-the-job training component. Training sessions are provided through contracts with area colleges and universities; department staff will oversee on-the-job training in collaboration with counties. Most of the increase is for six months in FY 2009-10; costs annualize to $1,564,478 in FY 2010-11. Enactment of S.B. 09-164 was

contingent upon the inclusion of this increase in the Long Bill. Funds added are sufficient to support the changes authorized in S.B. 09-164.

Child welfare staffing increase: The appropriation adds funding for new child welfare staff, based on preliminary results of a department organizational assessment. A total of 9.0 positions are added for an average of six months in FY 2009-10. Because funding is for six months, these 9.0 positions are reflected as 4.5 FTE in FY 2009-10. Once annualized in FY 2010-11, the appropriation adds 4.0 FTE to oversee county child protection efforts, 2.0 FTE to oversee and promote programs to improve permanency of child placements, and 3.0 FTE for state child welfare leadership, including a child welfare deputy director, a grants manager, and a performance improvement manager. Funding annualizes to $583,242 for these 9.0 FTE in FY 2010-11.

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

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

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

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

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

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

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

Annualize prior year funding: The appropriation reflects adjustments associated with prior year actions. This includes a reduction of $350,000 General Fund to eliminate a one-time appropriation for the Child Welfare Action Committee (H.B. 08-1404), a reduction of $90,000 General Fund for one-time studies funded in FY 2008-09, and a reduction of $10,200 cash funds to annualize appropriations in H.B. 08-1005. These decreases

are partially offset by an increase of $40,000 General Fund to restore a one-time FY 2008-09 reduction associated with delays in hiring new staff and an increase of $13,933 General Fund and 0.5 FTE to annualize funding for new child welfare staff added in FY 2008-09.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Other: The appropriation includes an increase for postage and mail handling and an increase of 4.0 FTE (no increase in dollars) to more accurately reflect federally-funded staff in this division.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Child Care

This section provides funding and state staff associated with the state supervision and the county administration of the Colorado Child Care Assistance Program (CCAP), through which counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. An estimated 19,931 children per month will receive CCAP assistance in FY 2009-10. In addition, this section provides funding and state staff for the administration of various child care grant programs, and for licensing and monitoring child care facilities. An estimated 7,431 child care homes and facilities will be licensed by the Division in FY 2009-10. Cash funds sources shown reflect county tax revenues and fees and fines paid by child care facilities. Federal fund sources include Child Care Development Funds, and Title IV-E and Title XX of the Social Security Act.

Division of Child Care						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$91,085,080	$18,706,577	$9,951,299	$0	$62,427,204	66.0
HB 08-1388	85,092	85,092	0	0	0	1.5
SB 09-259	11,064,462	0	0	0	11,064,462	0.0
TOTAL	**$102,234,634**	**$18,791,669**	**$9,951,299**	**$0**	**$73,491,666**	**67.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$102,234,634	$18,791,669	$9,951,299	$0	$73,491,666	67.5
Add funds to improve child care quality based on federal stimulus	2,805,077	0	0	0	2,805,077	0.0
Annualize salary and benefits adjustments	210,339	101,638	29,295	0	79,406	0.0
Reflect anticipated reserve expenditure	14,000	0	14,000	0	0	0.0
Operating adjustments	9,375	0	0	0	9,375	0.0
Child care licensing refinance	0	(110,000)	110,000	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
CHATS system rebuild	0	0	0	0	0	0.0
Personal services base reduction	(81,009)	(40,516)	(11,302)	0	(29,191)	0.0
Annualize prior year funding	(52,868)	(5,183)	0	0	(47,685)	0.0
Reallocate funds to add staff	(17,846)	0	(17,846)	0	0	1.6
SB 09-259	**$105,121,702**	**$18,737,608**	**$10,075,446**	**$0**	**$76,308,648**	**69.1**
TOTAL	**$105,121,702**	**$18,737,608**	**$10,075,446**	**$0**	**$76,308,648**	**69.1**
Increase/(Decrease)	$2,887,068	($54,061)	$124,147	$0	$2,816,982	1.6
Percentage Change	2.8%	(0.3)%	1.2%	n/a	3.8%	2.4%

FY 2008-09 Appropriation Adjustments

Senate Bill 09-259 included a supplemental increase of $11.1 million for the Child Care Assistance Program (child care subsidies) based on funds anticipated to be received pursuant to the federal American Recovery and Reinvestment Act of 2009. This increase is continued in FY 2009-10.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

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

CHATS system rebuild: The appropriation moves funds between line items associated with the development of a new information technology system; this funds transfer has a net $0 impact on overall Division funding. The appropriation provides $103,246 for operating costs associated with the rebuild of the Child Care Automated Tracking System (CHATS); however, this amount is reallocated from the Child Care Assistance Program line item. The CHATS system supports the Department and counties in managing child care

subsidies. A total of $14.7 million for the rebuild is included in the capital construction budget for FY 2007-08; the project is to be completed in FY 2010-11.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

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

Office of Self Sufficiency

This section contains appropriations for cash assistance programs for specific populations, including the Colorado Works program, Low-income Energy Assistance Program (LEAP), child support enforcement, and disability determination programs. Additional detail on funding changes in the Office of Self Sufficiency is reflected in the subsection tables and narratives below.

Office of Self Sufficiency

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$328,807,864	$6,935,183	$33,685,596	$2,183,460	$286,003,625	285.1
SB 08-007	279,000	279,000	0	0	0	0.0
SB 08-177	13,373,471	0	0	0	13,373,471	1.0
HB 08-1227	15,578	0	15,578	0	0	0.2
HB 08-1342	(2,500,000)	0	(2,500,000)	0	0	0.0
HB 08-1387	(5,950,000)	0	(5,950,000)	0	0	0.0
SB 09-189	20,982,503	(124,852)	10,462,900	0	10,644,455	0.0
SB 09-209	(279,000)	(279,000)	0	0	0	0.0
SB 09-259	2,843,859	(405,504)	2,843,859	0	405,504	0.0
TOTAL	**$357,573,275**	**$6,404,827**	**$38,557,933**	**$2,183,460**	**$310,427,055**	**286.3**
FY 2009-10 Appropriation:						
SB 09-259	$344,856,360	$6,741,726	$25,261,680	$2,184,598	$310,668,356	288.3

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-068	843,430	0	843,430	0	0	0.7
TOTAL	**$345,699,790**	**$6,741,726**	**$26,105,110**	**$2,184,598**	**$310,668,356**	**289.0**
Increase/(Decrease)	($11,873,485)	$336,899	($12,452,823)	$1,138	$241,301	2.7
Percentage Change	(3.3)%	5.3%	(32.3)%	0.1%	0.1%	0.9%

Administration

This subsection of the Office of Self Sufficiency includes the State's share of administrative funding for self sufficiency programs. The primary federal funds source is Temporary Assistance for Needy Families (TANF) funds.

Administration						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$1,724,704	$717,872	$0	$0	$1,006,832	22.0
SB 08-007	279,000	279,000	0	0	0	0.0
SB 09-189	10,289,958	(86,471)	10,462,900	0	(86,471)	0.0
SB 09-209	(279,000)	(279,000)	0	0	0	0.0
SB 09-259	2,843,859	0	2,843,859	0	0	0.0
TOTAL	**$14,858,521**	**$631,401**	**$13,306,759**	**$0**	**$920,361**	**22.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$14,858,521	$631,401	$13,306,759	$0	$920,361	22.0
Annualize FY 2008-09 hiring freeze	172,942	86,471	0	0	86,471	0.0
Annualize salary and benefits adjustments	80,613	80,613	0	0	0	0.0
Destroy obsolete forms	25,460	0	0	0	25,460	0.0
Eliminate one-time funding	(13,306,759)	0	(13,306,759)	0	0	0.0
Personal services base reduction	(31,407)	(13,532)	0	0	(17,875)	0.0
Other	681	477	0	0	204	0.0
SB 09-259	**$1,800,051**	**$785,430**	**$0**	**$0**	**$1,014,621**	**22.0**
TOTAL	**$1,800,051**	**$785,430**	**$0**	**$0**	**$1,014,621**	**22.0**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	($13,058,470)	$154,029	($13,306,759)	$0	$94,260	0.0
Percentage Change	(87.9)%	24.4%	(100.0)%	n/a	10.2%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-189 included the following changes:

- added $10.5 million cash funds (one-time funds) for Food Stamp program settlements and sanctions related to early Colorado Benefits Management System programming and county data entry problems;
- reduced personal services by $86,471 to reflect hiring freeze savings.

Supplemental appropriations included in S.B. 09-259 added a further $2.8 million cash funds on a one-time basis to settle a Food Stamp sanction imposed by the federal government.

For information on S.B. 09-209, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

Eliminate one-time funding: The appropriation removes one-time FY 2008-09 funding for payment of federal Food Stamp sanctions associated with problems during the early operation of the Colorado Benefits Management System.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

Colorado Works Program

This subsection of the Office of Self Sufficiency provides funding and spending authority associated with the Colorado Works Program, through which counties provide cash and other benefits and services intended to promote sustainable employment for low income families with children. The primary source of funding for the Works Program is federal Temporary Assistance for Needy Families (TANF) funds. Cash funds sources

include county tax revenues as well as the state and county shares of retained child support collections and refunds.

The Colorado Works program is state-supervised but county-administered. The counties receive block grant funding from the State, which consists largely of federal TANF dollars. The counties are authorized to maintain a reserve account for the funds that they receive, and the authorization allows the counties to retain a balance in their accounts at the end of each fiscal year. However, pursuant to S.B. 08-177, the maximum amount counties are allowed to retain in reserve accounts is restricted. Upon the conclusion of FY 2009-10, counties are required to remit reserves in excess of 55 percent of the prior year's grant to the State. By the end of FY 2011-12, reserves in excess of 30 percent must be remitted.

Colorado Works Program						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$246,456,120	$627,726	$25,653,744	$0	$220,174,650	22.0
SB 08-177	13,373,471	0	0	0	13,373,471	1.0
HB 08-1342	(2,500,000)	0	(2,500,000)	0	0	0.0
SB 09-189	10,805,429	0	0	0	10,805,429	0.0
SB 09-259	0	(405,504)	0	0	405,504	0.0
TOTAL	**$268,135,020**	**$222,222**	**$23,153,744**	**$0**	**$244,759,054**	**23.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$268,135,020	$222,222	$23,153,744	$0	$244,759,054	23.0
Annualize salary and benefits adjustments	71,425	0	0	0	71,425	0.0
Eliminate one-time funding	0	405,504	0	0	(405,504)	0.0
Remove General Fund from county block grants	(405,504)	(405,504)	0	0	0	0.0
Annualize prior year funding	(168,400)	0	0	0	(168,400)	0.0
Colorado Works program evaluation	(150,000)	0	0	0	(150,000)	0.0
Other	615	0	272	0	343	0.0
SB 09-259	**$267,483,156**	**$222,222**	**$23,154,016**	**$0**	**$244,106,918**	**23.0**
SB 09-068	843,430	0	843,430	0	0	0.7
TOTAL	**$268,326,586**	**$222,222**	**$23,997,446**	**$0**	**$244,106,918**	**23.7**
Increase/(Decrease)	$191,566	$0	$843,702	$0	($652,136)	0.7
Percentage Change	0.1%	0.0%	3.6%	n/a	(0.3)%	3.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-189 reflect an increase in county TANF reserves, in order to allow counties access to the full balance of their reserve accounts. Supplemental appropriations included in S.B. 09-259 eliminated the General Fund component of the county block grants ($405,504) and refinanced with federal Temporary Assistance to Needy Families block grant funds.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

Colorado Works program evaluation: The appropriation includes a reduction of $150,000 for the ongoing Colorado Works program evaluation. A statutory requirement to conduct an external evaluation expires at the end of FY 2008-09. The Department will conduct internal evaluations in the future.

Other: The appropriation includes other small adjustments.

Additional legislation: For information on S.B. 09-068, see the "Recent Legislation" section at the end of this department.

Special Purpose Welfare Programs

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

Cash fund sources are fees paid by agencies participating in the food distribution program. Cash funds sources include: county matching funds, other local funds, and in-kind donations. Reappropriated funds include moneys from Energy Outreach Colorado (which receives substantial funding through the Governor's Office) and payments from the Department of Health Care Policy and Financing for SAVE services. Federal fund sources include: the Office of Energy Assistance; the U.S. Department of Agriculture; Temporary Assistance to Needy Families; and various other sources.

Special Purpose Welfare Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$49,887,833	$1,134,091	$7,605,353	$2,183,460	$38,964,929	36.2
HB 08-1227	15,578	0	15,578	0	0	0.2
HB 08-1387	(5,950,000)	0	(5,950,000)	0	0	0.0
TOTAL	**$43,953,411**	**$1,134,091**	**$1,670,931**	**$2,183,460**	**$38,964,929**	**36.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$43,953,411	$1,134,091	$1,670,931	$2,183,460	$38,964,929	36.4
Establish EBT fraud detection unit	112,981	54,318	0	0	58,663	2.0
Annualize salary and benefits adjustments	90,322	22,399	11,660	1,138	55,125	0.0
Postage increase	33,608	94	255	0	33,259	0.0
SB 09-259	**$44,190,322**	**$1,210,902**	**$1,682,846**	**$2,184,598**	**$39,111,976**	**38.4**
TOTAL	**$44,190,322**	**$1,210,902**	**$1,682,846**	**$2,184,598**	**$39,111,976**	**38.4**
Increase/(Decrease)	$236,911	$76,811	$11,915	$1,138	$147,047	2.0
Percentage Change	0.5%	6.8%	0.7%	0.1%	0.4%	5.5%

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Establish EBT fraud detection unit: The appropriation includes funding to allow the Department to establish a state-level fraud detection unit for the Electronic Benefits Transfer service and thereby correct a deficiency identified by a federal audit.

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

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

Child Support Enforcement

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

Child Support Enforcement						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$13,530,773	$4,455,494	$426,499	$0	$8,648,780	64.4
SB 09-189	(112,884)	(38,381)	0	0	(74,503)	0.0
TOTAL	**$13,417,889**	**$4,417,113**	**$426,499**	**$0**	**$8,574,277**	**64.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$13,417,889	$4,417,113	$426,499	$0	$8,574,277	64.4
Annualize salary and benefits adjustments	222,013	75,485	0	0	146,528	0.0
Annualize FY 2008-09 hiring freeze	112,884	38,381	0	0	74,503	0.0
Postage increase	21,903	7,447	0	0	14,456	0.0
Personal services base reduction	(46,545)	(15,254)	(1,681)	0	(29,610)	0.0
SB 09-259	**$13,728,144**	**$4,523,172**	**$424,818**	**$0**	**$8,780,154**	**64.4**
TOTAL	**$13,728,144**	**$4,523,172**	**$424,818**	**$0**	**$8,780,154**	**64.4**
Increase/(Decrease)	$310,255	$106,059	($1,681)	$0	$205,877	0.0
Percentage Change	2.3%	2.4%	(0.4)%	n/a	2.4%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-189 reflect reductions associated with the hiring freeze.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Disability Determination Services

This subsection of the Office of Self Sufficiency provides the federal Social Security Administration with medical disability decisions for Colorado residents applying for Social Security Disability Insurance and Supplemental Security Income programs. Federal funding for this program is from the Social Security Administration.

Disability Determination Services						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$17,208,434	$0	$0	$0	$17,208,434	140.5
TOTAL	**$17,208,434**	**$0**	**$0**	**$0**	**$17,208,434**	**140.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$17,208,434	$0	$0	$0	$17,208,434	140.5
Annualize salary and benefits adjustments	445,531	0	0	0	445,531	0.0
Postage increase	722	0	0	0	722	0.0
SB 09-259	**$17,654,687**	**$0**	**$0**	**$0**	**$17,654,687**	**140.5**
TOTAL	**$17,654,687**	**$0**	**$0**	**$0**	**$17,654,687**	**140.5**
Increase/(Decrease)	$446,253	$0	$0	$0	$446,253	0.0
Percentage Change	2.6%	n/a	n/a	n/a	2.6%	0.0%

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Mental Health and Alcohol and Drug Abuse Services

This section includes the Supportive Housing and Homeless Program, non-Medicaid community mental health services, the mental health institutes, and the Alcohol and Drug Abuse Division. Additional detail on funding changes is reflected in subsection tables and narratives below.

Mental Health and Alcohol and Drug Abuse Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$226,246,385	$135,695,218	$19,082,147	$13,716,389	$57,752,631	1,396.4
HB 08-1314	143,818	0	0	143,818	0	0.1
SB 09-189	(645,313)	(579,171)	1,152,934	(1,219,076)	0	(0.6)
SB 09-259	1,522,643	4,728,690	(2,749,236)	(456,811)	0	0.0
TOTAL	**$227,267,533**	**$139,844,737**	**$17,485,845**	**$12,184,320**	**$57,752,631**	**1,395.9**
FY 2009-10 Appropriation:						
SB 09-259	$226,783,041	$138,269,960	$18,457,620	$12,266,454	$57,789,007	1,380.2
SB 09-269	(80,379)	0	(80,379)	0	0	0.0
TOTAL	**$226,702,662**	**$138,269,960**	**$18,377,241**	**$12,266,454**	**$57,789,007**	**1,380.2**
Increase/(Decrease)	($564,871)	($1,574,777)	$891,396	$82,134	$36,376	(15.7)
Percentage Change	(0.2)%	(1.1)%	5.1%	0.7%	0.1%	(1.1)%

Administration

The Administration division contains appropriations for the central administration of behavioral health programs for adults and children. It also includes funds for federal housing programs for low-income and indigent persons who require specialized care. During FY 2009-10, the Department will administer an estimated 3,464 Section 8 federal rental subsidies and 460 Shelter Plus Care subsidies (housing and support services) through 58 local service providers across the state. The cash funds in this section are from the State's tobacco settlement moneys and patient revenues collected by the mental health institutes. The reappropriated funds are Medicaid dollars transferred from the Department of Health Care Policy and Financing. The primary source of the federal funds is the U.S. Department of Housing and Urban Development.

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$24,918,143	$927,718	$306,885	$325,199	$23,358,341	55.8
SB 09-189	(75,759)	(16,254)	(59,505)	0	0	(0.6)
TOTAL	**$24,842,384**	**$911,464**	**$247,380**	**$325,199**	**$23,358,341**	**55.2**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$24,842,384	$911,464	$247,380	$325,199	$23,358,341	55.2
Annualize salary and benefit adjustments	164,530	68,734	0	23,774	72,022	0.0
Annualize one-time adjustments	16,254	16,254	0	0	0	0.2
Postage increase	2,660	929	0	0	1,731	0.0
Personal services base reduction	(35,284)	(17,618)	(4,391)	0	(13,275)	0.0
SB 09-259	**$24,990,544**	**$979,763**	**$242,989**	**$348,973**	**$23,418,819**	**55.4**
TOTAL	**$24,990,544**	**$979,763**	**$242,989**	**$348,973**	**$23,418,819**	**55.4**
Increase/(Decrease)	$148,160	$68,299	($4,391)	$23,774	$60,478	0.2
Percentage Change	0.6%	7.5%	(1.8)%	7.3%	0.3%	0.4%

FY 2008-09 Appropriation Adjustments

Supplemental adjustments included in S.B. 09-189 reduced the appropriation due to technical corrections and available cash fund sources.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Annualize one-time adjustments: The appropriation restores funds and FTE that were reduced for FY 2008-09.

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Mental Health Community Programs

This subsection funds mental health services for the indigent population, which is defined as those who live under 300 percent of the federal poverty level and do not receive care from any other system (i.e. non-Medicaid eligible). These services are delivered primarily by community mental health centers and serve approximately 13,667 indigent mentally ill clients per year. The average annual cost per client is approximately $3,133. Cash fund amounts include tobacco settlement moneys and local funds. The reappropriated funds are primarily

Medicaid funds that are transferred from the Department of Health Care Policy and Financing. The majority of the federal funds are from the Mental Health Services Block Grant.

Mental Health Community Programs	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$53,340,510	$41,371,815	$5,453,992	$281,134	$6,233,569	0.0
SB 09-189	(260,282)	(253,645)	(6,637)	0	0	0.0
TOTAL	**$53,080,228**	**$41,118,170**	**$5,447,355**	**$281,134**	**$6,233,569**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$53,080,228	$41,118,170	$5,447,355	$281,134	$6,233,569	0.0
Increase in tobacco litigation settlement revenue	91,151	0	91,151	0	0	0.0
Reflect local fund match for Family Advocacy Demonstration sites	39,231	0	39,231	0	0	0.0
Eliminate forensic community-based flexible funds	(10,000)	(10,000)	0	0	0	0.0
SB 09-259	**$53,200,610**	**$41,108,170**	**$5,577,737**	**$281,134**	**$6,233,569**	**0.0**
SB 09-269	(64,303)	0	(64,303)	0	0	0.0
TOTAL	**$53,136,307**	**$41,108,170**	**$5,513,434**	**$281,134**	**$6,233,569**	**0.0**
Increase/(Decrease)	$56,079	($10,000)	$66,079	$0	$0	0.0
Percentage Change	0.1%	0.0%	1.2%	0.0%	0.0%	n/a

FY 2008-09 Appropriation Adjustments

Supplemental adjustments in S.B. 09-189 included reductions of $137,935 General Fund for the Residential Treatment for Youth Program and $90,000 General Fund for the Forensic Community-based Services Fund, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Reflect local fund match for Family Advocacy Demonstration sites: The appropriation includes the matching local fund portion of the Family Advocacy Demonstration Sites program in the Long Bill. The 20 percent local fund match is statutorily required, and the funds are reflected for informational purposes only. This appropriation does not impact the State's portion of the appropriation.

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" sections at the end of this department and the Department of Public Health.

Mental Health Institutes

The Department of Human Services administers the State's two mental health hospitals: the Colorado Mental Health Institute at Fort Logan, located in Denver, and the Colorado Mental Health Institute at Pueblo. The Fort Logan institute serves children ages five and older, as well as adults. The Pueblo institute is comprised of a civil unit, which treats adolescents and adults, and the Institute for Forensic Psychiatry (IFP), which treats people that the court system determines to be either incompetent to proceed (ITP) or not guilty by reason of insanity (NGRI). Cash fund revenue sources include patient fees, Medicare payments, and payments from school districts for residential treatment center services. Reappropriated funds are primarily comprised of payments received from other state agencies, including the Department of Health Care Policy and Financing and the Department of Corrections. During FY 2009-10, the Department anticipates that the Institutes will serve approximately 2,587 patients and the average annual cost per bed will be $200,425.

The Pueblo Institute's General Hospital unit will close its inpatient medical-surgical unit in November 2009, which will eliminate 20 beds. The General Hospital's outpatient component will remain open. After the General Hospital's closure, the Institutes will have a combined total of 611 beds.

Mental Health Institutes						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$98,927,812	$78,275,227	$10,741,590	$9,910,995	$0	1,310.6
SB 09-189	(289,147)	(289,147)	0	0	0	0.0
SB 09-259	925,293	4,728,690	(2,749,236)	(1,054,161)	0	0.0
TOTAL	**$99,563,958**	**$82,714,770**	**$7,992,354**	**$8,856,834**	**$0**	**1,310.6**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$99,563,958	$82,714,770	$7,992,354	$8,856,834	$0	1,310.6
Annualize salary and benefits adjustments	3,268,937	3,268,937	0	0	0	0.0
Annualize opening new High Security Forensic Institute	871,632	871,632	0	0	0	17.6
Annualize FY 2008-09 hiring freeze	243,252	243,252	0	0	0	0.0
Annualize nurse compression pay	89,672	89,672	0	0	0	0.0
Capital outlay	66,150	66,150	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Postage increase	3,064	3,064	0	0	0	0.0
Close CMHIP's General Hospital	(2,992,082)	(1,854,874)	(145,251)	(991,957)	0	(34.2)
Personal services base reduction	(1,625,341)	(1,625,341)	0	0	0	0.0
Annualize prior year funding	(1,044,319)	(1,044,319)	0	0	0	0.0
Revenue adjustment	(377,148)	(1,649,452)	649,128	623,176	0	0.0
SB 09-259	**$98,067,775**	**$81,083,491**	**$8,496,231**	**$8,488,053**	**$0**	**1,294.0**
TOTAL	**$98,067,775**	**$81,083,491**	**$8,496,231**	**$8,488,053**	**$0**	**1,294.0**
Increase/(Decrease)	($1,496,183)	($1,631,279)	$503,877	($368,781)	$0	(16.6)
Percentage Change	(1.5)%	(2.0)%	6.3%	(4.2)%	n/a	(1.3)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-189 and S.B. 09-259 increased the appropriation for the mental health institutes by a total of $636,146. The changes primarily reflect an additional $1.0 million General Fund for the institutes to reimburse the federal government for Medicare overpayments, as well as savings related to the hiring freeze. The supplemental appropriations also increase the General Fund portion of the appropriation to backfill the institutes for lower-than-anticipated revenue from other sources.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

Revenue adjustment: The appropriation adjusts fund sources to reflect the anticipated amounts of third-party revenue (cash funds and reappropriated funds) that the mental health institutes expect to receive for FY 2009-10 versus FY 2008-09.

Alcohol and Drug Abuse Division

This division contains appropriations for alcohol and drug abuse prevention, intervention, and treatment services. Treatment, prevention, and detoxification services are provided primarily through six managed care service organizations, each of which is responsible for managing the provision of services to residents of a specific geographic area. During FY 2008-09, the division provided 27,495 treatment episodes and over 14,000 detoxification episodes. Cash fund sources include the Drug Offender Surcharge Fund, the Law Enforcement Assistance Fund, and the Persistent Drunk Driver Cash Fund. The Substance Abuse Prevention and Treatment Block Grant is the primary source of federal funds.

Alcohol and Drug Abuse Division

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$49,059,920	$15,120,458	$2,579,680	$3,199,061	$28,160,721	30.0
HB 08-1314	143,818	0	0	143,818	0	0.1
HB 09-189	(20,125)	(20,125)	1,219,076	(1,219,076)	0	0.0
SB 09-259	597,350	0	0	597,350	0	0.0
TOTAL	**$49,780,963**	**$15,100,333**	**$3,798,756**	**$2,721,153**	**$28,160,721**	**30.1**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$49,780,963	$15,100,333	$3,798,756	$2,721,153	$28,160,721	30.1
High Risk Pregnant Women program	428,897	0	0	428,897	0	0.0
Outpatient substance use treatment	250,000	0	250,000	0	0	0.0
Annualize salary and benefits adjustments	114,143	114,143	0	0	0	0.0
Persistent Drunk Driver program data collection	71,706	0	71,706	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase in projected tobacco litigation settlement dollars for treatment	22,387	0	22,387	0	0	0.0
Annualize prior year legislation	7,266	0	0	7,266	0	0.0
Postage increase	1,385	0	0	0	1,385	0.0
FTE for contracts management	0	0	0	0	0	0.7
Provider performance monitoring system	(110,661)	(110,661)	0	0	0	0.0
Personal services base reduction	(41,974)	(5,279)	(2,186)	(9,022)	(25,487)	0.0
SB 09-259	**$50,524,112**	**$15,098,536**	**$4,140,663**	**$3,148,294**	**$28,136,619**	**30.8**
SB 09-269	(16,076)	0	(16,076)	0	0	0.0
TOTAL	**$50,508,036**	**$15,098,536**	**$4,124,587**	**$3,148,294**	**$28,136,619**	**30.8**
Increase/(Decrease)	$727,073	($1,797)	$325,831	$427,141	($24,102)	0.7
Percentage Change	1.5%	0.0%	8.6%	15.7%	(0.1)%	2.3%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-189 recategorized fund sources to more accurately reflect the types of funds appropriated, among other adjustments. Supplemental appropriations included in S.B. 09-259 increased the appropriation for the High Risk Pregnant Women program by $597,350 reappropriated funds.

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

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

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

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

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

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

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department and the Department of Public Health and Environment.

Services for People with Disabilities

This section includes all funding for: (1) Community Services for People with Developmental Disabilities; (2) Regional Centers for People with Developmental Disabilities; (3) the Work Therapy Program; (4) the Division of Vocational Rehabilitation; and (5) Homelake Domiciliary and the State and Veterans Nursing Homes. Funding changes to these areas are described in the relevant subsections below.

Services for People with Disabilities

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriations						
HB 08-1375	$541,200,801	$39,048,135	$86,040,766	$357,499,739	$58,612,161	1,929.1
SB 08-002	34,264	0	0	34,264	0	0.5
SB 08-004	34,293	34,293	0	0	0	0.5
HB 08-1031	500,000	500,000	0	0	0	0.0
HB 08-1246	33,000	0	33,000	0	0	0.0
SB 09-189	(28,840,007)	(124,373)	(8,898,225)	(12,368,416)	(7,448,993)	(6.7)
SB 09-206	(500,000)	(500,000)	0	0	0	0.0
SB 09-259	3,787,340	(1,112,848)	0	4,900,188	0	0.0
TOTAL	**$516,249,691**	**$37,845,207**	**$77,175,541**	**$350,065,775**	**$51,163,168**	**1,923.4**
FY 2009-10 Appropriations						
SB 09-259	$556,516,464	$38,833,081	$82,125,350	$372,611,584	$62,946,449	1,962.4
SB 09-133	730,525	0	730,525	0	0	0.0
HB 09-1237	3,561,000	0	3,561,000	0	0	1.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$560,807,989**	**$38,833,081**	**$86,416,875**	**$372,611,584**	**$62,946,449**	**1,963.4**
Increase/(Decrease)	$44,558,298	$987,874	$9,241,334	$22,545,809	$11,783,281	40.0
Percentage Change	8.6%	2.6%	12.0%	6.4%	23.0%	2.1%

Community Services for People with Developmental Disabilities

This subsection includes all funding associated with community-based services available to adults and children with developmental disabilities. Twenty Community Centered Boards (CCBs) located throughout the state provide case management and much of the direct services for about 12,000 Coloradans with developmental disabilities. This includes "comprehensive" (24-hour residential care), and supported living services (day-time care and employment support) for adults with developmental disabilities, early intervention services for infants and toddlers, children's extensive support services for children with intensive in-home supervision needs, and family support services (flexible assistance to families caring for a child with a developmental disability). The majority of funding supports adult residential care. Most reappropriated funds are Medicaid funds transferred from the Department of Health Care Policy and Financing, where these funds originate as General Fund and federal funds. Client cash funds are also reflected. Of the total funding for FY 2009-10, $189.8 million is state General Fund that is either directly appropriated in this section or initially appropriated to the Department of Health Care Policy and Financing and transferred to this section.

Community Services for People with Developmental Disabilities

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$384,869,120	$31,856,059	$40,043,574	$306,136,985	$6,832,502	38.8
SB 08-002	34,264	0	0	34,264	0	0.5
HB 08-1031	500,000	500,000	0	0	0	0.0
HB 08-1246	33,000	0	33,000	0	0	0.0
SB 09-189	(21,030,041)	0	(8,886,648)	(12,143,393)	0	0.0
SB 09-206	(500,000)	(500,000)	0	0	0	0.0
SB 09-259	(4,339,881)	(4,339,881)	0	0	0	0.0
TOTAL	**$359,566,462**	**$27,516,178**	**$31,189,926**	**$294,027,856**	**$6,832,502**	**39.3**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$359,566,462	$27,516,178	$31,189,926	$294,027,856	$6,832,502	39.3
Annualize supplemental adjustments	15,490,423	4,339,881	792,794	10,357,748	0	0.0
Annualize new placements added for six months in FY 2008-09	13,699,489	0	1,040,890	12,658,599	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Reflect additional federal funding for early intervention services	3,577,996	0	0	0	3,577,996	0.0
New adult residential and supported living placements for six months	2,581,957	0	208,250	2,373,707	0	0.0
Annualize salary and benefits adjustments	133,181	13,531	0	119,650	0	0.0
Annualize FY 2008-09 hiring freeze	117,283			117,283		
Annualize prior year funding	50,430	0	(33,000)	83,430	0	1.2
Eliminate Federally-matched Local Program Costs line item	(2,000,000)	0	0	(2,000,000)	0	0.0
Personal services base reduction	(53,132)	(5,219)	0	(47,913)	0	0.0
Other	(167,463)	0	0	(167,463)	0	0.0
SB 09-259	**$392,996,626**	**$31,864,371**	**$33,198,860**	**$317,522,897**	**$10,410,498**	**40.5**
HB 09-1237	3,561,000	0	3,561,000	0	0	1.0
TOTAL	**$396,557,626**	**$31,864,371**	**$36,759,860**	**$317,522,897**	**$10,410,498**	**41.5**
Increase/(Decrease)	$36,991,164	$4,348,193	$5,569,934	$23,495,041	$3,577,996	2.2
Percentage Change	10.3%	15.8%	17.9%	8.0%	52.4%	5.6%

FY 2008-09 Appropriation Adjustments

Supplemental adjustments included in S.B. 09-189 included, among other changes:

- reductions totaling $12.0 million Medicaid reappropriated funds for developmental disability program costs. These reductions were based on projected program expenditures for FY 2008-09, as well as the availability of Medicaid funds rolled-forward from prior years that backfilled FY 2008-09 funding needs. These reductions were associated with $6.0 million in General Fund savings in the Department of Health Care Policy and Financing.
- technical reductions to eliminate $8.9 million local cash funds appropriations, consistent with the provisions in H.B. 08-1220.
- a reduction of $117,000 Medicaid reappropriated funds associated with the FY 2008-09 hiring freeze.

Supplemental adjustments included in S.B. 09-259 included:

- a one-time reduction of $4.3 million General Fund for developmental disability program costs (family support services) that was entirely backfilled with funds rolled forward from prior years. The roll-forward funds were originally intended to assist in the transition to a new Medicaid program rate structure ("hold harmless" funds), but the full amount available was not needed for that purpose.

For information on S.B. 09-206, see the "Recent Legislation" section at the end of this department.

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

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

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

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

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

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Regional Centers for People with Developmental Disabilities

This subsection contains appropriations for three regional centers operated by the Department for persons with developmental disabilities. Persons served by the regional centers at Wheat Ridge (Denver metro), Grand Junction, and Pueblo usually have multiple disabling conditions that may include maladaptive behaviors or severe, chronic medical conditions that require specialized and intensive levels of services. 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. The regional centers expect to serve 329 residential placements, including on-campus and state-operated group home placements, in FY 2009-10. The average annual cost per placement, including costs that are charged to other parts of the department and depreciation, is projected to be $211,269.

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

Regional Centers for People with Developmental Disabilities

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$49,224,333	$395,127	$2,691,276	$46,137,930	$0	956.2
SB 09-259	8,127,221	3,227,033	0	4,900,188	0	0.0
TOTAL	**$57,351,554**	**$3,622,160**	**$2,691,276**	**$51,038,118**	**$0**	**956.2**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$57,351,554	$3,622,160	$2,691,276	$51,038,118	$0	956.2
Annualize salary and benefits adjustments	1,980,506	3,549	0	1,976,957	0	0.0
Annualize FY 2008-09 staffing increase and licensure change	1,294,388	(310,667)	0	1,605,055	0	30.4
ICF/MR provider fee adjustment	1,113,380	0	0	1,113,380	0	0.0
Staffing increase	323,491	0	0	323,491	0	9.2
Capital outlay and operating increases	165,246	0	0	165,246	0	0.0
Annualize Long Bill supplemental	(8,127,221)	(3,227,033)	0	(4,900,188)	0	0.0
Personal services base reduction	(863,840)	0	0	(863,840)	0	0.0
Penalty for late supplemental	(415,000)	0	0	(415,000)	0	0.0
Client cash adjustment	(266,940)	0	(400,840)	133,900	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Leased space reduction	(127,389)	0	0	(127,389)	0	0.0
SB 09-259	**$52,428,175**	**$88,009**	**$2,290,436**	**$50,049,730**	**$0**	**995.8**
TOTAL	**$52,428,175**	**$88,009**	**$2,290,436**	**$50,049,730**	**$0**	**995.8**
Increase/(Decrease)	($4,923,379)	($3,534,151)	($400,840)	($988,388)	$0	39.6
Percentage Change	(8.6)%	(97.6)%	(14.9)%	(1.9)%	n/a	4.1%

FY 2008-09 Appropriation Adjustments

Senate Bill 09-259 included a supplemental adjustment for prior year accounting errors and federal disallowances. The one-time increase of $8.1 million included $3.2 million General Fund appropriated in the Department of Human Services and $1.2 million General Fund appropriated in the Department of Health Care Policy and Financing and transferred to the Department of Human Services as reappropriated funds, among other adjustments.

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

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

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

Staffing increase: The appropriation adds 9.2 FTE (annualizing to 10.0 FTE in FY 2010-11) to further improve regional center staff-to-client ratios.

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

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

Leased space reduction: The appropriation reduces funding for leased group homes that are not needed, based on planned reductions to the numbers of persons served at the regional centers.

Work Therapy Program

This subsection 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.

Work Therapy Program

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$464,589	$0	$464,589	$0	$0	1.5
TOTAL	**$464,589**	**$0**	**$464,589**	**$0**	**$0**	**1.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$464,589	$0	$464,589	$0	$0	1.5
Annualize salary and benefits adjustments	2,527	0	2,527	0	0	0.0
SB 09-259	**$467,116**	**$0**	**$467,116**	**$0**	**$0**	**1.5**
TOTAL	**$467,116**	**$0**	**$467,116**	**$0**	**$0**	**1.5**
Increase/(Decrease)	$2,527	$0	$2,527	$0	$0	0.0
Percentage Change	0.5%	n/a	0.5%	n/a	n/a	0.0%

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

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

Division of Vocational Rehabilitation

This subsection of Services for People with Disabilities contains appropriations to assist persons with physical and mental disabilities in overcoming barriers to employment. Vocational counseling services will be provided statewide in FY 2009-10 at 25 offices and 11 satellite sites. 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, reappropriated funds (primarily transferred from the Department of Education), and various sources of cash funds. In FY 2009-10, 2,406 clients are projected to be successfully rehabilitated as a result of Division programs.

Division of Vocational Rehabilitation						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$55,939,057	$5,615,192	$4,214,210	$5,224,824	$40,884,831	259.2
SB 08-004	34,293	34,293	0	0	0	0.5
SB 09-189	(7,809,966)	(124,373)	(11,577)	(225,023)	(7,448,993)	(6.7)
TOTAL	**$48,163,384**	**$5,525,112**	**$4,202,633**	**$4,999,801**	**$33,435,838**	**253.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$48,163,384	$5,525,112	$4,202,633	$4,999,801	$33,435,838	253.0
Annualize one-time reduction	6,300,000	0	0	0	6,300,000	0.0
Reflect federal stimulus funds anticipated to be received	4,023,768	0	0	0	4,023,768	0.0
Annualize salary and benefits adjustments	774,749	144,778	16,152	12,302	601,517	0.0
Annualize FY 2008-09 hiring freeze	712,496	124,373	11,577	15,812	560,734	0.0
Traumatic Brain Injury Trust Fund	500,000	0	500,000	0	0	0.0
Postage increase	6,978	1,343	8	135	5,492	0.0
Annualize fund source adjustment	0	1,000,000	(1,000,000)	0	0	0.0
Reduce vocational rehabilitation funds based on ongoing federal grant	(4,977,684)	(1,060,247)	0	0	(3,917,437)	0.0
Personal services base reduction	(248,766)	(52,997)	0	0	(195,769)	0.0
Reduce independent living funds based on ongoing federal grant	(123,198)	0	(15,281)	0	(107,917)	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year staffing adjustments	(116,948)	16,582	0	10,907	(144,437)	(1.8)
SB 09-259	**$55,014,779**	**$5,698,944**	**$3,715,089**	**$5,038,957**	**$40,561,789**	**251.2**
SB 09-133	730,525	0	730,525	0	0	0.0
TOTAL	**$55,745,304**	**$5,698,944**	**$4,445,614**	**$5,038,957**	**$40,561,789**	**251.2**
Increase/(Decrease)	$7,581,920	$173,832	$242,981	$39,156	$7,125,951	(1.8)
Percentage Change	15.7%	3.1%	5.8%	0.8%	21.3%	(0.7)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-189 included a reduction of $6.3 million to reflect federal funds not anticipated to be received, a reduction of $797,470 and 6.7 FTE for a program transferred to the Department of Labor, and a reduction of $712,496, including $124,373 General Fund, for the FY 2008-09 hiring freeze.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

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

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

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

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

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Homelake Domiciliary and State and Veterans Nursing Homes

This subsection of Services for People with Disabilities reflects funding for: (1) a 46-bed group living facility which serves residents who do not require continuous nursing or medical care but who may need assistance with meals, housekeeping, personal care, laundry, and access to a physician; and (2) the six state nursing homes, five of which are classified as veterans nursing homes and are eligible for federal Veterans Administration support. The six nursing homes together are projected to serve 595 persons per day in FY 2009-10. Homelake Domiciliary and the State and Veterans Nursing Homes are enterprises and have statutory authority to spend funds earned; therefore, with the exception of any General Fund appropriations, amounts shown are for informational purposes only. Cash funds amounts reflect resident payments for services; federal funds amounts reflect U.S. Veteran's Administration per diem support.

Homelake Domiciliary and State and Veterans Nursing Homes

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$50,703,702	$1,181,757	$38,627,117	$0	$10,894,828	673.4
TOTAL	**$50,703,702**	**$1,181,757**	**$38,627,117**	**$0**	**$10,894,828**	**673.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$50,703,702	$1,181,757	$38,627,117	$0	$10,894,828	673.4
Nursing home expense projection	4,906,066	0	3,826,732	0	1,079,334	0.0
SB 09-259	**$55,609,768**	**$1,181,757**	**$42,453,849**	**$0**	**$11,974,162**	**673.4**
TOTAL	**$55,609,768**	**$1,181,757**	**$42,453,849**	**$0**	**$11,974,162**	**673.4**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	$4,906,066	$0	$3,826,732	$0	$1,079,334	0.0
Percentage Change	9.7%	0.0%	9.9%	n/a	9.9%	0.0%

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

Adult Assistance Programs

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

Adult Assistance Programs

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$142,114,839	$25,436,149	$101,111,571	$102,017	$15,465,102	28.5
HB 08-1108	3,000,000	0	3,000,000	0	0	0.0
SB 09-189	(28,398)	(4,998)	0	(5,026)	(18,374)	0.0
TOTAL	**$145,086,441**	**$25,431,151**	**$104,111,571**	**$96,991**	**$15,446,728**	**28.5**
FY 2009-10 Appropriation:						
SB 09-259	$159,342,005	$24,449,618	$119,278,160	$107,362	$15,506,865	28.5
TOTAL	**$159,342,005**	**$24,449,618**	**$119,278,160**	**$107,362**	**$15,506,865**	**28.5**
Increase/(Decrease)	$14,255,564	($981,533)	$15,166,589	$10,371	$60,137	0.0
Percentage Change	9.8%	(3.9)%	14.6%	10.7%	0.4%	0.0%

Administration

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

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$565,426	$99,636	$0	$100,217	$365,573	6.0
SB 09-189	(28,398)	(4,998)	0	(5,026)	(18,374)	0.0
TOTAL	**$537,028**	**$94,638**	**$0**	**$95,191**	**$347,199**	**6.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$537,028	$94,638	$0	$95,191	$347,199	6.0
Annualize FY 2008-09 hiring freeze	28,398	4,998	0	5,026	18,374	0.0
Annualize salary and benefits adjustments	28,170	5,280	0	5,307	17,583	0.0
Other	189	38	0	38	113	0.0
SB 09-259	**$593,785**	**$104,954**	**$0**	**$105,562**	**$383,269**	**6.0**
TOTAL	**$593,785**	**$104,954**	**$0**	**$105,562**	**$383,269**	**6.0**
Increase/(Decrease)	$56,757	$10,316	$0	$10,371	$36,070	0.0
Percentage Change	10.6%	10.9%	n/a	10.9%	10.4%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-189 reflect reductions resulting from the hiring freeze.

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

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

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

Old Age Pension Program

This subsection of Adult Assistance Programs, authorized by the State Constitution, provides cash assistance, up to a maximum of $699 per person per month (as of January 2009), to eligible individuals age 60 and older. Revenue for the Old Age Pension Fund is generated through 85 percent of license fees, liquor and excise taxes, and 100 percent of inheritance and incorporation taxes. Revenues that are not utilized for the OAP Program

"spill over" into the General Fund. As the earmarked revenues are continuously appropriated by the State Constitution, the Long Bill simply reflects anticipated program expenditures for informational purposes.

Old Age Pension Program	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$85,944,123	$0	$85,944,123	$0	$0	14.0
TOTAL	**$85,944,123**	**$0**	**$85,944,123**	**$0**	**$0**	**14.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$85,944,123	$0	$85,944,123	$0	$0	14.0
Caseload and average payment increases	12,119,946	0	12,119,946	0	0	0.0
Annualize prior year adjustments	3,000,000	0	3,000,000	0	0	0.0
Annualize salary and benefits adjustments	46,415	0	46,415	0	0	0.0
Other	228	0	228	0	0	0.0
SB 09-259	**$101,110,712**	**$0**	**$101,110,712**	**$0**	**$0**	**14.0**
TOTAL	**$101,110,712**	**$0**	**$101,110,712**	**$0**	**$0**	**14.0**
Increase/(Decrease)	$15,166,589	$0	$15,166,589	$0	$0	0.0
Percentage Change	17.6%	n/a	17.6%	n/a	n/a	0.0%

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Caseload and average payment increases: The appropriation includes an increase for the forecast caseload and average payment. The Old Age Pension cash fund is continuously appropriated by the Constitution, and amounts are shown in the Long Bill for informational purposes only.

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

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

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

Other Grant Programs

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

Other Grant Programs						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$28,974,375	$22,310,442	$6,663,933	$0	$0	0.0
TOTAL	**$28,974,375**	**$22,310,442**	**$6,663,933**	**$0**	**$0**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$28,974,375	$22,310,442	$6,663,933	$0	$0	0.0
No changes	0	0	0	0	0	0.0
SB 09-259	**$28,974,375**	**$22,310,442**	**$6,663,933**	**$0**	**$0**	**0.0**
TOTAL	**$28,974,375**	**$22,310,442**	**$6,663,933**	**$0**	**$0**	**0.0**
Increase/(Decrease)	$0	$0	$0	$0	$0	0.0
Percentage Change	0.0%	0.0%	0.0%	n/a	n/a	n/a

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Community Services for the Elderly

This subsection of Adult Assistance Programs includes appropriations for programs associated with the Older Americans Act, including the Older Coloradans Program established by H.B. 00-1072. These programs are administered by 16 Area Agencies on Aging (AAA) located throughout the State. Services include supportive services, senior centers, nutrition services, in-home services for persons above the eligibility thresholds for Medicaid, and disease prevention and health promotion services. The cash funds sources are the Older Coloradans Cash Fund created by H.B. 00-1072 and local funds. The federal funds source is Older Americans Act grants.

Community Services for the Elderly						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$26,630,915	$3,026,071	$8,503,515	$1,800	$15,099,529	8.5
HB 08-1108	3,000,000	0	3,000,000	0	0	0.0
TOTAL	**$29,630,915**	**$3,026,071**	**$11,503,515**	**$1,800**	**$15,099,529**	**8.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$29,630,915	$3,026,071	$11,503,515	$1,800	$15,099,529	8.5
Annualize salary and benefits adjustments	31,245	7,893	0	0	23,352	0.0
Reduce state funding for senior services	(1,000,000)	(1,000,000)	0	0	0	0.0
Other	973	258	0	0	715	0.0
SB 09-259	**$28,663,133**	**$2,034,222**	**$11,503,515**	**$1,800**	**$15,123,596**	**8.5**
TOTAL	**$28,663,133**	**$2,034,222**	**$11,503,515**	**$1,800**	**$15,123,596**	**8.5**
Increase/(Decrease)	($967,782)	($991,849)	$0	$0	$24,067	0.0
Percentage Change	(3.3)%	(32.8)%	0.0%	0.0%	0.2%	0.0%

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Reduce state funding for senior services: The appropriation includes a $1.0 million reduction in General Fund expenditures for state funding for senior services. This reduction is anticipated to be offset by an increase in federal funding, pursuant to the American Recovery and Reinvestment Act of 2009.

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

Division of Youth Corrections

The Division of Youth Corrections (DYC) is responsible for the supervision, care, and treatment of: (1) detained juveniles awaiting adjudication; (2) juveniles committed or sentenced to the Department of Human Services by courts; and (3) juveniles on parole from a facility operated or contracted for by the Division. The Division is not responsible for juveniles sentenced as adults to the Department of Corrections' Youthful Offender System. In addition to treating incarcerated and paroled juveniles, DYC administers the S.B. 91-094 program that provides alternatives to detention and/or commitment. The Division maintains secure institutional

centers and augments this capacity with contracts for community placements, staff secure placements, and detention placements.

Division of Youth Corrections						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$143,531,783	$137,644,397	$89,548	$4,637,357	$1,160,481	1,009.8
SB 09-189	(9,549,727)	(9,549,727)	0	0	0	0.0
SB 09-259	(623,800)	623,800	0	(1,247,600)	0	0.0
TOTAL	**$133,358,256**	**$128,718,470**	**$89,548**	**$3,389,757**	**$1,160,481**	**1,009.8**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$133,358,256	$128,718,470	$89,548	$3,389,757	$1,160,481	1,009.8
Annualize salary and benefits adjustments	2,557,433	2,536,915	2,757	3,641	14,120	0.0
Annualize FY 2008-09 hiring freeze	399,735	399,735	0	0	0	0.0
Postage increase	1,542	1,542	0	0	0	0.0
Personal services base reduction	(1,054,656)	(1,044,277)	(938)	(4,629)	(4,812)	0.0
Annualize Medicaid adjustment	(648,162)	(623,800)	0	(24,362)	0	0.0
Eliminate expansion of functional family parole	(356,994)	(356,994)	0	0	0	(1.8)
SB 09-259	**$134,257,154**	**$129,631,591**	**$91,367**	**$3,364,407**	**$1,169,789**	**1,008.0**
TOTAL	**$134,257,154**	**$129,631,591**	**$91,367**	**$3,364,407**	**$1,169,789**	**1,008.0**
Increase/(Decrease)	$898,898	$913,121	$1,819	($25,350)	$9,308	(1.8)
Percentage Change	0.7%	0.7%	2.0%	(0.7)%	0.8%	(0.2)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-189 included the following adjustments, among other changes:

- reduced $9,149,992 General Fund to eliminate flexible funding that the Division was previously allowed to apply to a variety of service needs; and
- reduced $399,735 General Fund to reflect savings from the hiring freeze, among other changes.

Supplemental appropriations included in S.B. 09-259 included the following adjustments, among other changes:

- reduced $1,247,600 reappropriated funds to reflect anticipated Medicaid revenue; and
- increased $623,800 General Fund to reflect the matching state funds from the Medicaid reduction.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Annualize Medicaid adjustments: The appropriation reflects a decrease related to annualizing a FY 2008-09 supplemental to reflect available Medicaid funding based on current caseload.

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

Recent Legislation

2008 Session Bills

S.B. 08-002: Specifies that Department of Human Services may purchase services and support for persons with developmental disabilities from a family care giver in the family home if it is determined that this provides services in the least restrictive environment. Requires the Department to promulgate associated rules. Provides the following appropriations for FY 2008-09: $17,132 General Fund and $17,132 federal funds to the Department of Health Care Policy and Financing; and $34,264 reappropriated funds (transferred from the Department of Health Care Policy and Financing) and 0.5 FTE to the Department of Human Services. Also reduces the FY 2008-09 Long Bill appropriation for the Controlled Maintenance Trust Fund by $17,132 General Fund.

S.B. 08-004: Establishes a program to promote the employment of persons with developmental disabilities by the State. Requires the Department of Human Services to establish a work group with the Department of Personnel to study the issue, and requires the work group to make recommendations to both departments by January 1, 2009. If actions can be taken without statutory or constitutional change, requires the departments to promulgate associated rules and implement the program. Specifies that if statutory or constitutional change is required, the program shall not be implemented unless such constitutional or statutory change is enacted. Appropriates $34,293 General Fund and 0.5 FTE to the Department of Human Services for FY 2008-09 and makes an associated reduction of $34,293 General Fund to the FY 2008-09 Long Bill appropriation to the Controlled Maintenance Trust Fund.

S.B. 08-006: Suspends Medicaid benefits for certain classes of persons, such as those who are in the custody of the Department of Corrections. Makes an appropriation of $158,392 to the Department of Human Services for changes to the Colorado Benefits Management System to reflect the modified eligibility determination rules. Of that sum, $42,546 is from the General Fund, $21,754 is from the Old Age Pension Fund, $94,092 is reappropriated funds from the Department of Health Care Policy and Financing, and $112,688 is anticipated to be from various sources of federal funds. (These appropriations were subsequently modified by S.B. 09-189.) For further information, see the "Recent Legislation" section for the Department of Health Care Policy and Financing.

S.B. 08-007: Creates the Inmate Assistance Demonstration Grant Program to provide grants to counties for the purpose of helping inmates in county jails to access health care, housing, and employment benefits. Connects inmates with appropriate public benefits, including mental health treatment. Appropriates $279,000 General Fund to the Department of Human Services and a total of $2,000 ($1,000 General Fund and $1,000 federal funds) to the Department of Health Care Policy and Financing for the implementation of the act.

S.B. 08-099: Expands Medicaid eligibility to young adults, under age 21, for whom the State made subsidized adoption or foster care payments immediately prior to the client turning age 18. For more information on this bill, please see the "Recent Legislation" section at the end of the Department of Health Care Policy and Financing.

S.B. 08-155: Consolidates the responsibility for information technology (IT) oversight of most of the state's executive branch in the Governor's Office of Information Technology (OIT) by transferring several IT functions and staff positions from various state agencies to OIT. The bill transfers 6.0 FTE from the Department of Human Services to OIT in FY 2008-09. For more information on this bill, please see the "Recent Legislation" section at the end of the Governor's Office.

S.B. 08-160: Expands eligibility for the Children's Basic Health Plan. Appropriates $91,806 to the Department of Human Services for CBMS changes necessary to implement the new eligibility rules. Of that amount, $21,776 is cash funds, $31,866 is reappropriated funds transferred from the Department of Health Care Policy and Financing, and $38,164 is anticipated federal funds. For additional information, see the "Recent Legislation" section for the Department of Health Care Policy and Financing.

S.B. 08-161: Requires the Department of Health Care Policy and Financing to verify applicant income for eligibility determination for Medicaid and the Children's Basic Health Plan through records at the Department of Labor and Employment. Appropriates $16,000 to the Department of Human Services for CBMS changes necessary to support this. Of that amount, $3,791 is cash funds, $5,554 is reappropriated funds transferred from the Department of Health Care Policy and Financing, and $6,655 is anticipated federal funds. For additional information, see the "Recent Legislation" section for the Department of Health Care Policy and Financing.

S.B. 08-177: Makes substantial changes to the Colorado Works program, Colorado's implementation of the federal Temporary Assistance for Needy Families (TANF) program. Restricts the counties' accumulation of reserves from their Colorado Works block grants. Creates the Colorado Works Statewide Strategic Use Fund for specific initiatives and other purposes. Creates the Strategic Allocation Committee to advise the executive director regarding the allocation of moneys from that fund. Requires the state department to provide additional training for service providers. For FY 2008-09, makes the following appropriations from federal TANF block grant funds: $3.0 million for the Colorado Works Program Maintenance Fund; $10.0 million for the Colorado Works Strategic Use Fund; $65,071 and 1.0 FTE for increased supervision of the counties; $140,000 for training; and $168,400 for CBMS changes related to the federal reauthorization of the TANF program.

S.B. 08-216: Limits the county share to 10 percent of the cost of placement for children in residential child health care facilities for FY 2008-09 and FY 2009-10. After FY 2009-10, the county share will revert to 20 percent. As a result of this limitation, it is estimated that county contributions to residential child health care programs will decrease by $8,001,927 for FY 2008-09. Reduces the Long Bill appropriation to the Department of Human Services, Child Welfare Division, by $8,001,927 cash funds representing the local share, and offsets this with a corresponding increase in the General Fund appropriation of $8,001,927.

H.B. 08-1005: Modifies the Performance-based Collaborative Management Incentives Program, which is designed to promote local collaboration between county social services agencies, community mental health centers, and other entities to coordinate services for children and families. Adds the Division of Youth Corrections and alcohol and drug abuse managed service organizations to the list of agencies that must participate if a county opts to participate in the program. Specifies that General Fund savings associated with the program, that are to be retained by participating counties, shall be determined based on rules established by the State Board of Human Services. Authorizes the Department of Human Services to use moneys in the Collaborative Management Incentives Cash Fund for external evaluation of the program, and requires local entities that are participating in the program to participate in the evaluation. Also requires the Department to implement training related to the program, using funds in the Collaborative Management Incentives Cash Fund. Appropriates $376,950 cash funds from the Collaborative Management Incentives Cash Fund to the Department of Human Services for FY 2008-09.

H.B. 08-1031: Creates a pilot program for developmental disability waiting list navigators. The pilot program is to be established in one or more community centered board regions to assist individuals waiting for state-funded developmental disability services and their families. Identifies the role of the navigator in helping families to understand the waiting list process and access alternative resources while they are waiting for state-funded services; navigators will also be involved in associated surveys and outreach. Requires the Department to submit a report on the pilot program by November 1, 2009 to the Joint Budget Committee and the House and Senate Health and Human Services Committees. Appropriates $500,000 General Fund to the Department of Human Services for FY 2008-09 and makes this appropriation available until June 30, 2010. Makes an associated reduction of $500,000 General Fund to the FY 2008-09 Long Bill appropriation to the Controlled Maintenance Trust Fund.

H.B. 08-1046: For juveniles in a juvenile commitment facility and certain individuals committed to a Department of Human Services facility, requires appropriate personnel in each facility to provide assistance in applying for Medicaid, Children's Basic Health Plan benefits, Supplemental Security Income, or Social Security Disability Insurance at least 120 days prior to release from commitment, or as soon as practicable for those juveniles committed for less than 120 days. Appropriates $11,941 General Fund, $6,106 cash funds, $26,408 reappropriated funds (transferred from the Department of Health Care Policy and Financing), and $31,626 federal funds to the Department of Human Services in FY 2008-09. Appropriates $13,371 General Fund, $1,580 cash funds, and $13,457 federal funds to the Department of Health Care Policy and Financing in FY 2008-09.

H.B. 08-1047: Creates a set-aside program for non-profit agencies that bid for state services solicitations if these agencies employ individuals with severe disabilities. Establishes a process by which non-profits may become self-certified vendors, based on certification that 75 percent of those employed will have severe disabilities and at least 20 percent will have developmental disabilities. Requires the Department of Human Services, in collaboration with the Department of Personnel, to identify specific services for which self-certified vendors may bid, and requires state agencies to first solicit bids from self-certified vendors for services on this list. Specifies that contracts may be awarded to self-certified vendors at a fair and reasonable price of up to 15

percent above market rate, subject to available appropriations. Appropriates $23,800 General Fund to the Department of Human Services for FY 2008-09 and makes an associated reduction of $23,800 General Fund to the FY 2008-09 Long Bill appropriation to the Controlled Maintenance Trust Fund.

H.B. 08-1108: Increases the transfer of receipts from the state sales and use taxes to the Older Coloradans Cash Fund by $3.0 million per year, from $5.0 million to $8.0 million annually. Increases the appropriation from the Older Coloradans Cash Fund to the State Funding for Senior Services line item by $3.0 million for FY 2008-09. The additional appropriation will support increased funding for the 16 local Area Agencies on Aging, which will in turn increase in expenditures for services such as home-delivered meals, transportation services, and personal care services.

H.B. 08-1156: Eliminates reference to the Division of Juvenile Parole in the Department of Human Services and authorizes the Division of Youth Corrections (DYC) to manage all juvenile parole services. Requires the DYC to use objective risk assessment in identifying appropriate treatment services for a juvenile during his commitment and parole period. Clarifies the Juvenile Parole Board's authority to discharge a juvenile from parole. Clarifies that the DYC shall not retain jurisdiction over a juvenile who turns 21, and that the sentence to commitment and parole period is discharged when a juvenile turns 21. Appropriates $55,997 cash funds and 0.8 FTE to the Juvenile Parole Board within Executive Director's Office of the Department of Human Services in FY 2008-09.

H.B. 08-1220: Modifies Department of Human Services statutes concerning services for individuals with developmental disabilities to ensure that these are consistent with federal Medicaid waiver requirements. Among other changes, codifies a program that enables counties to use local funds to match federal Medicaid funds for services to individuals with developmental disabilities.

H.B. 08-1227: Continues the Public Utilities Commission (PUC) until 2019 and makes various adjustments in regulated utility programs. Appropriates $15,578 cash funds and 0.2 FTE to the Department of Human Services, Office of Self Sufficiency, to harmonize eligibility for the Low-Income Telephone Assistance Programs at 185 percent of the federal poverty level. For additional information, see the "Recent Legislation" section for the Department of Regulatory Affairs.

H.B. 08-1246: Creates a registry of care givers with a substantiated allegation of abuse against persons with developmental disabilities in the Department of Human Services. Creates a work group in the Department to develop a plan for implementing such a registry. Requires a report on these efforts to the Health and Human Services Committees of the House and Senate by January 30, 2009. Authorizes the Department of Human Services to accept gifts, grants, and donations of public and private funds for purposes of studying and implementing the registry, with funds deposited to the Care Giver Abuse Registry Cash Fund created by the bill. Appropriates $33,000 cash funds from the Care Giver Abuse Registry Cash Fund to the Department of Human Services for FY 2008-09. Specifies that the provisions of the bill are not required to be implemented until $33,000 has been received.

H.B. 08-1250: Restructures funding of the County Administration group of line items. Replaces the County Contingency Fund with a new County Tax Base Relief Fund. Replaces the formulas used to determine the amount of assistance for which counties with high social services costs relative to their property tax base will be eligible. The $11.2 million General Fund appropriation made in the Long Bill for County Contingency is eliminated, and the moneys are distributed as follows: $6.2 million to the new County Tax Base Relief Fund, $4.0 million to the County Administration line in the Department of Human Services, and $1.0 million to the County Administration line in the Department of Health Care Policy and Financing. The reallocation of $5.0

million to the County Administration line items is anticipated to allow the counties to draw down an additional $6.3 million in federal funds. (These appropriations were modified in S.B. 09-189.)

H.B. 08-1268: Authorizes the Department of Human Services to rent surplus facilities on its campuses. Rental income is deposited to the Buildings and Grounds Cash Fund created by the bill and is subject to annual appropriation to operate, repair, and remodel the rental facilities. Appropriates $81,024 cash funds from the Buildings and Grounds Cash Fund and 1.0 FTE to the Department for FY 2008-09.

H.B. 08-1314: Creates the Local Government Limited Gaming Impact Fund to provide financial assistance to certain local governments for documented gaming impacts. Creates the Gambling Addiction Account to award grants for gambling addiction counseling services and to award moneys to addiction counselors who are pursuing national accreditation as gambling addiction counselors. Appropriates $146,684 reappropriated funds for FY 2008-09, and an additional $7,266 reappropriated funds for FY 2009-10, transferred from the Department of Local Affairs to the Department of Human Services. For additional information, see the "Recent Legislation" section at the end of the Department of Local Affairs.

H.B. 08-1342: Makes a number of technical changes related to child support enforcement. In addition, decreases the appropriation to the Colorado Works program county block grants line item by $2.5 million (cash funds from the State's share of retained child support collections and fraud refunds) and increases the appropriation to County Administration county incentive payments line item by the same $2.5 million. The moneys will be used by the counties for the same purposes as before; when delivered as county incentive payments, the state moneys will allow the counties to draw down an estimated $1.65 million additional federal matching dollars.

H.B. 08-1375: General appropriations act for FY 2008-09. Also includes supplemental adjustments to modify appropriations to the Department of Human Services included in the FY 2007-08 Long Bill.

H.B. 08-1387: Makes substantial changes in the management of the Operational Account of the Severance Tax Trust Fund. Makes changes in the funding mechanisms for low-income energy assistance programs. As a result of the funding mechanism changes, reduces the Long Bill appropriation to the Department of Human Services, Office of Self Sufficiency, low-income energy assistance program by $5,950,000 cash funds. For additional information, see the "Recent Legislation" section for the Governor's Office.

H.B. 08-1388: School Finance Act. Among other changes, adds 300 new preschool slots and shifts 2,454 existing Colorado Preschool and Kindergarten Program (CPKP) slots from full-day kindergarten to preschool slots. These changes increase the Department of Human Service's costs for licensing child care facilities. Associated with this, provides an appropriation of $85,092 General Fund and 1.5 FTE to the Department of Human Services, Division of Child Care for FY 2008-09. For additional information, see the "Recent Legislation" section for the Department of Education.

H.B. 08-1391: Creates the Child Welfare and Mental Health Services Pilot Program within the Department of Human Services. By July 1, 2008, the department must issue a request for proposals for the selection of a contractor to develop and implement the program to provide mental health screenings and evaluations and mental health services for any child ages 4 through 10 who is the subject of a substantiated case of abuse or neglect, and to his or her siblings. On or before July 1, 2009, the pilot program is to be implemented in a minimum of three Colorado counties. The program is to provide mental health screenings, mental health evaluations, mental health services, appropriate referrals for other services, integrated child welfare and mental health programs, and training programs. The Department of Human Services is required to conduct an

evaluation of the pilot program and to submit a report of its evaluation to the House and Senate Health and Human Services committees by January 30, 2012. The program is repealed effective July 1, 2012. Includes an appropriation of $2,100,169 General Fund to the Department of Human Services for FY 2008-09. Costs associated with the bill are projected to be $3,472,530 General Fund in FY 2009-10.

H.B. 08-1404: Provides funding to support Executive Order B 006 08 concerning the study and improvement of child welfare services. Requires periodic reporting to the House and Senate Health and Human Services Committees and the Joint Budget Committee, including a report on the initial findings of the Child Welfare Action Committee, created by the Executive Order, by January 1, 2009. Specifies that the Department of Human Services may require counties to provide information on county employees. Creates the Child Welfare Action Committee Cash Fund, comprised of gifts, grants, and donations and $200,000 General Fund appropriated to the Department of Human Services for FY 2007-08 but not expended by June 30, 2008. Appropriates $200,000 from the Child Welfare Action Committee Cash Fund and $350,000 General Fund to the Department of Human Services for FY 2008-09. Provides an associated reduction of $350,000 General Fund to the FY 2008-09 Long Bill appropriation to the Controlled Maintenance Trust Fund.

2009 Session Bills

S.B. 09-068: Increases fees for marriage licenses and for divorce filings, with the additional revenue directed to the Colorado Domestic Abuse Fund and the Family Violence Justice Fund. The Department of Human Services administers the Colorado Domestic Abuse Fund. The additional funding will be used to provide grants to local organizations to provide counseling, advocacy, and educational programs to victims of domestic violence. Increases the appropriation to the Department of Human Services for FY 2009-10 by $843,430 cash funds and 0.7 FTE from the Colorado Domestic Abuse Fund. For additional information on S.B. 09-068, see the "Recent Legislation" section at the end of the Judicial Department.

S.B. 09-133: Increases surcharges on traffic violations and applies moneys collected to the Traumatic Brain Injury Trust Fund. Provides an increase in the appropriation to the Department of Human Services, for FY 2009-10, of $730,525 cash funds from the Traumatic Brain Injury Trust Fund.

S.B. 09-144: Modifies and expands programs administered by the Colorado Commission for the Deaf and Hard of Hearing. This includes: creating the position of system navigator specialist to promote public awareness and provide technical assistance; clarifying the Commission's role in arranging services and accommodation for the deaf and hard of hearing in the state court system; and establishing a grant program to address the needs of the deaf and hard of hearing community. Provides an increase in the FY 2009-10 appropriation from the Disabled Telephone Users Fund to the Colorado Commission for the Deaf and Hard of Hearing Cash Fund of $135,189. Further appropriates this amount to the Department of Human Services, along with 1.6 FTE, as reappropriated funds.

S.B. 09-164: Authorizes the Department of Human Services to establish a child welfare training academy and to establish minimum standards of competence that must be certified by the Department prior to employment in the child welfare system. Specifies that the bill shall only be effective if an increase of not less than $880,718, including $496,325 General Fund, $384,393 federal funds, and 3.0 FTE is included in the FY 2009-10 Long Bill for child welfare training. This level of increase was included in the Long Bill, as enacted. Senate Bill 09-164 was, therefore, also enacted.

S.B. 09-189: Supplemental appropriation to the Department of Human Services to modify FY 2008-09 appropriations. Also includes supplemental adjustments to modify FY 2007-08 appropriations to the Department of Human Services. Also modified appropriations contained in S.B. 09-006 and H.B. 08-1250.

S.B. 09-206: Repeals the developmental disability waiting list navigator pilot created in H.B. 08-1031 and eliminates the associated FY 2008-09 appropriation of $500,000 General Fund to the Department of Human Services.

S.B. 09-207: Delays implementation of the child welfare mental health pilot program created in H.B. 08-1391 by seven years, so that initial activities related to the pilot must occur by July 1, 2015, instead of July 1, 2008. Associated with this, eliminates the FY 2008-09 appropriation to the Department of Human Services included in H.B. 08-1391 ($2,100,169 General Fund) and eliminates the need for a related appropriation in FY 2009-10 (estimated to be $3,472,530 General Fund).

S.B. 09-208: Transfers $61,186 from the Alcohol and Drug Abuse Community Prevention and Treatment Fund, and $246,350 from the Offender Mental Health Services Fund, to the General Fund. For more information, see the "Recent Legislation" section at the end of the Department of Labor and Employment.

S.B. 09-209: Eliminates the Inmate Assistance Demonstration Grant Program created in S.B. 08-007. Associated with this, reduces the General Fund appropriation to the Department of Human Services by $279,000 and reduces the appropriation to the Department of Health Care Policy and Financing by $2,000, including $1,000 General Fund and $1,000 federal funds.

S.B. 09-245: Modifies state statute to conform to 2008 federal child welfare legislation. Shortens the time frames for identifying and notifying kin who could care for children removed from the family home. Establishes a kinship guardianship assistance program, and provides an associated appropriation of $86,000 General Fund to the Department of Human Services for FY 2009-10. Implementation of kinship guardianship in FY 2009-10, and the associated $86,000 appropriation, is contingent upon enactment of House Bill 09-1366 with a final fiscal note that projects a state income tax revenue increase of at least $86,000 that is not otherwise appropriated by H.B. 09-1366.

S.B. 09-259: General appropriations act for FY 2009-10. Also includes supplemental adjustments to modify appropriations to the Department of Human Services included in the FY 2008-09 Long Bill and to modify footnotes included in FY 2006-07 and FY 2007-08 appropriations bills.

S.B. 09-267: For children involved in the child welfare system who are placed in residential child care facilities, requires counties to contribute 20 percent, effective January 1, 2010. Under prior statute, counties were required to pay 10 percent of these service costs in FY 2008-09 and FY 2009-10, with the county share increasing to 20 percent July 1, 2010; this bill moves the date for the higher contribution forward by six months. Provides for a decrease in the General Fund appropriation to the Department of Human Services for FY 2009-10 of $4,028,564 and an increase in the cash funds appropriation to the Department from county share of the same amount. This adjustment is expected to annualize to a General Fund decrease of $8,057,128 in FY 2010-11 and a cash funds increase of the same amount.

S.B. 09-269: Transfers tobacco-settlement moneys to and from the General Fund and modifies appropriations of tobacco settlement funds. In the Department of Human Services, reduces the FY 2009-10 cash funds appropriation for the Offender Mental Health Services Program by $64,303 and reduces the cash funds

appropriation for the Alcohol and Drug Abuse Division by $16,076. For additional information, see the "Recent Legislation" section at the end of the Department of Public Health and Environment.

S.B. 09-279: Transfers $3.0 million from the Department of Human Services Low-income Energy Assistance Fund to the General Fund for purposes of balancing the FY 2009-10 budget. For additional information on S.B. 09-279, see the "Recent Legislation" section at the end of the Department of Labor and Employment.

S.B. 09-293: Reduces statutory transfers from the Operational Account of the Severance Tax Trust Fund for low-income energy assistance programs in the Department of Human Services for FY 2009-10, and eliminates those transfers for FY 2010-11 and FY 2011-12. Once transferred, these moneys are continuously appropriated and are shown for informational purposes only. For additional information on S.B. 09-293, see the "Recent Legislation" section at the end of the Department of Natural Resources.

H.B. 09-1237: Modifies the statutes that provide for the system that coordinates payments between state and federal funds and private health insurance plans for early intervention services for children from birth to three years of age with developmental delays. Changes to the system include the following:

- requires that a child's private insurance carrier pay for services prior to the use of public funds;
- requires insurance plans to pay the coverage limit into the Early Intervention Services Trust Fund for each eligible child covered;
- allows the Division for Developmental Disabilities to increase coverage limits equal to an increase by the General Assembly to the annual appropriated rate to serve one child;
- clarifies that the coverage limit does not apply for post-surgical rehabilitation services; and
- prohibits an insurer from terminating coverage or refusing to deliver services as a result of a child accessing benefits for early intervention services.

Provides an appropriation to the Department of Human Services, for FY 2009-10, of $46,943 cash funds and 1.0 FTE and also reflects, for informational purposes, the expectation that an additional $3,514,057 cash funds custodial funds will be received by the Department of Human Services from insurance providers for the provision of early intervention services.

H.B. 09-1293: Authorizes collection of a hospital provider fee. Requires modification to the Colorado Benefits Management System (CBMS) to implement the program. The CBMS-related expenses are included in the appropriation for the Department of Human Services. The exact appropriation for H.B. 09-1293 depends on the revisor of statutes receiving written notice by March 31, 2010, that the federal government has approved a waiver establishing the hospital provider fee created in Section 25.5-4-402.3 (3), C.R.S. For additional information on H.B. 09-1293, see the "Recent Legislation" section at the end of the Department of Health Care Policy and Financing.

H.B. 09-1321: Requires the district attorney and the defense counsel to make a reasonable attempt to consider the appropriate place of confinement for juvenile offenders who are charged as adults for criminal offenses (known as direct filing of charges) within 30 days after charges are direct filed. Specifies factors that must be considered by the district attorney and defense counsel when considering the place of confinement. Unless the district attorney and defense counsel agree otherwise, the juvenile offender will be detained in county jail facilities pending trial.

JUDICIAL DEPARTMENT

The Colorado Constitution vests the judicial power of the State in the Judicial Department, which consists of the Supreme Court, the Court of Appeals, district courts in 22 judicial districts, the Denver probate and juvenile courts, county courts, and municipal courts. Municipal courts and Denver's county courts are not part of the state court system; they are funded by their respective local governments. The Judicial Department is also charged with supervising juvenile and adult offenders who are sentenced to probation, preparing pre-sentence investigation reports for the courts, and providing victim notification and assistance. The Chief Justice, who is selected by the justices of the Supreme Court, is the executive head of the Judicial Department. The State Court Administrator, who is appointed by the justices of the Supreme Court, oversees the daily operations of the Department and provides administrative and technical support to the courts.

The Judicial Department also includes three independent agencies. The Public Defender's Office and the Office of Alternate Defense Counsel provide legal representation for indigent defendants in criminal and juvenile delinquency cases where there is a possibility of being jailed or imprisoned. The Office of the Child's Representative oversees the provision of legal services to children.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$264,610,489	$299,604,040	$325,942,329	$336,357,516
Cash Funds/1	64,937,225	77,689,182	98,439,018	102,266,844
Cash Funds Exempt/1	9,548,021	10,541,809	n/a	n/a
Reappropriated Funds/1	n/a	n/a	5,966,106	7,608,876
Federal Funds	2,296,247	2,291,464	2,290,265	4,430,420
Total Funds	**$341,391,982**	**$390,126,495**	**$432,637,718**	**$450,663,656**
Full Time Equiv. Staff	3,544.6	3,854.2	4,084.7	4,148.2

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

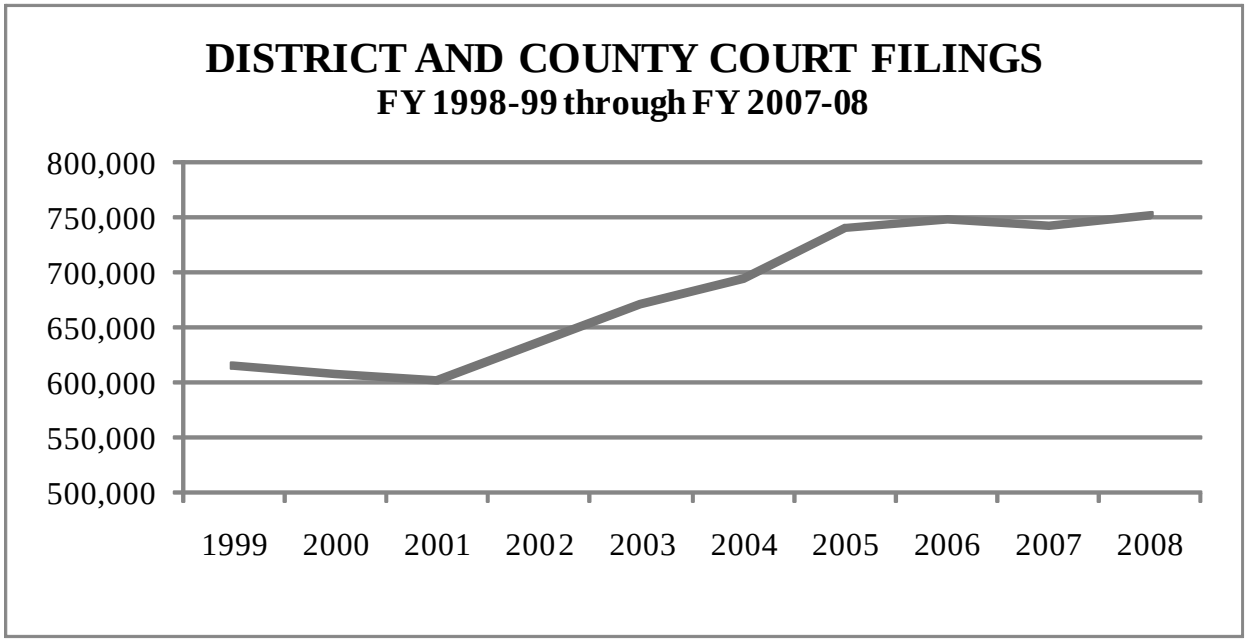
Fiscal year 2009-10 funding for this department consists of 74.6 percent General Fund, 22.7 percent cash funds, 1.7 percent reappropriated funds, and 1.0 percent federal funds. Cash funds that support court operations primarily come from various docket fees and surcharges established by statute. Probation supervision and treatment services are primarily supported by fees paid by individuals sentenced to probation. Attorney licensing fees cover the costs of regulating the practice of law in Colorado.

The main factor driving the budget for the Judicial Department is caseload. Judges, magistrates, probation officers, public defenders, and staff can only manage a certain number of cases per year. As the caseload grows,

so does the need for resources if the Department is to continue fulfilling its constitutional and statutory duties in a timely and professional manner. Caseload is generally driven by population changes, changes in the State's economic climate (which affects both the crime rate and the proportion of clients requiring state-funded representation), and changes in state laws and sentencing provisions. Caseload is also impacted by the types of cases filed, as some cases require more time and resources than others.

Case Filings and the Need for Court Staff

In FY 2007-08, approximately 756,000 cases were filed in the state court system, including 562,570 (74.0 percent) in county courts, 188,822 (25.0 percent) in district courts, 2,753 in the Court of Appeals, and 1,657 in the Supreme Court. The following graph depicts the number of cases filed in county and district courts since FY 1998-99.



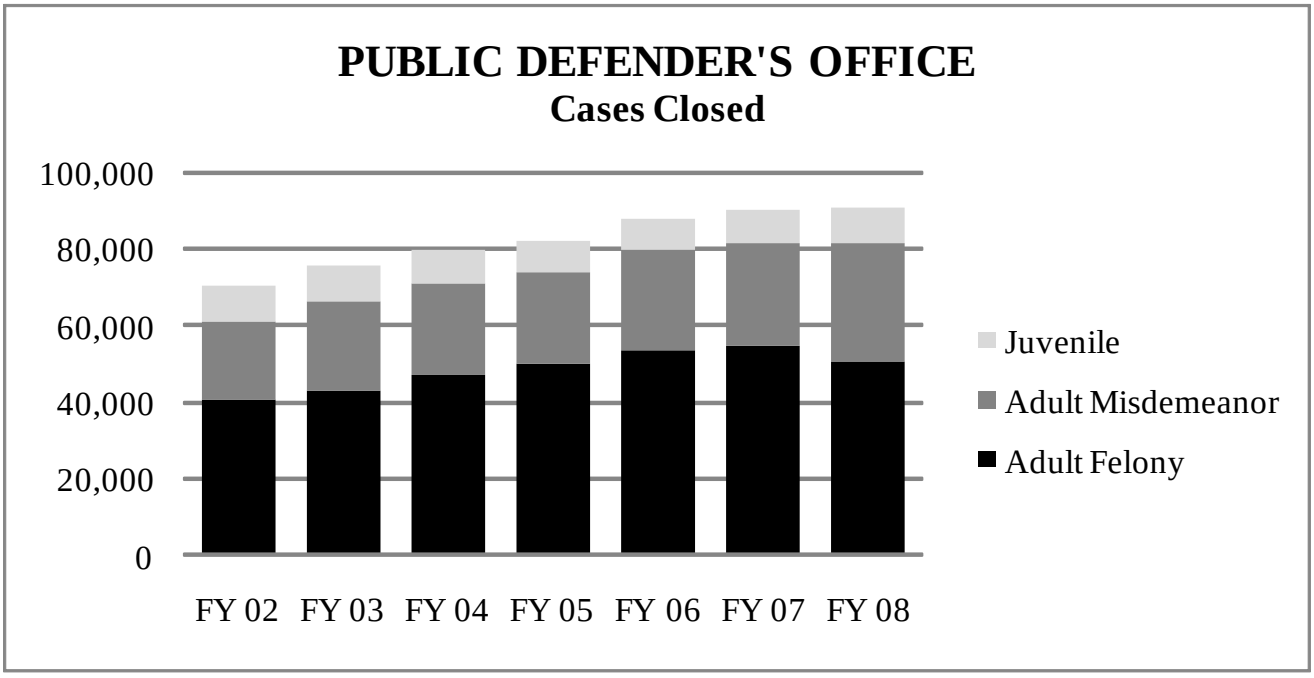
The total number of county and district case filings has increased by 22.0 percent over the last ten years (with a compound annual growth rate of 2.3 percent), with the most significant growth occurring from FY 2000-01 through FY 2004-05. At the district court level, the most significant increase occurred in civil cases concerning foreclosures and tax liens; the number of such cases filed increased by over 19,000, more than doubling over ten years. These cases now account for nearly one in five cases filed at the district court level. At the county court level, the most significant increase has occurred in civil cases, which increased by more than 76,000 (63.0 percent). Civil cases now account for over 35.0 percent of cases filed at the county court level.

To respond to these caseload increases, the General Assembly periodically increases the number of judges within the state court system. For example, H.B. 07-1054 increased the number of judges over a three year period, including: (1) increasing the number of Court of Appeals judges from 19 to 22; (2) increasing the number of district court judges from 118 to 150; and (3) increasing the number of county court judges from 84 to 92. An increase in the number of judges requires funding for the judges as well as the associated court support staff (e.g., law clerks, court reporters, judicial assistants, etc.), along with additional staff required by the State Public Defender and the Attorney General's Office. House Bill 07-1054 was thus estimated to require a total increase of 307.2 FTE from FY 2007-08 through FY 2009-10.

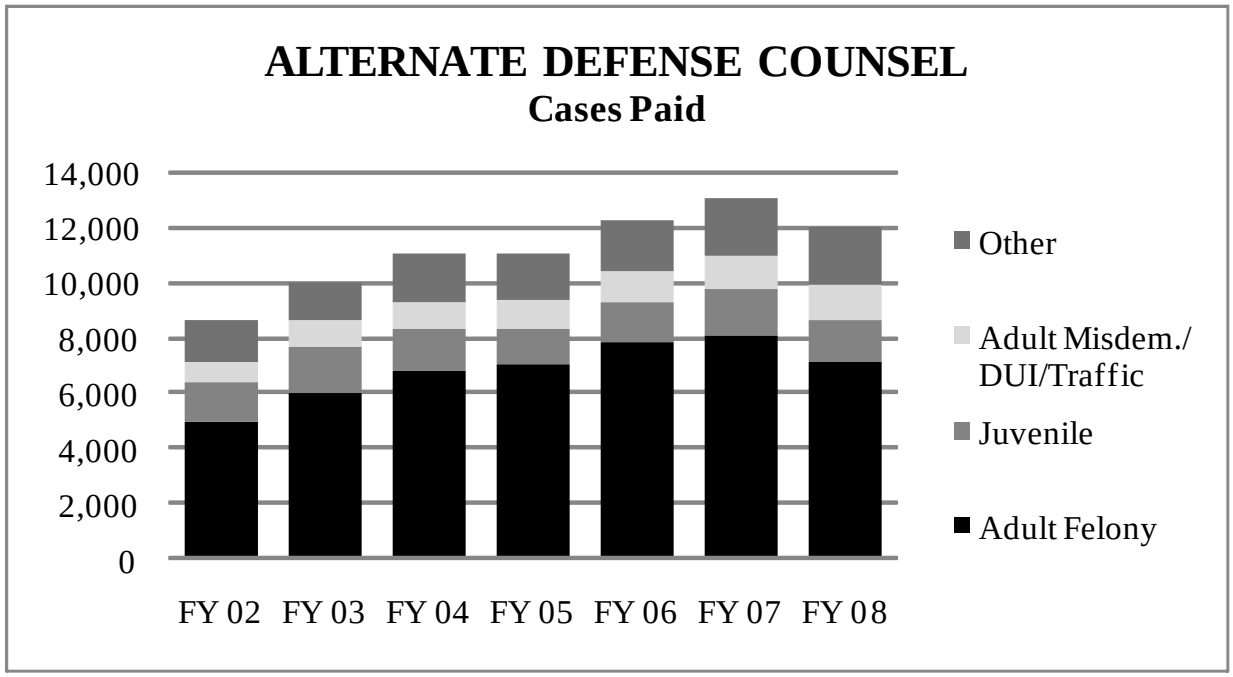
Caseload Impacts Unique to Independent Agencies

Each of the three independent agencies within the Judicial Department are affected differently by changes in the number of cases filed, based on the clients they represent. Each of these agencies is discussed below.

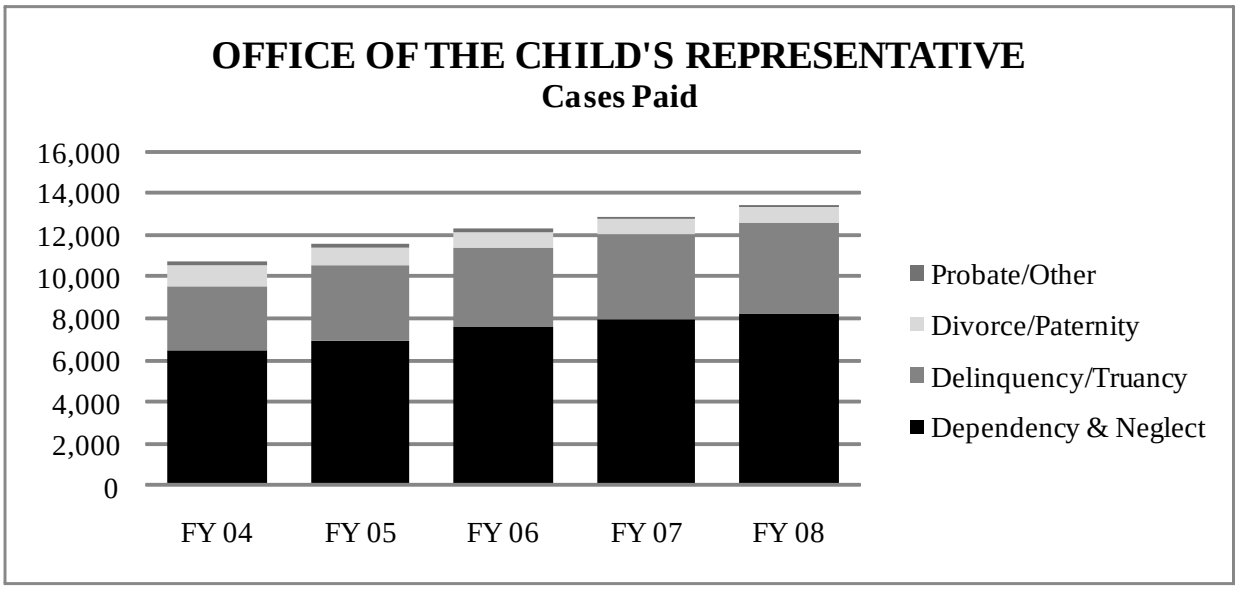
The *Public Defender's Office* represents criminal defendants who have inadequate resources to pay for their own defense. The Public Defender's caseload is affected by the number and types of criminal cases filed, as well as the proportion of clients who require state-funded representation. As in the court system, more complicated cases consume more resources than simpler cases: felonies cost more to defend than misdemeanors, and homicides cost more to defend than assaults or robberies. As illustrated in the following graph, the number of cases requiring public defender involvement increased significantly from FY 2001-02 through FY 2006-07. In particular, the number of felony cases requiring pre-trial and trial involvement (the primary factor driving public defender attorney staffing needs) increased by more than 14,000 (35 percent) over this five-year period.



The *Alternate Defense Counsel (ADC)* contracts with private attorneys to represent indigent defendants when the Public Defender has an ethical conflict of interest. As with the Public Defender's Office, certain types of cases (e.g., death penalty cases and other cases involving violent crimes) are more expensive than others, requiring more hours of attorney time and higher hourly rates. As illustrated in the graph below, ADC caseload growth from FY 2001-02 through FY 2006-07 was primarily driven by increases in the number of felony cases. In FY 2007-08, the ADC caseload declined, primarily due to reductions in the number of felony and juvenile cases.



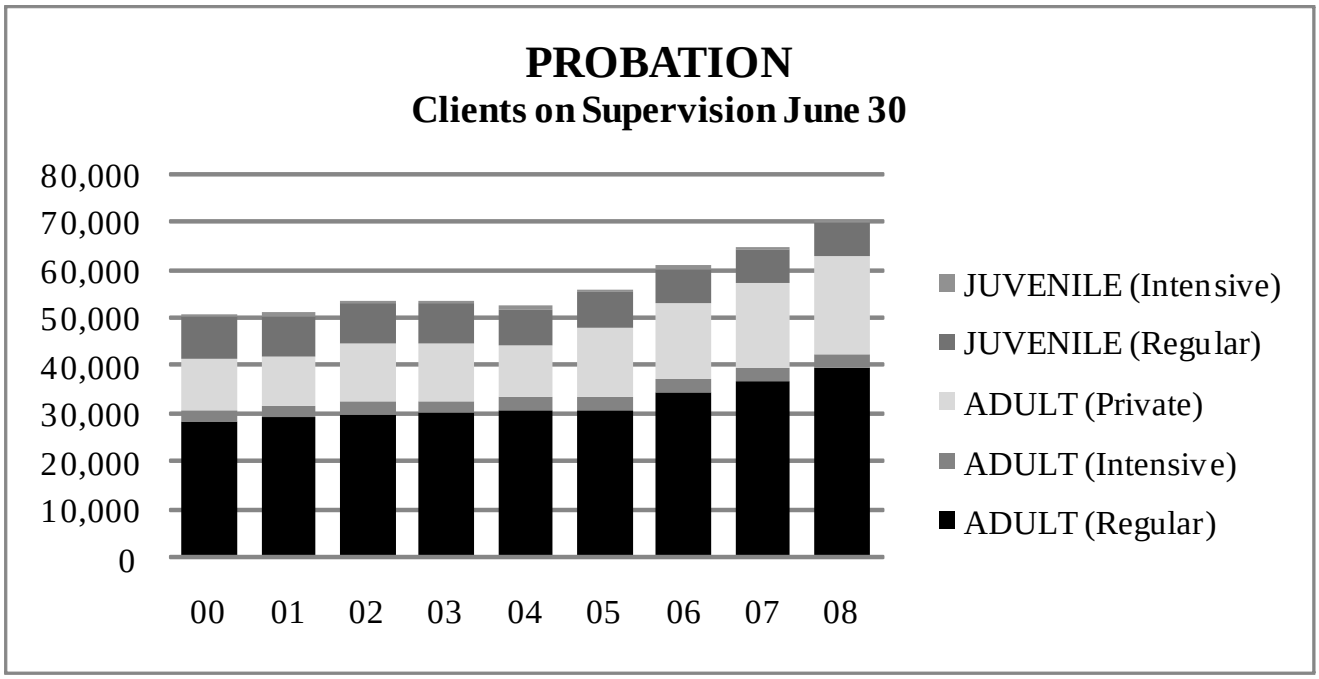
The *Office of the Child's Representative (OCR)* is responsible for providing legal representation for children involved in the court system due to abuse or neglect (called "dependency and neglect" or D&N cases), delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. OCR expenditures are primarily driven by the number of D&N cases, as these account for the most court appointments and they require the most attorney time (other than probate cases). The graph below illustrates recent caseload changes.



Probation and Related Services Caseload

Individuals sentenced to probation, as an alternative to incarceration, remain under the supervision of the court. Failure to meet the terms of probation set forth in the court's sentencing order may result in incarceration. Managed by the chief probation officer in each judicial district, 1,200 employees prepare assessments, provide pre-sentence investigation services to the courts, and supervise offenders sentenced to probation. Supervision services are provided based on each offender's risk of re-offending.

Funding for probation services is primarily driven by the number and types of offenders sentenced to probation and statutory requirements concerning the required length of supervision. The number of offenders under supervision increased significantly from June 2004 to June 2008. In particular, the number of adult offenders increased by nearly 19,000 (42.0 percent). While a little over half of this growth is related to DUI/DWAI offenders who are supervised by private providers, the number of adult offenders supervised by state staff increased by more than 9,000 (27.0 percent). The following graph depicts changes in the number of adults and juveniles under supervision since 2000.



Summary of FY 2008-09 and FY 2009-10 Appropriations

Judicial Department	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$432,637,718**	**$325,942,329**	**$98,439,018**	**$5,966,106**	**$2,290,265**	**4,084.7**
Breakdown of Total Appropriation by Administrative Section						
Supreme Court/Court of Appeals	17,822,400	10,150,431	7,671,969	0	0	198.7
Courts Administration	66,591,982	46,943,880	17,221,387	2,422,362	4,353	206.5
Trial Courts	168,897,097	114,990,778	52,599,271	256,890	1,050,158	1,906.7
Probation and Related Services	88,560,375	63,436,186	20,679,818	3,208,617	1,235,754	1,204.4
Public Defender	50,398,945	50,062,135	258,573	78,237	0	534.1
Alternate Defense Counsel	23,178,555	23,170,555	8,000	0	0	7.5
Office of the Child's Representative	17,188,364	17,188,364	0	0	0	26.8
Breakdown of Total Appropriation by Bill						
HB 08-1375	430,824,727	327,681,784	94,778,056	6,074,622	2,290,265	4,075.7
SB 08-054	308,270	0	308,270	0	0	1.0
HB 08-1010	33,600	33,600	0	0	0	0.0
HB 08-1082	445,781	0	445,781	0	0	6.2
SB 09-190	1,025,340	(1,773,055)	2,906,911	(108,516)	0	1.8
FY 2009-10 Total Appropriation:	**$450,663,656**	**$336,357,516**	**$102,266,844**	**$7,608,876**	**$4,430,420**	**4,148.2**
Breakdown of Total Appropriation by Administrative Section						
Supreme Court/Court of Appeals	18,223,560	10,762,173	7,461,387	0	0	198.7
Courts Administration	60,901,961	39,411,637	18,868,098	2,616,806	5,420	199.7
Trial Courts	178,987,142	122,542,794	53,554,348	1,265,000	1,625,000	1,934.6
Probation and Related Services	95,894,558	67,098,222	22,276,766	3,719,570	2,800,000	1,203.6
Public Defender	54,583,854	54,490,109	86,245	7,500	0	577.3
Alternate Defense Counsel	23,692,141	23,672,141	20,000	0	0	7.5
Office of the Child's Representative	18,380,440	18,380,440	0	0	0	26.8
Breakdown of Total Appropriation by Bill						
SB 09-259	450,617,226	336,454,516	102,123,414	7,608,876	4,430,420	4,148.2
SB 09-068	143,430	0	143,430	0	0	0.0
SB 09-268	(97,000)	(97,000)	0	0	0	0.0

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	$18,025,938	$10,415,187	$3,827,826	$1,642,770	$2,140,155	63.5
Percentage Change	4.2%	3.2%	3.9%	27.5%	93.4%	1.6%

/1 Includes $241,158 for FY 2008-09 that is exempt from the statutory limitation on state General Fund appropriations set forth in Section 24-75-201.1, C.R.S. See division detail for more information.

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation adds $2.4 million General Fund for court-appointed counsel costs incurred by the State Court Administrator's Office and the Office of the Child's Representative.

2. The appropriation adds $936,000 General Fund for language interpreter service expenses, jury costs, and district attorney mandated costs.

3. The appropriation authorizes the Department to begin developing in-house public access and e-filing systems using $722,000 in existing system user fee revenues.

4. The appropriation adds $510,000 General Fund for the retired judges program.

5. The appropriation is reduced by $4.2 million General Fund to recognize the savings associated with voluntary furloughs and a hiring freeze implemented by the Department in October 2008.

6. The appropriation eliminates General Fund support ($487,000) for probation offender treatment and services, and reduces General Fund appropriations used to cover the costs of collecting DNA samples by $70,000. Both of these reductions are offset by increases in cash funds appropriations.

7. General Fund appropriations for the State Public Defender and the Alternate Defense Counsel are reduced by $544,000 General Fund, primarily related to information technology asset maintenance and mandated costs.

8. The General Fund appropriation for the purchase of legal services is reduced by $100,000.

FY 2009-10 Appropriation Highlights:

1. The appropriation restores $4.7 million General Fund in one-time funding reductions taken in FY 2008-09, primarily related to the Department's hiring freeze.

2. The appropriation adds $4.2 million General Fund for court-appointed counsel to address caseload and cost per case increases, including the following: $2,431,000 for the State Public Defender; $1,278,000 for the Office of the Child's Representative; and $474,000 for the Alternate Defense Counsel.

3. The appropriation adds a total of $3.5 million (including $844,000 General Fund) for probation staff and treatment resources to address the growing number of offenders on probation.

4. The appropriation adds $3.5 million (primarily General Fund) for the state contributions for employee insurance and retirement benefits.

5. The appropriation adds $3.1 million cash funds to fulfill the State's obligation to furnish new courthouse facilities.

6. The appropriation adds $1.6 million cash funds for the third year of adding judgeships pursuant to H.B. 07-1054. This amount is lower than originally anticipated based on delaying seven of the judgeships to May 1, 2010, and the remaining eight to July 1, 2010.

7. The appropriation adds $1.3 million (including $535,800 General Fund) to enhance and expand existing drug courts.

8. The appropriation adds $340,000 General Fund to implement H.B. 08-1407 (concerning the regulation of insurance carriers).

9. The appropriation adds 63.5 FTE, including the following changes:

   - an increase of 50.8 FTE related to population changes, including 36.8 FTE attorneys for the Public Defender's Office and 14.0 FTE probation staff;

   - an increase of 18.4 FTE to expand the capacity and enhance the effectiveness of adult drug courts;

   - a net increase of 5.2 FTE related to prior year legislation or previous budget decisions, including an increase of 5.4 FTE for H.B. 07-1054, an increase of 4.8 FTE for H.B. 08-1407, and a decrease of 5.0 FTE related to a completed case management system conversion project;

   - the elimination of 1.8 FTE associated with the public access/e-filing systems project; and

   - a net decrease of 9.1 FTE shown for informational purposes, including a reduction of 4.1 FTE supported by grant funds and a reduction of 5.0 FTE language interpreters (to reflect the actual mix of contract and state staff).

10. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $14.7 million, including $13.3 million General Fund, was provided for salary survey and anniversary pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

11. The appropriation reduces funding for personal services by a total of $3.9 million (including $3.5 million General Fund).

12. The appropriation eliminates $1.7 million cash funds to annualize prior year legislation and funding decisions (e.g., eliminating one-time funding for capital outlay for new positions).

13. The appropriation eliminates $722,000 cash funds and 1.8 FTE appropriated in FY 2008-09 for the development of public access and e-filing systems.

14. The appropriation eliminates $311,000 General Fund provided for a three-year project to convert the Department's case management system to the JAVA programming language.

Detail of Appropriation by Administrative Section

Supreme Court/Court of Appeals

This section provides funding for the Colorado Supreme Court and the Colorado Appeals Court. The *Supreme Court* is the State court of last resort, and its decisions are binding on the Court of Appeals and all county and district courts. While requests to review decisions of the Court of Appeals constitute the majority of the Supreme Court's filings, the Court also has direct appellate jurisdiction over other types of cases such as those in which a statute has been held to be unconstitutional. In FY 2007-08, 1,657 cases were filed with the Supreme Court. The Supreme Court also oversees the regulation of attorneys and the practice of law. The Supreme Court is comprised of seven justices who serve renewable ten-year terms. The Chief Justice, selected by the justices of the Court, is the executive head of the Department.

Created by statute, the *Court of Appeals* is generally the first court to hear appeals of judgements and orders in criminal, juvenile, civil, domestic relations, and probate matters. The Court of Appeals also has initial jurisdiction to review actions and decisions of several state agencies, boards, and commissions. Its determination of an appeal is final unless the Colorado Supreme Court agrees to review the matter. In FY 2007-08, 2,753 cases were filed with the Court of Appeals. The Court of Appeals is currently composed of 22 judges who serve renewable eight-year terms.

Cash fund sources primarily include annual attorney registration fees, law examination application fees, appellate court filing fees, and various docket fees credited to the Judicial Stabilization Cash Fund.

Supreme Court/Court of Appeals

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$17,822,400	$10,150,431	$7,671,969	$0	$0	198.7
SB 09-190	0	0	0	0	0	0.0
TOTAL	**$17,822,400**	**$10,150,431**	**$7,671,969**	**$0**	**$0**	**198.7**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$17,822,400	$10,150,431	$7,671,969	$0	$0	198.7
Annualize salary increases	764,157	733,158	30,999	0	0	0.0
Annualize prior year funding	(229,662)	0	(229,662)	0	0	0.0
Personal services base reduction	(133,335)	(121,416)	(11,919)	0	0	0.0
SB 09-259	**$18,223,560**	**$10,762,173**	**$7,461,387**	**$0**	**$0**	**198.7**
TOTAL	**$18,223,560**	**$10,762,173**	**$7,461,387**	**$0**	**$0**	**198.7**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	$401,160	$611,742	($210,582)	$0	$0	0.0
Percentage Change	2.3%	6.0%	(2.7)%	n/a	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-190 corrected an error, shifting FTE authorization from General Fund to cash funds.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Annualize salary increases: The appropriation includes funding for salary survey and anniversary pay increases that were awarded in FY 2008-09. Salary survey and anniversary increases for staff, when provided, are funded through a separate line item in the Courts Administration, Administrative Special Purpose section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100.0 percent of salary survey and 80.0 percent of anniversary increases).

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff. Salaries for justices and judges are excluded, however, due to the constitutional prohibition on decreasing a justice's or judge's salary during his or her term of office (see Article VI, Section 18 of the Colorado Constitution).

Courts Administration

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

Courts Administration

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$66,085,816	$48,493,280	$15,290,821	$2,297,362	$4,353	203.7
SB 08-054	308,270	0	308,270	0	0	1.0
HB 08-1010	33,600	33,600	0	0	0	0.0
SB 09-190	164,296	(1,583,000)	1,622,296	125,000	0	1.8
TOTAL	**$66,591,982**	**$46,943,880**	**$17,221,387**	**$2,422,362**	**$4,353**	**206.5**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation:						
SB 09-259	$60,758,531	$39,411,637	$18,724,668	$2,616,806	$5,420	199.7
SB 09-068	143,430	0	143,430	0	0	0.0
TOTAL	**$60,901,961**	**$39,411,637**	**$18,868,098**	**$2,616,806**	**$5,420**	**199.7**
Increase/(Decrease)	($5,690,021)	($7,532,243)	$1,646,711	$194,444	$1,067	(6.8)
Percentage Change	(8.5)%	(16.0)%	9.6%	8.0%	24.5%	(3.3)%

Administration

This subsection funds the activities of the State Court Administrator's Office, including the following central administrative functions: accounting and budget; human resources; facilities management; procurement; public information; and legal services. This section also includes funding for the Judicial Performance Program, family justice violence grants, and the Family-friendly Court Program. Significant sources of cash funds include various docket fees credited to the Judicial Stabilization Cash Fund and the State Commission on Judicial Performance Cash Fund, filing fees credited to the Court Security Cash Fund, and traffic violation surcharges credited to the Family-friendly Court Program Cash Fund. Reappropriated funds include indirect cost recoveries and moneys transferred from the State Historical Society for facility maintenance.

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$12,357,922	$6,733,769	$4,262,685	$1,357,115	$4,353	69.6
SB 08-054	308,270	0	308,270	0	0	1.0
SB 09-190	712,000	(188,000)	900,000	0	0	0.0
TOTAL	**$13,378,192**	**$6,545,769**	**$5,470,955**	**$1,357,115**	**$4,353**	**70.6**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$13,378,192	$6,545,769	$5,470,955	$1,357,115	$4,353	70.6
Courthouse furnishings	3,100,000	0	3,100,000	0	0	0.0
Annualize salary increases	315,864	310,891	4,973	0	0	0.0
Courthouse security grants	250,000	0	250,000	0	0	0.0
Indirect cost adjustments	210,662	(210,663)	209,595	210,663	1,067	0.0
Annualize FY 2008-09 hiring freeze	38,000	38,000	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year legislation	30,000	0	30,000	0	0	0.0
Personal services base reduction	(100,619)	(77,624)	(2,726)	(20,269)	0	0.0
Other	424	(171)	(3,455)	4,050	0	0.0
SB 09-259	**$17,222,523**	**$6,606,202**	**$9,059,342**	**$1,551,559**	**$5,420**	**70.6**
SB 09-068	143,430	0	143,430	0	0	0.0
TOTAL	**$17,365,953**	**$6,606,202**	**$9,202,772**	**$1,551,559**	**$5,420**	**70.6**
Increase/(Decrease)	$3,987,761	$60,433	$3,731,817	$194,444	$1,067	0.0
Percentage Change	29.8%	0.9%	68.2%	14.3%	24.5%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-190 increased cash funds spending authority for the Courthouse Security Grant Program, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Courthouse furnishings: The appropriation includes $3.1 million cash funds from the Judicial Stabilization Cash Fund to cover the state share of the costs of furnishing new courthouse facilities in FY 2009-10. As described more fully in the Trial Courts section, this appropriation utilizes a portion of the one-time savings generated by delaying the 15 judgeships scheduled to be added in FY 2009-10.

Annualize salary increases: The appropriation includes funding for salary survey and anniversary pay increases that were awarded in FY 2008-09. Salary survey and anniversary increases for staff, when provided, are funded through a separate line item in the Courts Administration, Administrative Special Purpose section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100.0 percent of salary survey and 80.0 percent of anniversary increases).

Courthouse security grants: The appropriation increases spending authority from the Court Security Cash Fund for the provision of grants for security equipment, training, and personnel.

Indirect cost adjustments: The appropriation reflects a net increase of $210,662 (including $209,595 cash funds and $1,067 federal funds) related to statewide and departmental indirect cost recoveries. The appropriation also reflects fund source adjustments (a reduction of $210,663 General Fund offset by an increase of $210,663 reappropriated funds) based on projected indirect cost recoveries.

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

Annualize prior year legislation: Consistent with the Legislative Council Staff fiscal note for S.B. 08-054 (concerning judicial performance evaluations), the appropriation adds $30,000 cash funds to conduct a bi-annual public awareness poll in FY 2009-10.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Other: The appropriation includes the following increases: $10,099 General Fund to provide the 12th month of funding for staff positions added in FY 2008-09; and $4,050 reappropriated funds based on anticipated transfers from the Historical Society. These increases are offset by the following reductions: $6,220 General Fund and $3,455 cash funds to eliminate capital outlay funding provided for staff positions added in FY 2008-09; and $4,050 General Fund based on the memorandum of understanding with the Historical Society concerning costs related to the Judicial/Heritage Center.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Administrative Special Purpose

This subdivision includes several programs within the Judicial Department, such as the Office of Dispute Resolution, the Child Support Enforcement Program, and the Retired Judge Program. The subdivision also includes centrally appropriated line items, such as salary survey, workers' compensation, legal services, and payments related to risk management. Significant sources of cash funds include time payment and late penalty fees credited to the Judicial Collection Enhancement Fund, felony conviction fines credited to the Fines Collection Cash Fund, docket fees credited to the Judicial Stabilization Cash Fund and the State Commission on Judicial Performance Cash Fund, cost of care payments and probation supervision fees credited to the Offender Services Fund, and surcharges and fees that are credited to the Drug Offender Surcharge Fund and the Alcohol and Drug Driving Safety Program Fund. Reappropriated funds are from local Victims and Witnesses Assistance and Law Enforcement funds and federal funds for child support enforcement that are transferred from the Department of Human Services.

Administrative Special Purpose						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$45,239,350	$36,147,069	$8,369,744	$722,537	$0	84.2
SB 09-190	(1,270,000)	(1,395,000)	0	125,000	0	0.0
TOTAL	**$43,969,350**	**$34,752,069**	**$8,369,744**	**$847,537**	**$0**	**84.2**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$43,969,350	$34,752,069	$8,369,744	$847,537	$0	84.2
PERA amortization equalization disbursement	1,944,808	1,818,304	126,504	0	0	0.0
Annualize FY 2008-09 hiring freeze and voluntary furloughs	1,805,000	1,805,000	0	0	0	0.0
State contribution for health, life, and dental benefits	335,526	696,657	(361,131)	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize salary increases	213,342	0	213,342	0	0	0.0
Eliminate salary survey and anniversary pay increases	(12,687,718)	(11,294,885)	(1,392,833)	0	0	0.0
Miscellaneous common policy changes	(386,383)	(387,691)	1,308	0	0	0.0
Other	50,000	0	50,000	0	0	0.0
SB 09-259	**$35,243,925**	**$27,389,454**	**$7,006,934**	**$847,537**	**$0**	**84.2**
TOTAL	**$35,243,925**	**$27,389,454**	**$7,006,934**	**$847,537**	**$0**	**84.2**
Increase/(Decrease)	($8,725,425)	($7,362,615)	($1,362,810)	$0	$0	0.0
Percentage Change	(19.8)%	(21.2)%	(16.3)%	0.0%	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Senate Bill 09-190 reduced General Fund appropriations by $1.9 million, including a reduction of $1,750,000 to recognize the savings associated with the Department's hiring freeze, and a reduction of $56,000 related to voluntary furloughs. These decreases were partially offset by an increase of $510,000 for the retired judges program.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

PERA amortization equalization disbursement: The appropriation includes increases for Public Employees' Retirement Association (PERA) amortization equalization disbursement pursuant to S.B. 04-257 and S.B. 06-235.

Annualize FY 2008-09 hiring freeze and voluntary furloughs: The appropriation restores one-time reductions associated with the FY 2008-09 hiring freeze.

State contribution for health, life and dental benefits: The appropriation includes funding for an increase in the state contribution for employee insurance benefits.

Annualize salary increases: The appropriation includes funding for salary survey and anniversary pay increases that were awarded in FY 2008-09. Salary survey and anniversary pay increases for staff, when provided, are funded through a separate line item in the Courts Administration, Administrative Special Purpose section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100.0 percent of salary survey and 80.0 percent of anniversary increases).

Eliminate salary survey and anniversary pay increases: The appropriation does not include funding for salary survey and anniversary increases for FY 2009-10. Salary survey and anniversary increases for court and probation staff, when provided, are funded through centrally-appropriated line items in this subsection of the Department's budget in the year of the award and are incorporated into base funding for each division in the subsequent year. These centralized appropriations were provided for FY 2008-09 but not for FY 2009-10.

Miscellaneous common policy changes: The appropriation includes the following increases for centrally-appropriated line items: $58,711 for short-term disability; $11,035 for vehicle lease payments; and $8,692 for legal services. These increases are more than offset by the following reductions: $352,155 for workers' compensation; and $112,666 for payment to risk management and property funds.

Other: The appropriation also includes a $50,000 increase in cash funds spending authority to allow the courts to receive and spend fees from offenders to cover research and data access costs related to locating offenders who have absconded and failed to pay restitution and fines.

Integrated Information Services

This Office is responsible for developing and maintaining information technology systems used by the courts and probation offices in all 22 judicial districts, including the following: (1) the Integrated Colorado On-line Network (ICON), which handles case tracking and financial functions for the trial courts and probation departments; (2) the Colorado Integrated Criminal Justice Information System (CICJIS), which shares and tracks data concerning offenders among the various criminal justice agencies, including law enforcement, district attorneys, courts, as well as adult and youth corrections; (3) the appellate case tracking system; (4) the court-appointed counsel system; and (5) the state court administrator's local-area network. Cash funds are from fees and cost recoveries related to electronic filings and public access services that are credited to the Judicial Department Information Technology Cash Fund. Reappropriated funds are federal funds transferred to the Judicial Department from other state agencies.

Integrated Information Services

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$8,488,544	$5,612,442	$2,658,392	$217,710	$0	49.9
HB 08-1010	33,600	33,600	0	0	0	0.0
SB 09-190	722,296	0	722,296	0	0	1.8
TOTAL	**$9,244,440**	**$5,646,042**	**$3,380,688**	**$217,710**	**$0**	**51.7**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$9,244,440	$5,646,042	$3,380,688	$217,710	$0	51.7
Annualize salary increases	174,309	174,309	0	0	0	0.0
Public access/E-filing systems development	(722,296)	0	(722,296)	0	0	(1.8)
JAVA conversion	(311,054)	(311,054)	0	0	0	(5.0)
Personal services base reduction	(60,544)	(60,544)	0	0	0	0.0
Other	(32,772)	(32,772)	0	0	0	0.0
SB 09-259	**$8,292,083**	**$5,415,981**	**$2,658,392**	**$217,710**	**$0**	**44.9**
TOTAL	**$8,292,083**	**$5,415,981**	**$2,658,392**	**$217,710**	**$0**	**44.9**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	($952,357)	($230,061)	($722,296)	$0	$0	(6.8)
Percentage Change	(10.3)%	(4.1)%	(21.4)%	0.0%	n/a	(13.2)%

FY 2008-09 Appropriation Adjustments

In response to a General Assembly request, the Department studied the feasibility of providing its public access and e-filing programs in-house. The Department recommended that it be authorized to develop both systems using existing cash fund revenues as well as revenues that will be collected from users and third party vendors once each system is deployed. Through S.B. 09-190, the General Assembly authorized the Department to spend $722,296 cash funds in FY 2008-09 to begin developing in-house public access and e-filing systems. This funding was intended to allow the Department to hire 5.0 FTE in the latter part of FY 2008-09 and to begin acquiring hardware and software.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Annualize salary increases: The appropriation includes funding for salary survey and anniversary pay increases that were awarded in FY 2008-09. Salary survey and anniversary increases for staff, when provided, are funded through a separate line item in the Courts Administration, Administrative Special Purpose section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100.0 percent of salary survey and 80.0 percent of anniversary increases).

Public access/E-filing systems development: The appropriation for FY 2009-10 eliminates funding and staff authorization for the continued development of public access and e-filing systems.

JAVA conversion: The appropriation eliminates funding and staff provided over a three-year period to convert the Department's case management system (ICON) from the RPG programming language to the JAVA programming language.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Other: The appropriation includes an increase of $3,593 General Fund to provide the 12th month of funding for staff positions added in FY 2008-09. This increase is offset by the following reductions: $33,600 General Fund to eliminate one-time funding provided to implement H.B. 08-1010; and $2,765 General Fund to eliminate capital outlay funding provided for staff positions added in FY 2008-09.

Trial Courts

This section provides funding for state trial courts, which include district courts in 22 judicial districts, water courts, and county courts. *District courts* preside over felony criminal matters, civil claims, juvenile matters, probate, mental health, and divorce proceedings. In addition, district courts handle appeals from municipal and county courts, and review decisions of administrative boards and agencies. In FY 2007-08, 187,691 cases were

filed at the district court level (excluding water cases). The General Assembly establishes judicial districts and the number of judges for each district in statute; these judges serve renewable six-year terms.

The General Assembly established seven *water divisions* in the State based on the drainage patterns of major rivers in Colorado. Each water division is staffed by a division engineer, a district court judge who is designated as the water judge by the Colorado Supreme Court, a water referee appointed by the water judge, and a water clerk assigned by the district court. Water judges have exclusive jurisdiction over cases involving the determination of water rights and the use and administration of water. In FY 2007-08, 1,131 cases were filed with water courts.

County courts have limited jurisdiction, handling civil actions involving no more than $15,000, misdemeanor cases, civil and criminal traffic infractions, and felony complaints. County courts also issue search warrants and protection orders in cases involving domestic violence. In addition, county courts handle appeals from municipal courts. In FY 2007-08, 562,570 cases were filed at the county court level. The General Assembly establishes the number of judges for each county in statute; these judges serve renewable four-year terms.

Significant cash fund sources include docket fees credited to the Judicial Stabilization Cash Fund, surcharges credited to local Victims and Witnesses Assistance Law Enforcement funds, fines and surcharges credited to local Crime Victim Compensation funds, various fees and cost recovery charges paid by court system users, and grants. Reappropriated funds reflect federal funds transferred from the Department of Human Services and the Department of Public Safety.

Trial Courts

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$167,186,156	$114,453,295	$51,425,813	$256,890	$1,050,158	1,900.5
HB 08-1082	445,781	0	445,781	0	0	6.2
SB 09-190	1,265,160	537,483	727,677	0	0	0.0
TOTAL	**$168,897,097**	**$114,990,778**	**$52,599,271**	**$256,890**	**$1,050,158**	**1,906.7**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$168,897,097	$114,990,778	$52,599,271	$256,890	$1,050,158	1,906.7
Annualize salary increases	7,290,145	6,705,284	584,861	0	0	0.0
Annualize prior year legislation	1,925,061	340,260	1,584,801	0	0	10.2
Annualize FY 2008-09 hiring freeze	1,600,000	1,600,000	0	0	0	0.0
Enhance and expand drug courts	1,233,760	258,131	975,629	0	0	17.2
Reflect federal child support enforcement funds	965,000	0	0	965,000	0	0.0
Grant funds	103,373	0	(514,579)	43,110	574,842	5.5
Personal services base reduction	(1,567,539)	(1,357,698)	(209,841)	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	(1,465,794)	0	(1,465,794)	0	0	0.0
Other	6,039	6,039	0	0	0	(5.0)
SB 09-259	**$178,987,142**	**$122,542,794**	**$53,554,348**	**$1,265,000**	**$1,625,000**	**1,934.6**
TOTAL	**$178,987,142**	**$122,542,794**	**$53,554,348**	**$1,265,000**	**$1,625,000**	**1,934.6**
Increase/(Decrease)	$10,090,045	$7,552,016	$955,077	$1,008,110	$574,842	27.9
Percentage Change	6.0%	6.6%	1.8%	392.4%	54.7%	1.5%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-190 added $1.9 million General Fund for court-appointed counsel, jury costs, and language interpreters, as well as $300,000 for district attorney mandated costs. These increases were partially offset by a reduction of $1.6 million to recognize the savings associated with the Department's hiring freeze.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Annualize prior year legislation: The appropriation includes the following amounts to implement prior year legislation: $1,584,801 cash funds and 5.4 FTE for the third year of implementing H.B. 07-1054 (concerning an increase in the number of judges in certain state courts); and $340,260 General Fund and 4.8 FTE for the implementation of H.B. 08-1407 (concerning strengthening penalties for the unreasonable conduct of an insurance carrier).

With respect to H.B. 07-1054, the appropriation is lower than the anticipated costs of adding 12 district court judges and three county court judges on July 1, 2009. The appropriation is based on delaying these 15 judgeships to reduce the associated expenditures from the Judicial Stabilization Fund in FY 2009-10 by approximately $4.9 million. Working with the affected judicial districts, the Department prepared a modified implementation schedule, which is detailed in the following table.

Summary of Proposal to Delay 3rd Year Implementation of H.B. 07-1054							
Judicial District/ County		Scheduled Judge Increase for 7/1/09	Proposed Timing of Increases	FY 2009-10		FY 2010-11	
				Funding	FTE	Funding	FTE
District Courts							
1	Jefferson, Gilpin	+2	7/1/10	$161,706	0.0	$732,402	10.0
2	Denver	+1	5/1/10	141,887	0.8	366,201	5.0
		+1	7/1/10	80,853	0.0	366,201	5.0
4	El Paso, Teller	+1	5/1/10	141,887	0.8	366,201	5.0
		+1	7/1/10	80,853	0.0	366,201	5.0
8	Larimer, Jackson	+1	7/1/10	80,853	0.0	366,201	5.0
17	Adams, Broomfield	+1	5/1/10	141,887	0.8	366,201	5.0
		+1	7/1/10	80,853	0.0	366,201	5.0
18	Arapahoe, Douglas, Elbert, Lincoln	+1	5/1/10	141,887	0.8	366,201	5.0
19	Weld	+1	7/1/10	80,853	0.0	366,201	5.0
20	Boulder	+1	7/1/10	80,853	0.0	366,201	5.0
County Courts							
	Adams	+1	5/1/10	123,477	0.7	285,203	4.0
	El Paso	+1	5/1/10	123,477	0.7	285,203	4.0
	Jefferson	+1	5/1/10	123,477	0.7	285,203	4.0
	Statewide Total	**15**		**$1,584,803**	**5.3**	**$5,250,021**	**72.0**
	Less: Cost of 7/1/09 Implementation			(6,448,088)			
	One-time savings			(4,863,285)			

Under the modified implementation schedule, all district and county courts would receive capital outlay funding for the 15 new judgeships in FY 2009-10; personal services and operating funding would be provided for the months each judgeship is filled. The appropriation uses $3,100,000 of the one-time savings to cover the cost of courthouse furnishings and $975,629 to cover the costs of expanding and enhancing adult drug courts.

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

Enhance and expand drug courts: Last year the General Assembly requested that the Department develop a strategy and plan to provide drug courts statewide. In response, the Department requested funding and staff to enhance and expand drug courts that are currently operational in 11 judicial districts (including 19 counties)[1],

[1] In the Fall of 2008, adult drug courts were operational in the following judicial districts and counties: 2nd (Denver), 4th (El Paso and Teller), 6th (La Plata and Archuleta), 7th (Gunnison, Delta,

and drug courts scheduled to be implemented in the 1st (Jefferson) and 16th (Otero) judicial districts by the end of FY 2008-09. The appropriation includes an increase of $1,233,760 and 17.2 FTE to increase the number of high risk and high need offenders served (up to 35.0 percent of capacity), and to ensure that these drug courts are operating consistently and effectively in order to maximize the resulting cost savings. The increase consists of $975,629 cash funds and 13.0 FTE from the Judicial Stabilization Cash Fund and $258,131 General Fund and 4.2 FTE transferred from the Probation and Related Services section.

Reflect federal child support enforcement funds: The appropriation includes $965,000 reappropriated funds to reflect federal child support enforcement funds that are transferred from the Department of Human Services and matched with state funds supporting the Trial Court Programs line item.

Grant funds: The appropriation reflects adjustments to funding and FTE based on anticipated grants.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff. Salaries for justices and judges are excluded, however, due to the constitutional prohibition on decreasing a justice's or judge's salary during his or her term of office (see Article VI, Section 18 of the Colorado Constitution).

Annualize prior year funding: The appropriation includes a reduction of $1,465,794 to eliminate one-time capital outlay funding for positions added in FY 2008-09.

Other: The appropriation includes an increase of $11,864 General Fund for mailing costs and an upgrade to mail services equipment in the Department of Personnel and Administration, offset by a reduction of $5,825 and 5.0 FTE for the Language Interpreters line item to reflect actual expenditure and FTE levels.

Probation and Related Services

Persons convicted of certain offenses are eligible to apply to the court for probation. An offender on probation serves a sentence in the community under the supervision of a probation officer, subject to conditions imposed by the court. A breach of any imposed condition may result in revocation or modification of probation, or incarceration. Managed by the Chief Probation Officer in each judicial district, 1,200 employees prepare assessments and provide pre-sentence investigation services to the courts, supervise adult and juvenile offenders sentenced to community programs, and provide notification and support services to victims. On June 30, 2008, 63,041 adults and 7,670 juveniles who were sentenced to probation were under supervision. This section provides funding for the administration and provision of probation and related services.

Significant cash fund sources include cost of care payments and probation supervision fees credited to the Offender Services Fund, surcharges and fees that are credited to the Drug Offender Surcharge Fund and the Alcohol and Drug Driving Safety Program Fund, surcharges credited to the Sex Offender Surcharge Fund, payments for genetic testing credited to the Offender Identification Fund, various fees and cost recoveries, and grants. Reappropriated funds include funds transferred from various state agencies, and local and state Victims and Witnesses Assistance Law Enforcement funds.

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and Montrose), 8th (Larimer), 9th (Rio Blanco, Garfield, and Pitkin), 11th (Fremont, Park, and Chaffee), 14th (Moffat), 19th (Weld), 20th (Boulder), and 22nd (Montezuma).

Probation and Related Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$89,553,891	$64,753,124	$20,122,880	$3,442,133	$1,235,754	1,204.4
SB 09-190	(993,516)	(1,316,938)	556,938	(233,516)	0	0.0
TOTAL	**$88,560,375**	**$63,436,186**	**$20,679,818**	**$3,208,617**	**$1,235,754**	**1,204.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$88,560,375	$63,436,186	$20,679,818	$3,208,617	$1,235,754	1,204.4
Annualize salary increases	3,519,371	3,005,590	513,781	0	0	0.0
Offender services	2,667,005	0	2,667,005	0	0	0.0
Address caseload and workload growth	843,968	843,968	0	0	0	14.0
Annualize FY 2008-09 hiring freeze	760,000	760,000	0	0	0	0.0
Grant funds	436,261	0	(1,405,422)	277,437	1,564,246	(10.6)
Day reporting services	393,078	393,078	0	0	0	0.0
S.B. 91-094 juvenile services	233,516	0	0	233,516	0	0.0
Personal services base reduction	(1,319,723)	(1,141,307)	(178,416)	0	0	0.0
Enhance and expand drug courts	(258,131)	(258,131)	0	0	0	(4.2)
Other	58,838	58,838	0	0	0	0.0
SB 09-259	**$95,894,558**	**$67,098,222**	**$22,276,766**	**$3,719,570**	**$2,800,000**	**1,203.6**
TOTAL	**$95,894,558**	**$67,098,222**	**$22,276,766**	**$3,719,570**	**$2,800,000**	**1,203.6**
Increase/(Decrease)	$7,334,183	$3,662,036	$1,596,948	$510,953	$1,564,246	(0.8)
Percentage Change	8.3%	5.8%	7.7%	15.9%	126.6%	(0.1)%

FY 2008-09 Appropriation Adjustments

Senate Bill 09-190 reduced General Fund appropriations by $1.3 million, including a reduction of $760,000 to recognize the savings associated with the Department's hiring freeze, and the elimination of General Fund support ($487,193) for offender treatment and services. The latter reduction was offset by increased cash funds spending authority.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Annualize salary increases: The appropriation includes funding for salary survey and anniversary pay increases that were awarded in FY 2008-09. Salary survey and anniversary increases for staff, when provided, are funded through a separate line item in the Courts Administration, Administrative Special Purpose section

in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100.0 percent of salary survey and 80.0 percent of anniversary increases).

Offender services: The appropriation provides additional spending authority from the following three cash funds to address a growing caseload and need for offender services: $2,325,000 from the Offender Services Fund (consisting of cost of care payments and probation supervision fees paid by offenders); $300,000 from the Drug Offender Surcharge Fund (consisting of surcharges paid by certain drug offenders); and $42,005 from the Offender Identification Fund (consisting of offender payments for genetic testing). Moneys from the Offender Services Fund and the Drug Offender Surcharge Fund will be used to provide a variety of services, including: (1) sex offender assessment and treatment; (2) drug and alcohol abuse assessment, testing, education, and treatment; (3) domestic violence treatment; and (4) emergency housing. Moneys from the Offender Identification Fund will be used for statutorily required genetic (DNA) testing of offenders.

Address caseload and workload growth: The appropriation includes funding for 14.0 FTE additional probation staff (comprised of 10.0 FTE probation officers, 1.5 FTE probation supervisors, and 2.5 FTE support staff) to maintain personnel at 88.0 percent of full staffing.

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

Grant funds: The appropriation reflects adjustments to funding and FTE based on anticipated grant funds.

Day reporting services: The appropriation reflects the transfer of $393,078 General Fund from the Department of Public Safety, Division of Criminal Justice to this section of the Judicial Department's Long Bill for the purpose of allowing the Probation Division to contract directly for the provision of day reporting services for offenders on probation.

S.B. 91-094 juvenile services: The appropriation reflects anticipated contract amounts for S.B. 91-094 services with the Department of Human Services. The Judicial Department will submit a supplemental funding request in January 2010, if necessary, to align the appropriation with the actual contract amount.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Enhance and expand drug courts: The appropriation reflects the transfer of $258,131 General Fund and 4.2 FTE to the Trial Court Programs line item for the expansion of adult drug courts (see discussion in Trial Courts section).

Other: The appropriation includes an increase of $227,442 General Fund to provide the 12th month of funding for staff positions added in FY 2008-09. This increase is offset by a reduction of $168,604 General Fund to eliminate capital outlay funding provided for a staff position added in FY 2008-09.

Public Defender

The State Public Defender's Office is an independent agency within the Judicial Department that provides legal representation for indigent defendants who are facing the possibility of incarceration. The Office is comprised of a central administrative office, an appellate office, and 21 regional trial offices. During FY 2007-08, the

Office handled 90,969 cases (measured in terms of the number of cases closed). Cash fund sources include training fees and grants. Reappropriated funds reflect federal funds appropriated to the Department of Public Safety and transferred to the State Public Defender's Office.

Public Defender	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$50,893,524	$50,556,714	$258,573	$78,237	$0	534.1
SB 09-190	(494,579)	(494,579)	0	0	0	0.0
TOTAL	**$50,398,945**	**$50,062,135**	**$258,573**	**$78,237**	**$0**	**534.1**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$50,398,945	$50,062,135	$258,573	$78,237	$0	534.1
Address caseload and workload growth	2,431,049	2,431,049	0	0	0	36.8
Annualize salary increases	1,724,720	1,709,793	14,927	0	0	0.0
Employee benefit changes	1,174,008	1,174,329	(321)	0	0	0.0
Leased space	635,384	635,384	0	0	0	0.0
Reverse one-time mid-year reductions	410,883	410,883	0	0	0	0.0
Enhance and expand drug courts	295,876	535,803	(239,927)	0	0	5.4
Eliminate salary survey and anniversary increases	(1,820,229)	(1,804,477)	(15,752)	0	0	0.0
Personal services base reduction	(673,907)	(673,907)	0	0	0	0.0
Other	7,125	9,117	68,745	(70,737)	0	1.0
SB 09-259	**$54,583,854**	**$54,490,109**	**$86,245**	**$7,500**	**$0**	**577.3**
TOTAL	**$54,583,854**	**$54,490,109**	**$86,245**	**$7,500**	**$0**	**577.3**
Increase/(Decrease)	$4,184,909	$4,427,974	($172,328)	($70,737)	$0	43.2
Percentage Change	8.3%	8.8%	(66.6)%	(90.4)%	n/a	8.1%

FY 2008-09 Appropriation Adjustments

Senate Bill 09-190 reduced General Fund appropriations by $494,579, primarily including reductions of $213,378 for information technology asset maintenance and $197,505 for mandated costs.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Address caseload and workload growth: The appropriation includes funding to add 36.8 FTE attorneys to address caseload and workload growth, and to reduce the trial attorney staffing deficit from 37.0 percent to 33.0 percent of minimum staffing standards.

Annualize salary increases: The appropriation includes funding for salary survey and anniversary pay increases that were awarded in FY 2008-09. Salary survey and anniversary increases for staff, when provided, are funded through a separate line item within this section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100.0 percent of salary survey and 80.0 percent of anniversary increases).

Employee benefit changes: The appropriation includes the following increases associated with employee benefits: $815,575 for the state contributions to employee health, life and dental benefits; $347,420 for the PERA amortization equalization disbursement pursuant to S.B. 04-257 and S.B. 06-235; and $11,013 for short-term disability.

Leased space: The appropriation includes funding for annual leased space escalators and new leased space contracts for 23 locations statewide.

Reverse one-time mid-year reductions: The appropriation restores General Fund base reductions taken mid-year in FY 2008-09 to assist in balancing the budget: (1) $213,378 for information technology equipment and software maintenance; and (2) $197,505 for mandated costs.

Enhance and expand drug courts: The appropriation includes an increase of $239,927 General Fund to continue to support 4.0 FTE who represent defendants in Denver's drug court. These staff were initially supported by grant funds received from Denver. The appropriation also adds $220,847 General Fund and 5.4 FTE to provide representation necessary to support the expansion of adult drug courts (see discussion in the Trial Courts section).

Eliminate salary survey and anniversary increases: The appropriation does not include funding for salary survey and anniversary increases for FY 2009-10. Salary survey and anniversary increases, when provided, are funded through a separate line item within this section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year. These centralized appropriations were provided for FY 2008-09 but not for FY 2009-10.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Other: The appropriation includes the following increases: $65,950 General Fund to provide the 12th month of funding for staff positions added in FY 2008-09; $56,245 cash funds and 1.0 FTE based on an anticipated grant; $12,500 cash funds spending authority for training fees; and $5,927 General Fund for vehicle lease payments. These increases are offset by a reduction of $70,737 reappropriated funds based on changes in grant funding, and a reduction of $62,760 General Fund to eliminate capital outlay funding provided for a staff position added in FY 2008-09.

Alternate Defense Counsel

The Office of Alternate Defense Counsel (OADC) is an independent agency within the Judicial Department that provides legal representation for indigent defendants in criminal and juvenile delinquency cases in which the State Public Defender's Office is precluded from doing so because of an ethical conflict of interest. The OADC provides legal representation by contracting with licensed attorneys and investigators. In FY 2007-08, the OADC handled 12,082 cases (measured in terms of the number of cases for which payments were made). Cash funds are from fees for training provided by the OADC.

Alternate Defense Counsel	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$23,227,619	$23,219,619	$8,000	$0	$0	7.5
SB 09-190	(49,064)	(49,064)	0	0	0	0.0
TOTAL	**$23,178,555**	**$23,170,555**	**$8,000**	**$0**	**$0**	**7.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$23,178,555	$23,170,555	$8,000	$0	$0	7.5
Case cost and caseload growth	474,002	474,002	0	0	0	0.0
Annualize salary increases	36,027	36,027	0	0	0	0.0
Employee benefit changes	24,480	24,480	0	0	0	0.0
Spending authority for training fees	12,000	0	12,000	0	0	0.0
Eliminate salary survey and anniversary increases	(37,703)	(37,703)	0	0	0	0.0
Other	4,780	4,780	0	0	0	0.0
SB 09-259	**$23,692,141**	**$23,672,141**	**$20,000**	**$0**	**$0**	**7.5**
TOTAL	**$23,692,141**	**$23,672,141**	**$20,000**	**$0**	**$0**	**7.5**
Increase/(Decrease)	$513,586	$501,586	$12,000	$0	$0	0.0
Percentage Change	2.2%	2.2%	150.0%	n/a	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Senate Bill 09-190 reduced General Fund appropriations by $49,064 based on changes in mileage reimbursement.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Case cost and caseload growth: The appropriation includes funding to account for caseload growth and increases in average costs per case.

Annualize salary increases: The appropriation includes funding for salary survey and anniversary pay increases that were awarded in FY 2008-09. Salary survey and anniversary increases for staff, when provided, are funded through a separate line item within this section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100.0 percent of salary survey and 80.0 percent of anniversary increases).

Employee benefit changes: The appropriation includes the following increases associated with employee benefits: $17,138 for state contributions to employee health, life and dental benefits; $7,098 for the PERA amortization equalization disbursement pursuant to S.B. 04-257 and S.B. 06-235; and $244 for short-term disability.

Spending authority for training fees: The appropriation increases cash funds spending authority to allow the OADC to collect and spend training fees.

Eliminate salary survey and anniversary increases: The appropriation does not include funding for salary survey and anniversary increases for FY 2009-10. Salary survey and anniversary increases, when provided, are funded through a separate line item within this section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year. These centralized appropriations were provided for FY 2008-09 but not for FY 2009-10.

Other: The appropriation includes the following changes: an increase of $6,086 to provide the 12th month of funding for two half-time staff positions added in FY 2008-09; an increase of $2,149 due to a scheduled increase in leased space costs; and a reduction of $3,455 to eliminate capital outlay funding provided for a staff position added in FY 2008-09.

Office of the Child's Representative

The Office of the Child's Representative (OCR) is an independent agency within the Judicial Department that is responsible for ensuring the provision of uniform, high-quality legal representation and non-legal advocacy to children involved in judicial proceedings. Generally, this includes representing children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. In FY 2007-08, the OCR handled 13,500 cases (measured in terms of the number of cases for which payments were made).

Office of the Child's Representative

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$16,055,321	$16,055,321	$0	$0	$0	26.8
SB 09-190	1,133,043	1,133,043	0	0	0	0.0

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$17,188,364**	**$17,188,364**	**$0**	**$0**	**$0**	**26.8**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$17,188,364	$17,188,364	$0	$0	$0	26.8
Case cost and caseload growth	1,212,911	1,212,911	0	0	0	0.0
Annualize salary increases	108,885	108,885	0	0	0	0.0
Staff for El Paso county office	64,900	64,900	0	0	0	0.0
Employee benefit changes	41,462	41,462	0	0	0	0.0
Eliminate salary survey and anniversary pay increases	(114,196)	(114,196)	0	0	0	0.0
Personal services base reduction	(33,627)	(33,627)	0	0	0	0.0
Other	8,741	8,741	0	0	0	0.0
SB 09-259	**$18,477,440**	**$18,477,440**	**$0**	**$0**	**$0**	**26.8**
SB 09-268	(97,000)	(97,000)	0	0	0	0.0
TOTAL	**$18,380,440**	**$18,380,440**	**$0**	**$0**	**$0**	**26.8**
Increase/(Decrease)	$1,192,076	$1,192,076	$0	$0	$0	0.0
Percentage Change	6.9%	6.9%	n/a	n/a	n/a	0.0%

1/ For FY 2008-09, the appropriation for the Office of the Child's Representative includes $241,158 that is exempt from the statutory limitation on state General Fund appropriations set forth in Section 24-75-201.1 (1) (a) (II) (B), C.R.S., due to the implementation of a federal mandate (exempted under the provisions of Section 24-75-201.1 (1) (a) (III) (A), C.R.S.).

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-190 added $1.1 million to address caseload and cost-per-case increases.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Case cost and caseload growth: The appropriation includes funding to account for caseload growth and increases in the average cost per case.

Annualize salary increases: The appropriation includes funding for salary survey and anniversary pay increases that were awarded in FY 2008-09. Salary survey and anniversary increases for staff, when provided, are funded through a separate line item within this section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year (including 100.0 percent of salary survey and 80.0 percent of anniversary increases).

Staff for El Paso county office: While the OCR generally provides legal representation through contract attorneys, it maintains an office in El Paso county and provides legal representation through state employees rather than through a contract. The appropriation includes funding to add one staff attorney for the El Paso county office to address workload increases.

Employee benefit changes: The appropriation includes the following increases associated with employee benefits: $24,814 for the state contribution to employee health, life and dental benefits; $16,163 for the PERA amortization equalization disbursement pursuant to S.B. 04-257 and S.B. 06-235; and $485 for short-term disability.

Eliminate salary survey and anniversary pay increases: The appropriation does not include funding for salary survey and anniversary increases for FY 2009-10. Salary survey and anniversary increases, when provided, are funded through a separate line item within this section in the fiscal year of the award and are incorporated into personal services funding in the subsequent fiscal year. These centralized appropriations were provided for FY 2008-09 but not for FY 2009-10.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Other: The appropriation includes the following increases: (1) $4,858 due to a scheduled increase in leased space costs; (2) $4,458 to provide the 12th month of funding for a staff position added in FY 2008-09; and (3) $2,880 for mileage reimbursement for staff in the El Paso county office and the central administrative office. These increases are offset by a reduction of $3,455 to eliminate capital outlay funding provided for a staff position added in FY 2008-09.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Recent Legislation

2008 Session Bills

S.B. 08-054: Establishes the Office of Judicial Performance Evaluation within the Judicial Department. The Office is tasked with: staffing and training state and district commissions; collecting and distributing data on judicial performance evaluations; conducting public education efforts concerning the performance evaluation process; and measuring public awareness of the process through regular polling. Appropriates $308,270 from the State Commission on Judicial Performance Cash Fund, and 1.0 FTE, to the Judicial Department for FY 2008-09.

H.B. 08-1010: Increases fines imposed for various motor vehicle violations, crediting more fine revenue to the Highway Users Tax Fund. For FY 2008-09, appropriates $33,600 General Fund to the Judicial Department to make computer programing changes to its court case management system.

H.B. 08-1082: Reduces from 15 to 10 years the waiting time required for petitioning the court to seal records for an offense that was not charged or was dismissed due to a plea agreement in a separate case. Expands the

provisions for sealing criminal justice records to certain conviction records. Requires a probation department in certain circumstances to advise a defendant of his or her right to seal criminal justice records. Appropriates $445,781 from the Judicial Stabilization Cash Fund, and 6.2 FTE, to the Judicial Department for FY 2008-09.

H.B. 08-1375: General appropriations act for FY 2008-09.

H.B. 08-1407: Increases the penalties that the Commissioner of Insurance may impose for the violation of any law, rule, or order of the Commissioner. Prohibits an insurer from unreasonably delaying or denying a claim for payment of benefits by a claimant. Creates a cause of action for a claimant who is unreasonably denied insurance benefits. Allows a claimant to recover reasonable attorney fees, court costs, and two times the amount of the covered benefit.

2009 Session Bills

S.B. 09-068: Increases fees for petitions and responses in divorce proceedings by $10 each and specifies that $5 of this additional fee shall be deposited in the Family Violence Justice Fund. Directs the Judicial Department to use this fee revenue to award grants to qualifying organizations that provide services for or on behalf of indigent persons and their families who are married, separated, or divorced. Appropriates $143,430 cash funds from the Family Violence Justice Fund to the Judicial Department for FY 2009-10. For additional information on this bill, see the "Recent Legislation" section for the Department of Human Services.

S.B. 09-190: Supplemental appropriation to the Judicial Department to modify FY 2007-08 appropriations included in the FY 2007-08 Long Bill (S.B. 07-239) and FY 2008-09 appropriations included in the FY 2008-09 Long Bill (H.B. 08-1375).

S.B. 09-208: Transfers to the General Fund a total of $3,391,841 from various cash funds administered by the Judicial Branch, including the following amounts: (1) $1,500,000 from the Court Security Cash Fund; (2) $900,000 from the State Commission on Judicial Performance Cash Fund; (3) $350,000 from the Drug Offender Treatment Fund; (4) $250,000 from the Offender Services Fund; (5) $200,000 from the Family-friendly Court Program Cash Fund; (6) $151,341 from the Drug Offender Surcharge Fund; (7) an estimated $32,500 (the fund balance) from the Dispute Resolution Fund; and (8) an estimated $8,000 (the fund balance) from the Guardian Ad Litem Fund. For additional information on this bill, see the "Recent Legislation" section for the Department of Labor and Employment.

S.B. 09-256: Requires the Department of Education to use at least half of any increase in the appropriation for the Expelled and At-risk Student Services Grant Program for FY 2009-10 ($500,000) to award grants for the purpose of reducing the number of truancy cases requiring court involvement. Authorizes and encourages the Department to retain up to an additional 2.0 percent of any moneys appropriated for the Program to partner with organizations to reduce the number of truancy cases requiring court involvement. For additional information on this bill, see the "Recent Legislation" section for the Department of Education.

S.B. 09-259: General appropriations act for FY 2009-10.

S.B. 09-268: Makes several clarifying changes concerning the appointment of state-paid professionals in court cases involving children. Clarifies that with respect to certain domestic relations cases, the court shall consider the combined income and assets of both parties before determining that a party is indigent. Requires a court to make specific findings that the appointment of a guardian ad litem (GAL) in certain delinquency cases is

necessary to serve the child's best interests, and clarifies when the appointment of a GAL in delinquency cases terminates. Clarifies that the court may appoint a GAL in a truancy case when extraordinary and exceptional circumstances exist. Reduces the General Fund appropriation to the Office of the Child's Representative for court appointed counsel for FY 2009-10 by $97,000.

S.B. 09-279: Transfers $500,000 from the Court Security Cash Fund to the General Fund on July 1, 2009. For additional information on this bill, see the "Recent Legislation" section for the Department of Labor and Employment.

S.B. 09-286: Requires the Colorado Commission on Criminal and Juvenile Justice to study sentences in Colorado, including the following: (1) sentences related to the offense of driving under restraint; (2) sentences related to drug crimes; and (3) alternatives to incarceration for nonviolent first-time offenders. Requires the Commission to submit recommendations regarding modifications to sentences or sentencing laws by February 1, 2010.

H.B. 09-1132: Adds text messaging and instant messaging to the list of means to commit the crimes of computer dissemination of indecent material to a child, internet luring of a child, internet sexual exploitation of a child, and harassment. Although this bill is anticipated to increase the number of offenders sentenced to sex offender intensive supervision probation, the final act excluded an appropriation to the Judicial Branch. For additional information on this bill, see the "Recent Legislation" section for the Department of Corrections.

DEPARTMENT OF LABOR AND EMPLOYMENT

The Department is responsible for: running state and federal funded employment and training programs, managing and operating the state's unemployment insurance program, enforcing labor laws and acting as a mediator to resolve labor disputes, regulating the storage and transportation of petroleum, inspecting public school and junior college construction sites and boilers, and administering workers' compensation programs.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$140,666	$0	$0	$0
Cash Funds/1	30,931,121	36,406,500	62,309,957	61,457,522
Cash Funds Exempt/1	19,874,799	20,402,867	n/a	n/a
Reappropriated Funds/1	n/a	n/a	1,621,481	1,612,070
Federal Funds	102,845,833	103,194,924	97,356,819	95,701,612
Total Funds	**$153,792,419**	**$160,004,291**	**$161,288,257**	**$158,771,204**
Full Time Equiv. Staff	1,098.8	1,099.5	1,124.7	1,121.6

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Funding for this department consists of 60.3 percent federal funds, 38.7 percent cash funds, and 1.0 percent reappropriated funds. The following is a review of the important factors driving this department's budget.

Unemployment Insurance

Unemployment Insurance Programs (UI Programs) are joint federal and state programs that provide temporary compensation to individuals who are laid off through no fault of their own. The state is responsible for establishing employer premium rates, collecting premiums, and auditing claims to identify potential fraud. Employer premiums are deposited into the Unemployment Insurance Trust Fund (UITF) which is maintained by the federal government, and benefit payments are made out of this fund. Benefits are paid on a weekly basis, based on the individual's wage history over the past year, and cannot exceed $475 per week. UI Programs make up approximately 22.0 percent of the Department's budget, and the majority of funding for UI Programs is federal. The workload for UI Programs and the UITF balance are counter cyclical to the health of the economy, meaning when the economy is healthy, workload numbers are low and the UITF balance grows. When the economy is slow, workload numbers increase and the UITF balance decreases because of an increase in benefit payments.

For FY 2008-09 the approximately $400.0 million in employer premiums and fines will count as revenue toward the TABOR revenue limit House Bill 09-1363 designates the UITF and associated UI Programs as an enterprise and moves them outside of the TABOR revenue limit starting in FY 2009-10 and for all years

thereafter. House Bill 09-1363 does not impact the funding or operation of UI Programs, and will help stabilize TABOR revenues because of the volatile nature of UI revenues. The following table outlines the demands placed on the UI programs and the UITF from September 2008 to April 2009:

Workload Indicators for UI Programs and the UITF				
Month - Year	**Number Unemployed***	**Unemployment Rate**	**Monthly Benefits Paid from UITF**	**UITF Balance at end of the Month**
September 2008	142,562	5.2%	$32,112,556	$689,914,971
October 2008	144,266	5.3%	32,588,445	672,240,770
November 2008	148,351	5.4%	43,029,507	660,153,770
December 2008	159,875	5.8%	52,776,737	617,257,800
January 2009	182,099	6.6%	61,039,459	562,726,198
February 2009	196,502	7.2%	71,589,110	529,658,269
March 2009	203,523	7.5%	99,750,749	436,757,560
April 2009	201,300	7.4%	89,400,000	378,300,000

* Number Unemployed is seasonally adjusted.

Senate Bill 09-247 enables the state to accept funds made available by the American Recovery and Reinvestment Act of 2009 (ARRA). Funds from ARRA include additional dollars for the UITF, federal funds for administration and payment of extended benefits, and administration dollars for workforce centers to handle the increased number of individuals seeking job advice and training. The following table outlines the impact of 2009 Session bills that affect the UITF.

2009 Session Bills Affecting Unemployment Insurance Trust Fund (UITF)					
Bill Number	**Short Title**	**Expenditures From UITF**		**UITF Revenue**	
		FY 2009-10	**FY 2010-11**	**FY 2009-10**	**FY 2010-11**
09-076	Employment and Training Technology Fund	$0	$0	($9,300,000)	($9,300,000)
09-178	UI Attached to Regular Jobs	(844,075)	(873,618)	(54,865)	(56,785)
09-247	Expand UI Benefits Federal Stimulus Money	(15,615,869)	(13,198,164)	134,824,594	7,940,462
Total		**($16,459,944)**	**($14,071,782)**	**$125,469,729**	**($1,416,323)**

Employment and Training Programs

Employment and training programs provide employment and training services for businesses and job seekers through a statewide network of state and county run one-stop workforce centers. Total funding for this subdivision makes up 37.9 percent of the Department's budget, and of this 82.0 percent is federal and comes with the requirement that priority services be offered first to veterans. Over the last three years federal funding has steadily declined, causing the Department to supplement federal funding with cash funds, and cut back on services. In the current economy workforce centers focus on matching job seekers with employers. In a strong economy emphasis is placed on matching employers with qualified job seekers.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Labor and Employment	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$161,288,257**	**$0**	**$62,309,957**	**$1,621,481**	**$97,356,819**	**1,124.7**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	32,741,051	0	16,919,375	1,126,349	14,695,327	164.4
Division of Employment and Training	98,804,744	0	16,221,158	475,616	82,107,970	750.1
Division of Labor	1,057,681	0	1,057,681	0	0	16.0
Division of Oil and Public Safety	7,004,849	0	6,431,811	19,516	553,522	76.2
Division of Workers' Compensation	21,679,932	0	21,679,932	0	0	118.0
Breakdown of Total Appropriation by Bill						
HB 08-1375	159,818,968	0	62,078,460	1,154,998	96,585,510	1,107.5
SB 08-051	123,950	0	123,950	0	0	2.0
SB 08-114	44,659	0	44,659	0	0	0.9
SB 08-155	0	0	0	0	0	(3.0)
SB 08-231	1,336,016	0	20,000	466,016	850,000	5.0
HB 08-1027	70,986	0	70,986	0	0	0.9
HB 08-1103	119,554	0	119,554	0	0	1.7
HB 08-1325	82,047	0	82,047	0	0	1.0
HB 08-1335	176,417	0	176,417	0	0	2.0
SB 09-191	(554,051)	0	(475,827)	467	(78,691)	6.7
SB 09-259	69,711	0	69,711	0	0	0.0
FY 2009-10 Total Appropriation:	**$158,771,204**	**$0**	**$61,457,522**	**$1,612,070**	**$95,701,612**	**1,121.6**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	30,431,603	0	13,945,986	1,117,293	15,368,324	164.9
Division of Employment and Training	98,767,810	0	18,518,409	475,616	79,773,785	753.4
Division of Labor	1,188,889	0	1,188,889	0	0	15.0
Division of Oil and Public Safety	6,340,547	0	5,761,883	19,161	559,503	70.3
Division of Workers' Compensation	22,042,355	0	22,042,355	0	0	118.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Breakdown of Total Appropriation by Bill						
SB 09-259	157,606,006	0	61,347,716	1,612,070	94,646,220	1,123.2
SB 09-247	1,789,584	0	$734,192	$0	$1,055,392	6.2
HB 09-1151	(635,201)	0	($635,201)	$0	$0	(8.0)
HB 09-1310	10,815	0	$10,815	$0	$0	0.2
Increase/(Decrease)	($2,517,053)	$0	($852,435)	($9,411)	($1,655,207)	(3.1)
Percentage Change	(1.6)%	n/a	(1.4)%	(0.6)%	(1.7)%	(0.3)%

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation is reduced by $554,051 total funds through S.B. 09-191 for savings related to the hiring freeze, and the consolidation of the Office of Information Technology.

2. The appropriation is increased by S.B. 09-259 (Section 16) by $69,711 for increased expenditures associated with collection fees charged by Central Collection Services in the Department of Personnel.

FY 2009-10 Appropriation Highlights:

1. The appropriation provides $85,722 cash, reappropriated and federal funds for the Department to develop and implement an internal audit program.

2. The appropriation decreases the Internet Self-Service line item in the Division of Employment and Training by $336,594 cash funds to annualize prior year funding.

3. The appropriation transfers 2.3 FTE to the Workforce Improvement Grants from the Department of Human Services for Disability Program Navigator in the Division of Employment and Training.

4. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $3,503,020, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

Detail of Appropriation by Administrative Section

Executive Director's Office

The Executive Director's Office provides funding for common services to all divisions including legal services from the Department of Law and services from the Computer Center. This Office also houses department-wide support services including: the Office of Government, Policy and Public Relations, the Office of Human Resources, and the budget and controller's offices.

Primary cash funds are the Employment Support Fund and the Workers' Compensation Cash Fund. Reappropriated funds are from the Petroleum Storage Tank Fund, which has been designated an enterprise for TABOR purposes, indirect cost recoveries, and the Department of Public Health and Environment.

Executive Director's Office						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$32,878,923	$0	$16,989,928	$1,125,882	$14,763,113	167.4
SB 08-155	0	0	0	0	0	(3.0)
HB 08-1325	4,322	0	4,322	0	0	0.0
SB 09-191	(142,194)	0	(74,875)	467	(67,786)	0.0
TOTAL	**$32,741,051**	**$0**	**$16,919,375**	**$1,126,349**	**$14,695,327**	**164.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$32,741,051	$0	$16,919,375	$1,126,349	$14,695,327	164.4
Centrally-appropriated line items	1,034,227	0	473,676	38,266	522,285	0.0
Annualize salary and benefit adjustments	624,004	0	285,794	23,088	315,122	0.0
Annualize FY 2008-09 hiring freeze	188,931	0	98,244	0	90,687	0.0
Internal audit program	82,968	0	44,102	2,754	36,112	0.0
Fund mix adjustment	0	0	(1,696,970)	68,904	1,628,066	0.0
Eliminate salary survey and performance-based pay	(3,503,020)	0	(1,604,383)	(129,612)	(1,769,025)	0.0
Annualize one-time disaster recovery	(484,144)	0	(484,144)	0	0	0.0
Personal services base reduction	(239,797)	0	(83,929)	(11,990)	(143,878)	0.0
Other	(12,617)	0	(5,779)	(466)	(6,372)	0.5
SB 09-259	**$30,431,603**	**$0**	**$13,945,986**	**$1,117,293**	**$15,368,324**	**164.9**
TOTAL	**$30,431,603**	**$0**	**$13,945,986**	**$1,117,293**	**$15,368,324**	**164.9**
Increase/(Decrease)	($2,309,448)	$0	($2,973,389)	($9,056)	$672,997	0.5
Percentage Change	(7.1)%	n/a	(17.6)%	(0.8)%	4.6%	0.3%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-191 reduced $188,931 for the FY 2008-09 hiring freeze and increased $46,737 for the consolidation of the Governor's Office of IT.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

Internal audit program: The appropriation provides for $82,968 total funds to fill a vacant auditor position to develop and implement an internal audit program throughout the Department.

Fund mix adjustment: The appropriation includes a funding mix adjustment that decreases cash funds and increases reappropriated and federal funds, due to the amount of federal funding anticipated to be received in FY 2009-10.

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

Annualize one-time disaster recovery: The appropriation eliminates one-time funding of $484,144 cash funds awarded in FY 2008-09 for the implementation of a Department disaster recovery system.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Other: The appropriation includes minor changes to various division line items.

Division of Employment and Training

The Division is comprised of three major programs:

- Unemployment Insurance Programs (UI Programs) provide temporary benefits to individuals who have lost their job through no fault of their own. Responsibilities of the UI Programs include collection of employer UI premiums, benefit payments, employer audits, operating a call center, and processing claimants' appeal applications.

- Employment and Training Programs provide job search assistance, additional job training, classes to improve interview and resume skills to job seekers through state and county-run one-stop centers. Services are free to job seekers and employers seeking employees, and the goal is to match qualified job seekers with employers.

- Labor Market Information (LMI) provides information on employment trends across the state, monthly unemployment numbers, and job growth information. LMI collaborates with one-stop centers to provide relevant training classes in fields that have potential long-term growth in Colorado.

The Employment Support Fund, the Unemployment Revenue Fund, and the Displaced Homemakers Fund are the primary cash funds for this division. Reappropriated funds are from other departments and government agencies. The primary federal funds are Trade Adjustment Act funds, Workforce Investment Act funds, Unemployment Insurance funds, and Wagner Peyser funds.

Division of Employment and Training

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$97,396,758	$0	$16,129,188	$9,600	$81,257,970	736.5
SB 08-114	44,659	0	44,659	0	0	0.9
SB 08-231	1,336,016	0	20,000	466,016	850,000	5.0
HB 08-1325	77,725	0	77,725	0	0	1.0
SB 09-191	(50,414)	0	(50,414)	0	0	6.7
TOTAL	**$98,804,744**	**$0**	**$16,221,158**	**$475,616**	**$82,107,970**	**750.1**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$98,804,744	$0	$16,221,158	$475,616	$82,107,970	750.1
Annualize salary and benefit adjustments	2,079,233	0	1,756,643	0	322,590	0.0
Postage increase	191,609	0	183,817	0	7,792	0.0
Annualize FY 2008-09 hiring freeze	50,414	0	50,414	0	0	0.0
FTE base adjustments	0	0	0	0	0	(3.1)
Federal funds	(3,667,569)	0	0	0	(3,667,569)	0.0
Internet Self Service	(336,594)	0	(336,594)	0	0	0.0
Annualize prior year funding	(161,446)	0	(109,056)	0	(52,390)	0.0
Other	7,020	0	7,020	0	0	0.0
SB 09-259	**$96,967,411**	**$0**	**$17,773,402**	**$475,616**	**$78,718,393**	**747.0**
SB 09-247	1,789,584	0	734,192	0	1,055,392	6.2
HB 09-1310	10,815	0	10,815	0	0	0.2

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$98,767,810**	**$0**	**$18,518,409**	**$475,616**	**$79,773,785**	**753.4**
Increase/(Decrease)	($36,934)	$0	$2,297,251	$0	($2,334,185)	3.3
Percentage Change	0.0%	n/a	14.2%	0.0%	(2.8)%	0.4%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-191 reduced $50,414 cash funds for the FY 2008-09 hiring freeze.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

FTE base adjustments: The appropriation decreases the Division's base by 3.1 FTE.

Federal funds: The appropriation reflects an anticipated decrease in federal funds of $3,667,569.

Internet Self Service: The appropriation reduces the FY 2009-10 appropriation by $336,594 because the project should be completed by February 2010.

Annualize prior year funding: The appropriation includes a decrease of $161,446 total funds to annualize the FY 2008-09 appropriation.

Other: The appropriation is for $7,020 cash funds for the Nonimmigrant Agricultural Seasonal Worker program.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Labor

The Division of Labor is responsible for labor administration and standards by ensuring compliance with wage, youth employment, and labor practice laws. The Division also facilitates labor dispute resolution and mediation. The Employment Support Fund is the cash fund for the Division.

Division of Labor						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$1,132,465	$0	$1,132,465	$0	$0	16.0
SB 09-191	(74,784)	0	(74,784)	0	0	0.0
TOTAL	**$1,057,681**	**$0**	**$1,057,681**	**$0**	**$0**	**16.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$1,057,681	$0	$1,057,681	$0	$0	16.0
Annualize FY 2008-09 hiring freeze	74,784	0	74,784	0	0	0.0
Annualize salary and benefit adjustments	56,424	0	56,424	0	0	0.0
FTE base reduction	0	0	0	0	0	(1.0)
SB 09-259	**$1,188,889**	**$0**	**$1,188,889**	**$0**	**$0**	**15.0**
TOTAL	**$1,188,889**	**$0**	**$1,188,889**	**$0**	**$0**	**15.0**
Increase/(Decrease)	$131,208	$0	$131,208	$0	$0	(1.0)
Percentage Change	12.4%	n/a	12.4%	n/a	n/a	(6.3)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-191 reduced $74,784 cash funds for the FY 2008-09 hiring freeze.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

FTE base reduction: The appropriation reduces the Division's base number of FTE by 1.0 FTE.

Division of Oil and Public Safety

This Division is comprised of the Public Safety Unit (PSU) and the Office of the State Oil Inspector (Inspector). The PSU conducts inspections of all boilers and pressure vessels in commercial and multi-unit residential buildings; regulates the distribution and storage of petroleum products; regulates the remediation of

contamination caused by leaking underground storage tanks; enforces statutory requirements pertaining to safety in public schools and carnivals; and regulates and monitors proper storage of explosives. The Inspector is responsible for monitoring and expediting the clean-up of leaking petroleum storage tanks and monitoring the sale and distribution of petroleum products.

The primary sources of cash funds are the Petroleum Storage Tank Fund, the Public Safety Inspection Fund, and the Boiler Inspection Fund. The reappropriated funds are from the Department of Public Health and Environment.

Division of Oil and Public Safety						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$6,686,078	$0	$6,102,135	$19,516	$564,427	69.6
SB 08-051	123,950	0	123,950	0	0	2.0
HB 08-1027	70,986	0	70,986	0	0	0.9
HB 08-1103	119,554	0	119,554	0	0	1.7
HB 08-1335	176,417	0	176,417	0	0	2.0
SB 09-191	(185,903)	0	(174,998)	0	(10,905)	0.0
SB 09-259	13,767	0	13,767	0	0	0.0
TOTAL	**$7,004,849**	**$0**	**$6,431,811**	**$19,516**	**$553,522**	**76.2**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$7,004,849	$0	$6,431,811	$19,516	$553,522	76.2
Annualize FY 2008-09 hiring freeze	186,370	0	175,465	0	10,905	0.0
Annualize salary and benefit adjustments	174,607	0	169,174	0	5,433	0.0
Annualize prior year funding	152,645	0	152,645	0	0	2.1
Fuel engine - one-time funding	(440,000)	0	(440,000)	0	0	0.0
Personal services base reduction	(113,293)	0	(102,581)	(355)	(10,357)	0.0
Other	10,570	0	10,570	0	0	0.0
SB 09-259	**$6,975,748**	**$0**	**$6,397,084**	**$19,161**	**$559,503**	**78.3**
HB 09-1151	(635,201)	0	(635,201)	0	0	(8.0)
TOTAL	**$6,340,547**	**$0**	**$5,761,883**	**$19,161**	**$559,503**	**70.3**
Increase/(Decrease)	($664,302)	$0	($669,928)	($355)	$5,981	(5.9)
Percentage Change	(9.5)%	n/a	(10.4)%	(1.8)%	1.1%	(7.7)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-191 reduced $186,370 for the FY 2008-09 hiring freeze and added $467 cash funds for the consolidation of the Office of IT. Senate Bill 09-259 (Section 16) increased $13,767 cash funds for collection fees charged by Central Collections Services in the Department of Personnel.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Annualize prior year funding: The appropriation annualizes funding appropriated through legislation and budget actions from the prior year.

Fuel engine - one-time funding: The appropriation reflects annualization of a one-time appropriation to purchase two cooperative fuel research engines for the Oil and Public Safety Laboratory.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Other: The appropriation includes small changes to various division line items.

Additional legislation: For information on H.B. 09-1151, see the "Recent Legislation" section at the end of this department.

Division of Workers' Compensation

The Division of Workers' Compensation 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 so frequently contested issues are resolved quickly without administrative hearings and/or litigation.

- The medical cost containment unit oversees the programs intended to ensure that medical services for workers' compensation claims 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 two large insurance programs. The Major Medical Insurance Fund, which covers workers who sustained catastrophic injuries between July 1971 and June 1981, has approximately 1,230 open cases. 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, has approximately 262 open cases.

The primary sources of cash funds are the Workers' Compensation Cash Fund, the Subsequent Injury Fund, and the Major Medical Insurance Fund.

Division of Workers' Compensation						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$21,724,744	$0	$21,724,744	$0	$0	118.0
SB 09-191	(100,756)	0	(100,756)	0	0	0.0
SB 09-259	55,944	0	55,944	0	0	0.0
TOTAL	**$21,679,932**	**$0**	**$21,679,932**	**$0**	**$0**	**118.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$21,679,932	$0	$21,679,932	$0	$0	118.0
Annualize salary and benefit adjustments	372,654	0	372,654	0	0	0.0
Annualize FY 2008-09 hiring freeze	100,756	0	100,756	0	0	0.0
Operating adjustments	31,727	0	31,727	0	0	0.0
Personal services base reduction	(127,820)	0	(127,820)	0	0	0.0
Special Funds legal service hours	(14,894)	0	(14,894)	0	0	0.0
SB 09-259	**$22,042,355**	**$0**	**$22,042,355**	**$0**	**$0**	**118.0**
TOTAL	**$22,042,355**	**$0**	**$22,042,355**	**$0**	**$0**	**118.0**
Increase/(Decrease)	$362,423	$0	$362,423	$0	$0	0.0
Percentage Change	1.7%	n/a	1.7%	n/a	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-191 reduced $100,756 for the FY 2008-09 hiring freeze and S.B. 09-259 (Section 16) increased $55,944 for collection fees charged by Central Collections Services in the Department of Personnel.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Operating adjustments: The appropriation reflects increases of: $15,101 cash funds for increased mailing costs and an upgrade to mail services equipment in the Department of Personnel, and $16,626 cash funds for Administrative Law Judge Services provided by the Department of Personnel.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Special Funds legal service hours: The appropriation reduces legal services funding for the Major Medical Insurance Fund by $3,727 cash funds, and for the Subsequent Injury Fund by $11,167 cash funds.

Recent Legislation

2008 Session Bills

S.B. 08-051: Broadens the Department's enforcement authority (the ability to levy civil fines and to seek temporary or permanent injunctions) with respect to its boiler and explosives programs. Makes an appropriation of $123,950 and 2.0 FTE to the Division of Oil and Public Safety. The appropriation consists of $84,825 from the Public Safety Inspection Fund and $39,125 from the Boiler Inspection Fund. Revenues for these funds are increased by the introduction of a boiler reinspection fee and an increase in the state explosives licensing fee.

S.B. 08-114: Amends existing statutes governing employee leasing companies (ELCs) that have ongoing relationships with work-site employers. Requires ELCs to be certified by the Department, and to pay all applicable unemployment insurance taxes. Provides the Department with enforcement authority including probation, financial penalties, and revocation of certification. Makes an appropriation of $44,659 and 0.9 FTE from the newly created Employee Leasing Company Certification Fund. Revenue for this fund comes from a certification fee charged to the ELCs.

S.B. 08-155: Consolidates the responsibility for the oversight of most of the State's executive branch in the Governor's Office of Information Technology (OIT). Transfers 3.0 FTE from the Department of Labor to OIT in FY 2008-09. For more information on S.B. 09-155, see the "Recent Legislation" section at the end of the Governor's section.

S.B. 08-231: Transfers the state Work Force Development Council from the Department of Local Affairs to the Department of Labor and Employment. Transfers the following FY 2008-09 appropriations from the Department of Local Affairs to the Department of Labor and Employment: $466,016 reappropriated funds

(federal funds transferred from various state agencies) and 4.0 FTE for the Work Force Development Council; and $870,000 and 1.0 FTE (including $850,000 federal funds and $20,000 cash funds from donations) for Work Force Improvement Grants.

H.B. 08-1027: Increases the Department's responsibilities in its public school and junior college construction inspection programs to include certification of third-party inspectors. Makes an appropriation of $70,986 cash funds and 0.9 FTE from the Public Safety Inspection Fund for that purpose. Fund revenues for this purpose will be generated by increased inspection fee revenue. The act also expands the responsibilities of the Department of Public Safety, Division of Fire Safety, in tracking building plans and reviewing fire safety inspections of public school and junior college construction. Makes an appropriation of $243,436 and 3.3 FTE from the Fire Safety Inspection Cash Fund to the Department of Public Safety, Division of Preparedness, Security and Fire Safety.

H.B. 08-1103: Requires the Department to implement a more comprehensive inspection and enforcement program to assure public safety with respect to amusement rides. Makes an appropriation of $119,554 and 1.7 FTE from the Public Safety Inspection Fund for the expanded Department activities. Fund revenues for this purpose will be generated by a fee schedule that covers a broader range of covered amusements. The act also exempts the Public Safety Inspection Fund from the statutory limit on uncommitted reserve funds established in Section 24-75-402, C.R.S.

H.B. 08-1325: Creates the "Nonimmigrant Agricultural Seasonal Worker Pilot Program" in the Department of Labor and Employment for the purpose of expediting the federal H-2A visa certification process so that eligible workers can come to Colorado legally to meet the staffing needs of Colorado farmers and ranchers. Creates an advisory council, made up of legislators, agency executives and stakeholders, to make recommendations for the adoption of rules and to assist in the preparation of reports to the General Assembly. Makes an appropriation of $82,047 and 1.0 FTE from the newly created Nonimmigrant Agricultural Seasonal Worker Pilot Program Cash Fund. Revenues for this fund are generated from fees charged to employers participating in the program. The Department of Law receives a transfer of $4,322 for legal services associated with the pilot program.

H.B. 08-1335: Increases the amount and timeliness of state and financial assistance for public school facility construction projects, replaces existing capitol construction assistance program. Makes an appropriation of $176,417 cash funds from the Public Safety Fund and 2.0 FTE. For additional information on H.B. 08-1335, see the "Recent Legislation" section in the Department of Education.

H.B. 08-1375: General appropriations act for FY 2008-09.

2009 Session Bills

S.B. 09-037: Amends existing statute regarding the Major Medical Insurance Fund (MMIF) and the Subsequent Injury Fund (SIF), by requiring the funds to carry a balance equal to the next fiscal years projected expenditures and maintain a reserve equal to a years total expenditures. The MMIF and SIF are no longer required to build up balances until the funds are actuarially sound.

S.B. 09-076: Creates the Employment and Training Technology Fund (Fund), and amends statute so thirty percent of the surcharge paid by employers is deposited into the Fund until December 31, 2016. Effective

January 1, 2017 the Fund shall receive 0.0 percent and 50.0 percent of the surcharge shall go into the Unemployment Compensation Fund.

S.B. 09-191: Supplemental appropriation for the Department of Labor and Employment for FY 2008-09.

S.B. 09-208: Makes the following cash fund transfers to the General Fund for FY 2008-09:

Name of Fund	Department/Program Area	Amount of Transfer
Contingency Reserve Fund	Education	$3,082,452
Health Care Services Fund	Health Care Policy and Financing	500,000
Higher Education Maintenance and Reserve Fund	Higher Education/Capitol Construction	33,700,000
Alcohol and Drug Abuse Community Prevention and Treatment Fund	Human Services	61,186
Offender Mental Health Services Fund	Human Services	246,350
Court Security Cash Fund	Judicial Branch	1,500,000
Dispute Resolution Fund	Judicial Branch	32,500
Drug Offender Surcharge Fund	Judicial Branch	151,341
Drug Offender Treatment Fund	Judicial Branch	350,000
Family-friendly Court Program Cash Fund	Judicial Branch	200,000
Guardian Ad Litem Fund	Judicial Branch	8,000
Offender Services Fund	Judicial Branch	250,000
State Commission on Judicial Performance Cash Fund	Judicial Branch	900,000
Employment Support Fund	Labor	5,000,000
Major Medical Insurance Fund	Labor	69,500,000
Subsequent Injury Fund	Labor	26,500,000
Workers' Compensation Cash Fund	Labor	15,700,000
Local Government Limited Gaming Impact Fund	Local Affairs	950,000
Capitol Complex Facilities Fund	Personnel	2,300,000
Motor Fleet Management Fund	Personnel	1,000,000
Cathode Ray Cash Fund	Public Health and Environment	2,333
Hazardous Substance Response Fund	Public Health and Environment	17,468,517
Medical Marijuana Program Cash Fund	Public Health and Environment	258,735
Recycling Resources Economic Opportunity Fund	Public Health and Environment	1,500,000
Short-term Innovative Health Programs Grant Fund	Public Health and Environment	4,352,319
Streptococcus Cash Fund	Public Health and Environment	9
Stroke Prevention and Treatment Cash Fund	Public Health and Environment	4,045
Student Dropout Prevention and Intervention Fund	Public Health and Environment	11,152
Tobacco Programs Cash Fund	Public Health and Environment	240,619

Name of Fund	Department/Program Area	Amount of Transfer
Water Quality Improvement Fund	Public Health and Environment	700,000
Youth Mentoring Services Cash Fund	Public Health and Environment	11,842
Colorado Water Conservation Board Construction Fund	Natural Resources	10,250,000
Perpetual Base Account of the Severance Tax Trust Fund	Natural Resources	20,000,000
Department of State Cash Fund	State	2,175,000
Notary Administration Cash Fund	State	575,000
State Rail Bank Fund	Transportation	1,543,937
Transportation Infrastructure Revolving Fund	Transportation	3,000,000
S.B. 208 Total Transfers		**$224,025,337**

S.B. 09-247: Broadens the availability of unemployment insurance (UI) compensation benefits to certain unemployed individuals, enabling the state to receive and expend funds made available through the American Recovery and Reinvestment Act of 2009. The following changes to UI laws are included in S.B. 09-247: a component that allows an unemployed individual to designate an alternative base period, establishes a trigger based on Colorado's unemployment rate that determines when Colorado will be eligible for additional federal funding for extended benefits, and provides $15 million in enhanced UI compensation benefits for claimants participating in an approved training program for the next three fiscal years. Makes an appropriation of $734,192 from the Unemployment Compensation Fund, and $1,055,392 federal funds, along with 6.2 FTE.

S.B. 09-259: General appropriations act for FY 2009-10. Section 16 contains a supplemental to further modify appropriations to the Division of Oil and Public Safety and the Division of Workers' Compensation included in the FY 2008-09 Long Bill.

S.B. 09-279: Makes the following transfers from cash funds to the General Fund in FY 2008-09 and FY 2009-10.

Cash Fund Transfers in S.B. 09-279			
Cash Funds	**Department**	**FY 2008-09**	**FY 2009-10**
Capitol Construction Fund	Capitol Construction		$28,054,476
Controlled Maintenance	Capitol Construction		803,610
Colorado CollegeInvest	Higher Education		15,000,000
Department of Human Services Low-Income Energy Assistance Fund	Human Services	3,000,000	
Performance-based Collaborative Management Incentive Cash Fund	Human Services	300,000	
Court Security Cash Fund	Judicial Branch		500,000
Drug Offender Surcharge Fund	Judicial Branch		1,360,000
Offender Services Fund	Judicial Branch		2,498,439
Major Medical Insurance Fund	Labor		26,500,000

Cash Fund Transfers in S.B. 09-279			
Building Regulation Fund	Local Affairs	1,101,349	
Home Investment Trust Fund	Local Affairs	1,284,000	
Local Government Limited Gaming Impact Fund	Local Affairs	100,000	
Local Government Mineral Impact Fund	Local Affairs	1,000,000	
Local Government Severance Tax Fund	Local Affairs	7,500,000	22,600,000
Moffat Tunnel Cash Fund	Local Affairs	86,758	
Waste Tire Cleanup Fund	Local Affairs	500,000	
Waste Tire Recycling Development Cash Fund	Local Affairs	150,000	
Perpetual Base Account	Natural Resources	15,000,000	62,000,000
Risk Management Fund	Personnel	10,010,599	
Self-Insured Property Fund	Personnel	1,295,055	
State Employees Workers' Compensation Account	Personnel	10,316,060	
Hazardous Substance Response Fund	Public Health and Environment	12,500,000	2,500,000
High Cost Administrative Fund	Regulatory Agencies		15,000,000
Licensing Services Cash Fund	Revenue		2,589,894
Unclaimed Property Tourism Promotion Fund	Treasury		5,000,000
Unclaimed Property Trust Fund	Treasury	50,000,000	25,000,000
Total		**$114,143,821**	**$209,406,419**

This bill also includes the following options for one-day transfers on June 30, 2009 to augment the General Fund if needed. These transfers will be paid back to the original funds on July 1, 2009.

June 30th, 2009 One-Day Cash Fund Transfers		
Cash Fund	**Department**	**Maximum Amount**
Employment Support Fund	Labor	$25,000,000
Local Government Mineral Impact Fund	Local Affairs	72,000,000
Local Government Severance Tax Fund	Local Affairs	128,000,000
Colorado Water Conservation Board Account	Natural Resources	60,000,000
Perpetual Base Account	Natural Resources	75,000,000
Operational Account of the Severance Tax Trust Fund	Natural Resources	21,300,000
Tobacco Litigation Settlement Cash Fund	Public Health and Environment	84,600,000
Unclaimed Property Trust Fund	Treasury	100,000,000
Total		**$565,900,000**

H.B. 09-1151: Moves the review and approval of school districts and junior colleges construction projects from the Division of Oil and Public Safety to the Department of Public Safety effective January 1, 2010. Reduces the FY 2009-10 appropriations to the Division of Oil and Public Safety by $635,201 and 8.0 FTE. For additional information on H.B. 09-1151, see the "Recent Legislation" section at the end of the Department of Public Safety.

H.B. 09-1310: Broadens the Department's ability to investigate alleged complaints of employer misclassifying an employee as an independent contractor. Creates the Employee Misclassification Advisory Opinion Fund for fees paid by employers for a nonbinding advisory opinion from the director on an individual employee classification. Makes an appropriation of $975 cash funds from the Unemployment Revenue Fund, and $9,840 and 0.2 FTE from the Employee Misclassification Advisory Opinion Fund.

H.B. 09-1363: Designates the Unemployment Compensation Section in the Division of Employment and Training in the Department of Labor and Employment as an enterprise for the purposes of Section 20 of Article X of the state constitution.

DEPARTMENT OF LAW (Attorney General's Office)

The Attorney General's Office represents and defends the legal interests of the people of the State of Colorado. It serves as chief legal counsel for state agencies and represents Colorado in state and federal courts. The office works concurrently with Colorado's 22 district attorneys and with other local, state and federal law enforcement authorities to carry out its criminal justice responsibilities and represents the State in criminal appeals. It has primary authority for enforcement of consumer protection laws, antitrust laws, and certain natural resource and environmental laws. The Department is comprised of the following divisions: Administration, Legal Services to State Agencies, Criminal Justice and Appellate, Water and Natural Resources, Consumer Protection, and Special Purpose.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$9,080,436	$8,675,523	$8,855,044	$10,008,042
Cash Funds/1	3,926,951	6,817,942	8,117,746	8,155,331
Cash Funds Exempt/1	26,140,331	29,450,172	n/a	n/a
Reappropriated Funds/1	n/a	n/a	29,708,104	29,883,133
Federal Funds	883,746	1,095,355	1,097,051	1,293,062
Total Funds	**$40,031,464**	**$46,038,992**	**$47,777,945**	**$49,339,568**
Full Time Equiv. Staff	362.2	378.4	392.4	396.2

/1 Appropriations for FY 2008-09 and FY 2009-10 are presented in a new format that redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

In FY 2009-10, funding for this department consists of 20.3 percent General Fund, 16.5 percent cash funds, 60.6 percent reappropriated funds, and 2.6 percent federal funds.

Legal Services to State Agencies

In FY 2009-10, the Department of Law will provide $25.5 million of legal services to state agencies, which represent 51.6 percent of the Department's total appropriation and 0.13 percent of the total state operating appropriation. (This measure of legal service costs includes appropriations to the Legal Services to State Agencies Division (LSSA) and central appropriations for LSSA that appear in the Administration Division.) As shown in the next table, seven agencies account for four fifths of these services. The table also shows the total number of hours of legal services provided and the "blended" legal rate, which is the average rate that the Department charges for legal services. The percentage increase in the total cost of legal services approximately equals the sum of the percentage increases of the blended rate and total hours.

	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Approp.	FY 09-10 Approp.
Regulatory Agencies	$5,075,682	$5,310,731	$5,761,082	$6,544,571	$7,121,534	$7,684,991
Natural Resources	2,198,168	2,471,139	2,555,184	2,864,980	3,165,863	3,313,102
Personnel	2,315,498	2,548,690	2,578,495	2,951,969	2,584,869	2,722,047
Public Health & Environment	1,354,044	1,599,380	1,616,692	1,921,117	2,306,833	2,428,065
Transportation	981,602	1,098,635	1,110,286	1,208,886	1,183,597	1,238,644
Human Services	1,173,984	1,301,464	1,354,909	1,396,381	1,328,161	1,389,932
Corrections	1,095,811	1,012,821	948,962	846,504	1,101,915	1,153,163
Other agencies	3,821,461	3,950,419	4,328,158	4,644,005	5,986,924	5,537,189
Total	$18,016,250	$19,293,279	$20,253,768	$22,378,413	$24,779,696	$25,467,133
% Change from prior year	2.4%	7.1%	5.0%	10.5%	10.7%	2.8%
% Of total department appropriation	51.8%	52.8%	50.6%	48.6%	51.9%	51.6%
% Of total state operating approp.	0.13%	0.13%	0.12%	0.13%	0.13%	0.13%
Blended Legal Rate	$61.57	$64.45	$67.77	$72.03	$75.10	$75.38
% Change from prior year	1.3%	4.7%	5.2%	6.3%	4.3%	0.4%
Total Hours	292,953	298,038	298,291	310,387	329,956	337,850
% Change from prior year	1.2%	1.7%	0.1%	4.1%	6.3%	2.4%

/1 The appropriation columns include estimates of unappropriated legal services to be provided to institutions of higher education. The actual columns include actual services provided to those institutions.

Criminal Justice and Appellate

The largest user of General Fund in the Department is the Criminal Justice and Appellate Division, which accounts for 45.9 percent of the Department's FY 2009-10 General Fund appropriation. Approximately 56 percent of the Division's General Fund appropriation is devoted to the Appellate Unit, which represents the State in criminal appeals, and 35 percent is devoted to the Special Prosecutions Unit, which investigates and prosecutes a variety of crimes. The Appellate unit receives all of its support from the General Fund, while the General Fund provides 55 percent of the Special Prosecutions Unit's support. The following table contains summary appropriation and workload measures for the Appellate Unit.

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate
Appropriation - GF	$2,369,667	$2,035,166	$2,317,059	$2,583,983
New Cases	951	979	1,225	1,350
Case Backlog /1	258	270	400	450

/1 Number of cases awaiting answer briefs at the end of the fiscal year.

District Attorney Salaries

House Bill 07-1170 established the following schedule for the minimum salaries of the state's twenty-two district attorneys, with the state paying 80 percent of the minimum and the remainder coming from local funds. Many districts use local funds to pay more than the minimum.

	Minimum Salary
Prior to January 1, 2009	$67,000
January 1, 2009	100,000
January 1, 2010	110,000
January 1, 2011	120,000
January 1, 2012	130,000

As a consequence of H.B. 07-1170, District Attorneys' salaries have become the second largest General Fund appropriation in the Department, after the General Fund appropriations to the Criminal Justice and Appellate Division, accounting for 20.9 percent of the Department's General Fund appropriation. The following table shows recent expenditures and appropriations.

Fiscal Year	General Fund	Increase from prior year	Percentage Increase
2006-07 expenditure	$1,307,731	$5,894	0.5%
2007-08 expenditure	1,315,985	8,254	0.6%
2008-09 appropriation	1,654,706	338,721	25.7%
2009-10 appropriation	2,096,078	441,372	26.7%

Water and Natural Resources

The Water and Natural Resources Division is the next largest user of General Fund in the Department, accounting for 9.7 percent of the Department's FY 2009-10 General Fund appropriation. Within this division, the largest General Fund appropriations go to the Federal and Interstate Water Unit, which represents the State in water rights litigation, and the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) Unit which uses federal CERCLA law to clean up sites that have been contaminated by hazardous substances.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Law

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$47,777,945**	**$8,855,044**	**$8,117,746**	**$29,708,104**	**$1,097,051**	**392.4**
Breakdown of Total Appropriation by Administrative Section						
Administration	8,752,179	1,354,786	493,245	6,752,428	151,720	41.2
Legal Services to State Agencies	21,855,273	0	1,000,000	20,855,273	0	216.5
Criminal Justice and Appellate	7,779,677	4,150,310	1,497,209	1,194,053	938,105	81.0
Water and Natural Resources	3,354,644	871,698	2,007,068	475,878	0	16.2
Consumer Protection	3,324,904	720,978	2,323,547	280,379	0	37.5
Special Purpose	2,711,268	1,757,272	796,677	150,093	7,226	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Breakdown of Total Appropriation by Bill						
HB 08-1375	47,654,033	9,563,837	7,758,602	29,174,543	1,157,051	389.6
SB 08-029	9,004	0	0	9,004	0	0.0
SB 08-152	10,805	0	0	10,805	0	0.0
SB 08-153	2,881	0	0	2,881	0	0.0
SB 08-200	60,073	0	0	60,073	0	0.5
SB 08-219	18,008	0	0	18,008	0	0.2
HB 08-1058	7,564	0	0	7,564	0	0.0
HB 08-1161	14,406	0	0	14,406	0	0.0
HB 08-1226	3,602	0	0	3,602	0	0.0
HB 08-1227	43,218	0	0	43,218	0	0.3
HB 08-1257	10,890	0	0	10,890	0	0.0
HB 08-1314	2,866	0	0	2,866	0	0.0
HB 08-1325	4,322	0	0	4,322	0	0.0
HB 08-1335	32,414	0	0	32,414	0	0.3
HB 08-1383	720	0	0	720	0	0.0
HB 08-1397	81,207	81,207	0	0	0	0.0
SB 09-192	(179,195)	(790,000)	359,144	311,661	(60,000)	1.5
HB 09-1188	1,127	0	0	1,127	0	0.0
FY 2009-10 Total Appropriation:	**$49,339,568**	**$10,008,042**	**$8,155,331**	**$29,883,133**	**$1,293,062**	**396.2**
Breakdown of Total Appropriation by Administrative Section						
Administration	8,386,625	1,435,526	417,330	6,397,536	136,233	42.2
Legal Services to State Agencies	22,450,362	0	981,826	21,468,536	0	218.5
Criminal Justice and Appellate	10,051,110	4,588,846	3,019,206	1,286,229	1,156,829	84.0
Water and Natural Resources	2,246,379	967,172	828,329	450,878	0	13.0
Consumer Protection	3,476,476	912,882	2,283,640	279,954	0	38.5
Special Purpose	2,728,616	2,103,616	625,000	0	0	0.0
Breakdown of Total Appropriation by Bill						
SB 09-259	47,688,779	10,008,042	6,660,336	29,727,339	1,293,062	394.2
SB 09-026	21,779	0	0	21,779	0	0.2
SB 09-123	751	0	0	751	0	0.0
SB 09-138	3,755	0	0	3,755	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-163	7,135	0	0	7,135	0	0.0
SB 09-167	4,882	0	0	4,882	0	0.0
SB 09-239	33,795	0	0	33,795	0	0.2
HB 09-1036	1,494,995	0	1,494,995	0	0	1.0
HB 09-1086	30,000	0	0	30,000	0	0.2
HB 09-1136	11,265	0	0	11,265	0	0.1
HB 09-1173	7,510	0	0	7,510	0	0.1
HB 09-1202	24,783	0	0	24,783	0	0.2
HB 09-1319	10,139	0	0	10,139	0	0.0
Increase/(Decrease)	$1,561,623	$1,152,998	$37,585	$175,029	$196,011	3.8
Percentage Change	3.3%	13.0%	0.5%	0.6%	17.9%	1.0%

FY 2008-09 Appropriation Adjustment Highlights:

1. The adjustments include $287,000 of General Fund reductions due to the hiring freeze, among other changes.

FY 2009-10 Appropriation Highlights:

1. The appropriation includes the impact of H.B. 09-1036, which increases motor vehicle registration fees and appropriates the resulting $1.5 million of cash funds revenue, along with 1.0 FTE, to the Peace Officers Standards and Training (P.O.S.T.) Board.

2. The appropriation includes an increase of $441,000 General Fund to pay the base salaries of the state's district attorneys.

3. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $869,000, including $299,000 General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

4. The appropriation includes a decrease of $1.0 million cash funds and 2.4 FTE for natural resource damage litigation at Rocky Mountain Arsenal, reflecting the successful conclusion of the lawsuit.

5. The appropriation includes a decrease of 1.82 percent for all personal services line items with 20 or more FTE, for a total reduction of $467,000, comprised of $61,000 General Fund, $29,000 cash funds and $377,000 reappropriated funds.

Detail of Appropriation by Administrative Section

Administration

The Administration Division contains the Office of the Attorney General, which includes the Attorney General and top deputies, as well as the Department's human resources, accounting/budgeting, information technology, and text management sections. The Division coordinates and oversees the operation of the Department's other divisions and provides support services to the entire department. The Division's reappropriated funds derive from indirect cost recoveries and from central appropriations of funds from a variety of fund sources that support other divisions.

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$8,903,684	$1,506,291	$493,245	$6,752,428	$151,720	41.2
SB 09-192	(151,505)	(151,505)	0	0	0	0.0
TOTAL	**$8,752,179**	**$1,354,786**	**$493,245**	**$6,752,428**	**$151,720**	**41.2**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$8,752,179	$1,354,786	$493,245	$6,752,428	$151,720	41.2
Move and reduce building security appropriation	196,693	60,775	16,461	113,970	5,487	0.0
Operating adjustments	187,315	161,258	7,347	20,939	(2,229)	0.0
Annualize salary and benefits adjustments	132,438	132,438	0	0	0	0.0
New Assistant Solicitor General	93,353	6,882	0	86,471	0	1.0
Postage increase	1,186	1,186	0	0	0	0.0
Fund mix adjustment	0	(49,225)	(5,631)	55,089	(233)	0.0
Central appropriations	(869,474)	(213,864)	(90,874)	(547,499)	(17,237)	0.0
Personal services base reduction	(53,209)	0	0	(53,209)	0	0.0
Disaster Recovery	(45,600)	(14,123)	(3,218)	(26,984)	(1,275)	0.0
ADP capital outlay	(8,256)	(4,587)	0	(3,669)	0	0.0
SB 09-259	**$8,386,625**	**$1,435,526**	**$417,330**	**$6,397,536**	**$136,233**	**42.2**
TOTAL	**$8,386,625**	**$1,435,526**	**$417,330**	**$6,397,536**	**$136,233**	**42.2**
Increase/(Decrease)	($365,554)	$80,740	($75,915)	($354,892)	($15,487)	1.0
Percentage Change	(4.2)%	6.0%	(15.4)%	(5.3)%	(10.2)%	2.4%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-192 reduced the General Fund appropriation by $151,505, comprised of $113,889 of hiring-freeze savings and $37,616 paid with the existing cash-funds appropriation for Defense of the Colorado River Basin Compact in the Water and Natural Resources Division. These were one-time savings.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Move and reduce building security appropriation: The Long Bill moved the appropriation for building security from the Special Purpose Division to the Administration Division and reduced it by $62,339. The reduction reflects reduced costs following the implementation year of the building security project.

Operating adjustments: The appropriation includes increases for the following items, which are governed by common policy: Payment to Risk Management and Property Funds, Vehicle Lease, and Capitol Complex Leased Space. It also includes IT Asset Maintenance and Leased Space, which are not common-policy items.

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

New Assistant Solicitor General: The appropriation includes funding for an Assistant Solicitor General who will help the Solicitor General.

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

Fund mix adjustment: The appropriation makes greater use of indirect cost recoveries.

Central appropriations: These items are appropriated to the Administration Division and are then used throughout the Department. The appropriation includes increased appropriations for health, life, and dental, short term disability, S.B. 04-257 amortization equalization disbursement, S.B. 06-235 supplemental amortization equalization disbursement, and workers' compensation. Netted against these increases is a $1.3 million decrease of the appropriations for salary survey and performance-based pay, reflecting the elimination of these appropriations.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20 or more full-time-equivalent (FTE) staff.

Disaster Recovery: The appropriation reflects the end of one-year funding for a study of the Department's disaster-recovery needs.

ADP capital outlay: ADP (Automatic Data Processing) capital outlay is used to acquire personal computers and office equipment for new FTE that are added by the Long Bill and by special bills. The reduction reflects the reduced growth of FTE.

Legal Services to State Agencies

The Department of Law provides legal services on a fee-for-service basis to state agencies and enterprises. The Legal Services to State Agencies division contains appropriations for the attorneys, paralegals, and support personnel who provide these services. In FY 2009-10, the Department anticipates providing 337,850 hours of services at an average billing rate of $75.38 per hour, a 0.4 percent increase over the FY 2007-08 rate. The Division's cash funds come from legal services provided to state enterprises, while reappropriated funds come from legal services provided to other state agencies.

Legal Services to State Agencies						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$21,346,712	$0	$1,000,000	$20,346,712	$0	213.2
SB 08-029	9,004	0	0	9,004	0	0.0
SB 08-152	10,805	0	0	10,805	0	0.0
SB 08-153	2,881	0	0	2,881	0	0.0
SB 08-200	60,073	0	0	60,073	0	0.5
SB 08-219	18,008	0	0	18,008	0	0.2
HB 08-1058	7,564	0	0	7,564	0	0.0
HB 08-1161	14,406	0	0	14,406	0	0.0
HB 08-1226	3,602	0	0	3,602	0	0.0
HB 08-1227	43,218	0	0	43,218	0	0.3
HB 08-1257	10,890	0	0	10,890	0	0.0
HB 08-1314	2,866	0	0	2,866	0	0.0
HB 08-1325	4,322	0	0	4,322	0	0.0
HB 08-1335	32,414	0	0	32,414	0	0.3
HB 08-1383	720	0	0	720	0	0.0
SB 09-192	286,661	0	0	286,661	0	2.0
HB 09-1188	1,127	0	0	1,127	0	0.0
TOTAL	**$21,855,273**	**$0**	**$1,000,000**	**$20,855,273**	**$0**	**216.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$21,855,273	$0	$1,000,000	$20,855,273	$0	216.5
Annualize salary and benefits adjustments	749,754	0	0	749,754	0	0.0
Legal Services	83,570	0	0	83,570	0	0.6
Impact of bills from previous sessions	30,180	0	0	30,180	0	0.3
Indirect cost assessment	21,675	0	0	21,675	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Postage increase	4,052	0	0	4,052	0	0.0
Personal services base reduction	(337,710)	0	(18,174)	(319,536)	0	0.0
Legal rate reconciliation	(112,226)	0	0	(112,226)	0	0.1
SB 09-259	**$22,294,568**	**$0**	**$981,826**	**$21,312,742**	**$0**	**217.5**
SB 09-026	21,779	0	0	21,779	0	0.2
SB 09-123	751	0	0	751	0	0.0
SB 09-138	3,755	0	0	3,755	0	0.0
SB 09-163	7,135	0	0	7,135	0	0.0
SB 09-167	4,882	0	0	4,882	0	0.0
SB 09-239	33,795	0	0	33,795	0	0.2
HB 09-1086	30,000	0	0	30,000	0	0.2
HB 09-1136	11,265	0	0	11,265	0	0.1
HB 09-1173	7,510	0	0	7,510	0	0.1
HB 09-1202	24,783	0	0	24,783	0	0.2
HB 09-1319	10,139	0	0	10,139	0	0.0
TOTAL	**$22,450,362**	**$0**	**$981,826**	**$21,468,536**	**$0**	**218.5**
Increase/(Decrease)	$595,089	$0	($18,174)	$613,263	$0	2.0
Percentage Change	2.7%	n/a	(1.8)%	2.9%	n/a	0.9%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-192 provided $346,180 of reappropriated funds for the provision of additional legal services to the Departments of Education ($116,898), Public Health and Environment ($33,494), Regulatory Agencies ($40,481) and State ($155,307), which were partially offset by a $100,000 decrease of legal services for the Judicial Department. The bill also corrected an inadvertent omission from H.B. 08-1353 by appropriating $40,481 of reappropriated funds for legal services to be supplied to the Department of Regulatory Agencies. For information on H.B. 09-1188, see the "Recent Legislation" sections at the end of this department and at the end of the Department of Regulatory Agencies.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Legal Services: The appropriation provides increased legal services in support of legal needs in other departments.

Impact of bills from previous sessions: The appropriation reflects the second year impact of prior session bills that required the Department of Law to supply legal services to other departments.

Indirect cost assessment: The appropriation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20 or more full-time-equivalent (FTE) staff.

Legal rate reconciliation: This adjustment aligns the appropriation with the division's funding needs.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Criminal Justice and Appellate

The Criminal Justice and Appellate section contains the following sections:

- **Special Prosecutions Unit** - Investigates and prosecutes workers' compensation, securities and insurance fraud; gang-related criminal activity; complex crimes; and environmental crimes. The unit also coordinates the activities of the statewide grand jury, assists district attorneys who are prosecuting death penalty cases, and works with Mexican authorities to prosecute Mexican nationals who commit crimes in Colorado and flee to Mexico.

- **Appellate Unit** - Handles state and federal criminal appeals.

- **Medicaid Fraud Control Unit** - Investigates and prosecutes Colorado Medicaid fraud, as well as patient abuse in Colorado facilities that receive Medicaid funding.

- **Peace Officers Standards and Training (P.O.S.T.) Board** - Certifies and helps train peace officers appointed by state and local law enforcement agencies.

- **Victim's Assistance -** Provides information to victims when the Department prosecutes the perpetrator or handles a criminal appeal.

Cash funds for workers' compensation fraud come from Pinnacol Assurance, while cash funds for the P.O.S.T. Board come from fees paid by peace officers and from a statewide vehicle registration fee. Reappropriated funds for the securities and insurance fraud programs come from the Department of Regulatory Agencies, while reappropriated funds for victim's assistance come from the Department of Public Safety. Federal moneys help support the Medicaid Fraud Control Unit.

Criminal Justice and Appellate						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$7,988,470	$4,299,103	$1,497,209	$1,194,053	$998,105	81.0
HB 08-1397	81,207	81,207	0	0	0	0.0
SB 09-192	(290,000)	(230,000)	0	0	(60,000)	0.0
TOTAL	**$7,779,677**	**$4,150,310**	**$1,497,209**	**$1,194,053**	**$938,105**	**81.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$7,779,677	$4,150,310	$1,497,209	$1,194,053	$938,105	81.0
Reverse temporary FY 2008-09 appropriation adjustments	290,000	230,000	0	0	60,000	0.0
Annualize salary and benefits adjustments	266,491	169,590	27,826	35,740	33,335	0.0
Indirect cost assessment	127,196	0	(1,313)	(1,730)	130,239	0.0
Third year impact of HB 07-1054	86,515	86,515	0	0	0	1.0
Forensic accountant for the Special Prosecutions Unit	81,838	27,279	0	54,559	0	1.0
Postage increase	925	436	489	0	0	0.0
Fund mix adjustment	0	1,243	0	3,607	(4,850)	0.0
Consolidate Units	0	0	0	0	0	0.0
Personal services base reduction	(45,320)	(45,320)	0	0	0	0.0
Implementation of HB 08-1397	(31,207)	(31,207)	0	0	0	0.0
SB 09-259	**$8,556,115**	**$4,588,846**	**$1,524,211**	**$1,286,229**	**$1,156,829**	**83.0**
HB 09-1036	1,494,995	0	1,494,995	0	0	1.0
TOTAL	**$10,051,110**	**$4,588,846**	**$3,019,206**	**$1,286,229**	**$1,156,829**	**84.0**
Increase/(Decrease)	$2,271,433	$438,536	$1,521,997	$92,176	$218,724	3.0
Percentage Change	29.2%	10.6%	101.7%	7.7%	23.3%	3.7%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-192 took advantage of various one-time opportunities to decrease General Fund appropriations by $290,000, including $120,000 of hiring-freeze savings.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Reverse temporary FY 2008-09 appropriation adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are no longer available.

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

Indirect cost assessment: The appropriation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

Third year impact of H.B. 07-1054: The appropriation adds 1.0 FTE for implementation of House Bill 07-1054 (Increase Number of Judges), which is 2.0 FTE less that the FTE indicated in the Legislative Council Staff Fiscal Note for the bill.

Forensic accountant for the Special Prosecutions Unit: The appropriation includes 1.0 FTE for a forensic accountant who will support securities, insurance, and other fraud investigations.

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

Fund mix adjustment: The appropriation reflects an anticipated decrease in federal funding and offsetting use of General Fund and cash funds.

Consolidate Units: The appropriation consolidates in a single Long Bill line item, funding for four units that were previously separately appropriated.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20 or more full-time-equivalent (FTE) staff.

Implementation of H.B. 08-1397: The appropriation reduces the amount provided for implementation of H.B. 08-1397 (Disposition of Evidence in Criminal Cases).

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Water and Natural Resources

The Natural Resources and Environment Division protects and defends Colorado and its citizens in matters relating to natural resources and water law, oil and gas development, mining and minerals, wildlife, the clean-up of contaminated sites, the proper storage or disposal of hazardous waste, and protection of the state's air and water. The Division contains two units:

- The Federal and Interstate Water Unit, which provides legal counsel and representation for cases involving federal water rights, compliance with federal regulatory programs, and interstate water allocation agreements such as the Colorado River Basin Compact, and

- The CERCLA Unit, which leads enforcement actions at sites contaminated with hazardous substances under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

Cash funds come from the Colorado Water Conservation Board's Litigation Fund, the Hazardous Substance Response Fund, and attorney fees and costs recovered by the Department, while reappropriated funds come from the Department of Public Health and Environment.

Water and Natural Resources

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$3,495,500	$1,126,698	$1,917,924	$450,878	$0	16.7
SB 09-192	(140,856)	(255,000)	89,144	25,000	0	(0.5)
TOTAL	**$3,354,644**	**$871,698**	**$2,007,068**	**$475,878**	**$0**	**16.2**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$3,354,644	$871,698	$2,007,068	$475,878	$0	16.2
Annualize salary and benefits adjustments	56,426	56,426	0	0	0	0.0
Rocky Mountain Arsenal Natural Resource Damages	(1,017,924)	0	(1,017,924)	0	0	(2.4)
Defense of the Colorado River Compact	(87,017)	(15,346)	(71,671)	0	0	0.0
Reduce CERCLA program	(30,606)	(30,606)	0	0	0	(0.8)
Reverse temporary FY 2008-09 appropriation adjustments	(29,144)	85,000	(89,144)	(25,000)	0	0.0
SB 09-259	**$2,246,379**	**$967,172**	**$828,329**	**$450,878**	**$0**	**13.0**
TOTAL	**$2,246,379**	**$967,172**	**$828,329**	**$450,878**	**$0**	**13.0**
Increase/(Decrease)	($1,108,265)	$95,474	($1,178,739)	($25,000)	$0	(3.2)
Percentage Change	(33.0)%	11.0%	(58.7)%	(5.3)%	n/a	(19.8)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-192 reduced General Fund appropriations for the Water and CERCLA units by $255,000, including $85,000 of one-time CERCLA reductions, while providing $25,000 of one-time reappropriated funds for CERCLA and $89,144 of one-time cash funds for water litigation.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Rocky Mountain Arsenal Natural Resource Damages: The appropriation reduces funding for the Natural Resource Damages lawsuit at the Rocky Mountain Arsenal to $195,000, the amount needed to implement the settlement.

Defense of the Colorado River Compact: The reduction aligns the appropriation with recent expenditures.

Reduce CERCLA program: The amount of work done by the CERCLA Unit has been declining; the appropriation continues the reductions that were in S.B. 09-192.

Reverse temporary FY 2008-09 appropriation adjustments: The Department's supplemental bill (S.B. 09-192) included several one-time adjustments to the FY 2008-09 appropriation that are no longer available.

Consumer Protection

The Consumer Protection section includes the following programs:

- **Antitrust Program** - Investigates and prosecutes antitrust violations involving such practices as price fixing, bid rigging, and attempts to monopolize a market or industry.

- **Consumer Protection Program** - Investigates and prosecutes deceptive or fraudulent trade and advertising practices in such areas as telephone solicitation, health clubs, automobile repossession, and manufactured home sales.

- **Collection Agency Board** - Enforces Colorado's Fair Debt Collection Practices Act, which protects creditor firms who engage collection agencies to collect debts on their behalf, and the debtor consumers who are the subject of the collection efforts of those agencies.

- **Uniform Consumer Credit Code Program** - Regulates debt management and credit repair services, payday lending and rent-to-own agreements, and certain high cost mortgages. The program protects borrowers from abusive practices, such as interest rates that exceed legal limits, excessive prepayment penalties, and inadequate disclosure of the cost of credit.

The Division's cash funds derive from fees paid by regulated entities, custodial funds awarded to the Department for consumer protection purposes, and tobacco settlement moneys. Reappropriated funds come from the Department of Regulatory Agencies.

Consumer Protection						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$3,358,399	$874,473	$2,203,547	$280,379	$0	37.5
SB 09-192	(33,495)	(153,495)	120,000	0	0	0.0
TOTAL	**$3,324,904**	**$720,978**	**$2,323,547**	**$280,379**	**$0**	**37.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$3,324,904	$720,978	$2,323,547	$280,379	$0	37.5
Annualize salary and benefits adjustments	127,185	42,289	80,771	4,125	0	0.0
Reverse temporary FY 2008-09 appropriation adjustments	33,495	153,495	(120,000)	0	0	0.0
Replace temporary call center workers with a full time FTE	10,832	10,832	0	0	0	1.0
Indirect cost assessment	8,466	0	8,929	(463)	0	0.0
Postage increase	2,096	510	1,586	0	0	0.0
Personal services base reduction	(30,502)	(15,222)	(11,193)	(4,087)	0	0.0
SB 09-259	**$3,476,476**	**$912,882**	**$2,283,640**	**$279,954**	**$0**	**38.5**
TOTAL	**$3,476,476**	**$912,882**	**$2,283,640**	**$279,954**	**$0**	**38.5**
Increase/(Decrease)	$151,572	$191,904	($39,907)	($425)	$0	1.0
Percentage Change	4.6%	26.6%	(1.7)%	(0.2)%	n/a	2.7%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-192 included a one-time $120,000 refinance of General Fund appropriations with cash funds and a one-time $33,495 reduction in General Fund appropriations that reflected hiring-freeze savings. The bill also shifted 4.0 FTE from reappropriated funds to cash funds to fix a technical error.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Reverse temporary FY 2008-09 appropriation adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are no longer available.

Replace temporary call center workers with a full time FTE: The appropriation includes 1.0 FTE to staff the Department's Call Center, which receives telephone, e-mail and mail complaints regarding consumer protection, consumer lending, mortgage fraud, predatory lending, debt collection, rent-to-own, credit repair, and other matters. This FTE will replace the series of temporary workers who have been staffing the center.

Indirect cost assessment: The appropriation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20 or more full-time-equivalent (FTE) staff.

Special Purpose

This section contains the appropriation that pays eighty percent of the base salaries of Colorado's twenty-two district attorneys, as well as appropriations for programs that do not fit elsewhere in the Department's budget. The Litigation Management and Technology Fund line item provides funding for unanticipated legal expenditures and for information technology projects. Cash funds derive from the surplus earned by the Legal Services to State Agencies program and from tobacco settlement moneys. Reappropriated funds come from other divisions within the Department while Federal Funds come from the Department's Medicaid Fraud program.

Special Purpose

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$2,561,268	$1,757,272	$646,677	$150,093	$7,226	0.0
SB 09-192	150,000	0	150,000	0	0	0.0
TOTAL	**$2,711,268**	**$1,757,272**	**$796,677**	**$150,093**	**$7,226**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$2,711,268	$1,757,272	$796,677	$150,093	$7,226	0.0
Third year impact of HB 07-1170	441,372	441,372	0	0	0	0.0
Move building security appropriation to the Administration division	(259,032)	(80,036)	(21,677)	(150,093)	(7,226)	0.0
Return Litigation Management Fund appropriation to base levels	(150,000)	0	(150,000)	0	0	0.0
Reduce legal service support for HIPAA	(14,992)	(14,992)	0	0	0	0.0
SB 09-259	**$2,728,616**	**$2,103,616**	**$625,000**	**$0**	**$0**	**0.0**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$2,728,616**	**$2,103,616**	**$625,000**	**$0**	**$0**	**0.0**
Increase/(Decrease)	$17,348	$346,344	($171,677)	($150,093)	($7,226)	0.0
Percentage Change	0.6%	19.7%	(21.5)%	(100.0)%	(100.0)%	n/a

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-192 increased the "Litigation Management and Technology Fund" appropriation by $150,000 cash funds to pay for outside counsel for the Mill Levy lawsuit.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Third year impact of H.B. 07-1170: The appropriation provides extra funding to pay the state's share of the cost of the salary increases for district attorneys that were required by H.B. 07-1170.

Move building security appropriation to the Administration division: This appropriation was moved to the Administration division.

Return Litigation Management Fund appropriation to base levels: The Department's FY 2008-09 supplemental bill took advantage of extra revenue available to this fund that is not available in FY 2009-10.

Reduce legal service support for HIPAA: The appropriation reduces support for the program that provides HIPAA legal support to state General Fund programs. The need for this legal work has been declining.

Recent Legislation

2008 Session Bills

S.B. 08-029: Requires architects to complete continuing education courses and participate in a continuing competency program in order to renew their licenses. For FY 2008-09 provides $9,004 of reappropriated funds to the Department of Law from the Department of Regulatory Agencies for legal services. For more information, see the corresponding bill description for the Department of Regulatory Agencies.

S.B. 08-152: Requires registration of occupational therapists within the Department of Regulatory Agencies, Division of Registrations. For FY 2008-09 provides $10,805 of reappropriated funds to the Department of Law from the Department of Regulatory Agencies for legal services. For more information, see the corresponding bill description for the Department of Regulatory Agencies.

S.B. 08-153: Establishes licensing requirements for home health agencies that provide both skilled and personal care services. For FY 2008-09 provides $2,881 of reappropriated funds to the Department of Law from the Department of Public Health and Environment for legal services. For more information, see the corresponding bill description for the Department of Public Health and Environment.

S.B. 08-200: Adds the prohibition of discrimination based on sexual orientation to the non-discrimination statutes for 23 areas, including housing, employment not covered by H.B. 07-025, education, public accommodations, and health care. For FY 2008-09 provides $60,073 of reappropriated funds to the Department of Law from the Department of Regulatory Agencies for legal services and provides the Department of Law with 0.5 FTE. For more information, see the corresponding bill description for the Department of Regulatory Agencies.

S.B. 08-219: Requires the licensure of massage therapists by the Division of Registrations in the Department of Regulatory Agencies. For FY 2008-09 provides $18,008 of reappropriated funds to the Department of Law from the Department of Regulatory Agencies for legal services and provides the Department of Law with 0.2 FTE. For more information, see the corresponding bill description for the Department of Regulatory Agencies.

H.B. 08-1058: Requires agents to register with the Department of Regulatory Agencies if they intend to represent a college athlete in the pursuit of commercial or professional interests. For FY 2008-09 provides $7,564 of reappropriated funds to the Department of Law from the Department of Regulatory Agencies for legal services. For more information, see the corresponding bill description for the Department of Regulatory Agencies.

H.B. 08-1161: Expands the regulatory authority of the Mined Land Reclamation Board over in situ leach mining activities. For FY 2008-09 provides $14,406 of reappropriated funds to the Department of Law from the Department of Natural Resources for legal services. For more information, see the corresponding bill description for the Department of Natural Resources.

H.B. 08-1226: Allows certified public accountants (CPAs) from another state or foreign country to practice in Colorado without registering with the State Board of Public Accountancy. CPAs licensed out-of-state are required to follow board rules and are subject to its disciplinary authority. For FY 2008-09 provides $3,602 of reappropriated funds to the Department of Law from the Department of Regulatory Agencies for legal services. For more information, see the corresponding bill description for the Department of Regulatory Agencies.

H.B. 08-1227: Continues the Public Utilities Commission until 2019, with several modifications. For FY 2008-09 provides $43,218 of reappropriated funds to the Department of Law from the Department of Regulatory Agencies for legal services and provides the Department of Law with 0.3 FTE. For more information, see the corresponding bill description for the Department of Regulatory Agencies.

H.B. 08-1257: Authorizes new permits and permit fees for the operation of an overweight motor vehicle. For FY 2008-09 provides $10,890 of reappropriated funds to the Department of Law from the Department of Transportation for legal services. For more information, see the corresponding bill description for the Department of Transportation.

H.B. 08-1314: Uses two percent of the Local Government Limited Gaming Impact Fund for gambling addiction counseling for Colorado residents. For FY 2008-09 provides $2,866 of reappropriated funds to the Department of Law from the Department of Human Services for legal services. For more information, see the corresponding bill descriptions for the Departments of Human Services and Local Affairs.

H.B. 08-1325: Expedites the federal H-2A visa certification process so eligible workers can come to Colorado legally to meet the staffing needs of Colorado farmers and ranchers. For FY 2008-09 provides $4,322 of reappropriated funds to the Department of Law from the Department of Labor and Employment for legal

services. For more information, see the corresponding bill description for the Department of Labor and Employment.

H.B. 08-1335: Consolidates several current sources of funding for public school capital construction into the Public School Capital Construction Assistance Fund. Authorizes the Department of Education to issue grants from the fund to school districts or enter lease purchase agreements. Creates the Public School Capital Construction Assistance Board and the Division of Public School Capital Construction Assistance to select projects, deal with funding matters, and provide technical assistance. For FY 2007-08 and FY 2008-09 provides $7,203 and $32,414 of reappropriated funds to the Department of Law from the Department of Education for legal services. For FY 2008-09 provides the Department of Law with 0.3 FTE. For more information, see the corresponding bill description for the Department of Education.

H.B. 08-1375: General appropriations act for FY 2008-09.

H.B. 08-1383: Creates an inactive status for professional and practical nursing licenses to be administered by the Department of Regulatory Agencies, Division of Registrations. For FY 2008-09 provides $720 of reappropriated funds to the Department of Law from the Department of Regulatory Agencies for legal services. For more information, see the corresponding bill description for the Department of Regulatory Agencies.

H.B. 08-1396: Allows the Hazardous Substance Response Fund to be used by the Department of Public Health and Environment to conduct a study to determine whether water from the Canterbury Tunnel is contributing to an increase in the mine pool that feeds into the Leadville Mine Drainage Tunnel. For FY 2007-08 provides $25,000 of reappropriated funds to the Department of Law from the Department of Public Health and Environment for legal services. For more information, see the corresponding bill description for the Department of Public Health and Environment.

H.B. 08-1397: Requires the preservation of potential DNA evidence in class 1 felony cases and specifies a process for disposing of DNA evidence. Requires all peace officers to receive DNA evidence training. For FY 2008-09 appropriates $81,207 of General Fund to the Department of Law so the Department's Peace Officer Standards and Training Board can develop and certify the curriculum for the training courses.

2009 Session Bills

S.B. 09-026: Requires athletic trainers to register with the Department of Regulatory Agencies. For FY 2009-10 provides $21,779 of reappropriated funds and 0.2 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies. For more information see the corresponding bill description for the Department of Regulatory Agencies.

S.B. 09-123: Establishes a pilot program to reduce the dropout rate of adolescent students. For FY 2009-10 provides $751 of reappropriated funds to the Department of Law for the provision of legal services to the Department of Education. For more information see the corresponding bill description for the Department of Education.

S.B. 09-138: Continues the certification of nurse aides. For FY 2009-10 provides $3,755 of reappropriated funds to the Department of Law for the provision of legal services to the Department of Regulatory Agencies. For more information see the corresponding bill description for the Department of Regulatory Agencies.

S.B. 09-163: Amends the Education Accreditation Act. For FY 2009-10 provides $7,135 of reappropriated funds to the Department of Law for the provision of legal services to the Department of Education. For more information see the corresponding bill description for the Department of Education.

S.B. 09-167: Continues the regulation of chiropractors. For FY 2009-10 provides $4,882 of reappropriated funds to the Department of Law for the provision of legal services to the Department of Regulatory Agencies. For more information see the corresponding bill description for the Department of Regulatory Agencies.

S.B. 09-192: Supplemental appropriation to the FY 2008-09 Long Bill for the Department of Law.

S.B. 09-197: Supplemental appropriation to the FY 2008-09 Long Bill for the Department of Public Health and Environment. Increases the "Transfer to the Department of Law for CERCLA Contract Oversight-Related Costs" appropriation for FY 2008-09 by $25,000.

S.B. 09-239: Continues the regulation of nurses. For FY 2009-10 provides $33,795 of reappropriated funds and 0.2 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies. For more information see the corresponding bill description for the Department of Regulatory Agencies.

S.B. 09-259: General appropriations act for FY 2009-10.

H.B. 09-1036: Increases the motor vehicle registration fee that funds the Peace Officers Standards and Training Board from 25¢ to 60¢ beginning on July 1, 2009. Appropriates $1,494,995 cash funds and 1.0 FTE to the Department of Law's Criminal Justice and Appellate Division for FY 2009-10.

H.B. 09-1086: Establishes continuing professional competency requirements for the renewal of licenses or certifications for social workers, marriage and family therapists, professional counselors, and addiction counselors. For FY 2009-10 provides $30,000 of reappropriated funds and 0.2 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies. For more information see the corresponding bill description for the Department of Regulatory Agencies.

H.B. 09-1136: Establishes continuing professional competency requirements for the renewal of licenses of electricians. For FY 2009-10 provides $11,265 of reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies. For more information see the corresponding bill description for the Department of Regulatory Agencies.

H.B. 90-1141: Simplifies the fee structure for the Department of Law's Uniform Consumer Credit Code program, removes statutory caps on fees, sets a reserve limit equal to one third of annual program expenditures, and allows the Department to set fees.

H.B. 09-1173: Increases state resources for the enforcement of tobacco laws. Increases penalties for violation of those laws. Appropriates $7,510 cash funds and 0.1 FTE to the Department of Law for the provision of legal services to the Department of Revenue for FY 2009-10. For more information see the corresponding bill description for the Department of Revenue.

H.B. 09-1188: Modifies the rules requiring licensed medical practitioners to disclose certain information when they renew a license. For FY 2008-09 provides $1,127 of reappropriated funds to the Department of Law for

the provision of legal services to the Department of Regulatory Agencies. For more information see the corresponding bill description for the Department of Regulatory Agencies.

H.B. 09-1202: Creates a registration program for funeral establishments and crematories. For FY 2009-10 provides $24,783 of reappropriated funds and 0.2 FTE to the Department of Law for the provision of legal services to the Department of Regulatory Agencies. For more information see the corresponding bill description for the Department of Regulatory Agencies.

H.B. 09-1319: Repeals existing concurrent enrollment programs, replacing them with a program designed to broaden access, improve quality, and increase accountability of concurrent enrollment programs. For FY 2009-10 provides $10,139 of reappropriated funds to the Department of Law for the provision of legal services to the Department of Education. For more information see the corresponding bill description for the Department of Education.

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 Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$30,931,554	$32,740,151	$34,889,177	$35,162,475
Cash Funds/1	90,000	90,000	207,030	223,640
Cash Funds Exempt/1	913,551	1,033,774	n/a	n/a
Reappropriated Funds/1	n/a	n/a	806,500	1,053,816
Federal Funds	0	0	0	0
Total Funds	**$31,935,105**	**$33,863,925**	**$35,902,707**	**$36,439,931**
Full Time Equiv. Staff	276.3	277.1	277.1	277.1

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Funding for this department consists of 96.5 percent General Fund, 0.6 percent cash funds, and 2.9 percent reappropriated funds. 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 for: (1) the House of Representatives and the Senate; (2) the Legislative Council; (3) the State Auditor; (4) the Joint Budget Committee; and (5) 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 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 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Approp.
Property Tax Study	$624,990	$589,833	$589,833	$638,500	$622,000
Ballot Analysis	$559,650	$1,288,971	$0	$492,000	$508,500

Summary of FY 2008-09 and FY 2009-10 Appropriations

Legislative Branch

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$35,902,707**	**$34,889,177**	**$207,030**	**$806,500**	**$0**	**277.1**
Breakdown of Total Appropriation by Administrative Section						
General Assembly	14,697,776	14,603,960	93,816	0	0	76.8
State Auditor	8,012,293	7,122,579	83,214	806,500	0	73.0
Joint Budget Committee	1,520,729	1,520,729	0	0	0	16.0
Legislative Council	6,345,056	6,315,056	30,000	0	0	55.2
Committee on Legal Services	5,326,853	5,326,853	0	0	0	56.1
Breakdown of Total Appropriation by Bill						
HB 08-1375	2,661,757	2,661,757	0	0	0	0.0
SB 08-060	6,500	0	0	6,500	0	0.0
HB 08-1157	8,472	8,472	0	0	0	0.0
HB 08-1325	7,020	7,020	0	0	0	0.0
HB 08-1361	33,188,958	32,211,928	177,030	800,000	0	277.1
SB 09-224	30,000	0	30,000	0	0	0.0
FY 2009-10 Total Appropriation:	**$36,439,931**	**$35,162,475**	**$223,640**	**$1,053,816**	**$0**	**277.1**
Breakdown of Total Appropriation by Administrative Section						
General Assembly	14,766,115	14,642,299	120,000	3,816	0	76.8
State Auditor	8,148,417	7,244,777	103,640	800,000	0	73.0
Joint Budget Committee	1,535,594	1,535,594	0	0	0	16.0
Legislative Council	6,608,876	6,358,876	0	250,000	0	55.2
Committee on Legal Services	5,380,929	5,380,929	0	0	0	56.1
Breakdown of Total Appropriation by Bill						
SB 09-259	2,938,843	2,688,843	0	250,000	0	0.0
SB 09-224	33,501,088	32,473,632	223,640	803,816	0	277.1

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	$537,224	$273,298	$16,610	$247,316	$0	0.0
Percentage Change	1.5%	0.8%	8.0%	30.7%	n/a	0.0%

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation is increased by $30,000 cash funds for the Youth Advisory Council based on the anticipated level of donations.

FY 2009-10 Appropriation Highlights:

1. The appropriation includes an increase of $262,000 General Fund and $47,000 cash funds for personnel-related expenses, including additional contributions to Public Employees Retirement Association (PERA) and health, life, and dental benefits.

2. The appropriation includes an increase of $250,000 reappropriated funds for the school district cost-of-living analysis.

3. The appropriation does not include any funding increase for staff salaries for FY 2009-10. Salary increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

Detail of Appropriation by Administrative Section

General Assembly

Comprised of 35 members in the Senate and 65 members in 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.

General Assembly

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1361 and HB 08-1375	$14,697,776	$14,603,960	$93,816	$0	$0	76.8
HB 08-1361 (non-add)	*13,166,519*	*13,072,703*	*93,816*	*0*	*0*	*76.8*
HB 08-1375 (non-add)	*1,531,257*	*1,531,257*	*0*	*0*	*0*	*0.0*
TOTAL	**$14,697,776**	**$14,603,960**	**$93,816**	**$0**	**$0**	**76.8**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$14,697,776	$14,603,960	$93,816	$0	$0	76.8
PERA amortization disbursement (SB 09-224)	66,917	66,917	0	0	0	0.0
Operating adjustments (SB 09-259)	27,087	27,087	0	0	0	0.0
Operating adjustments (SB 09-224)	(25,665)	(55,665)	26,184	3,816	0	0.0
SB 09-224 and SB 09-259	$14,766,115	$14,642,299	$120,000	$3,816	$0	76.8
SB 09-224 (non-add)	*13,207,772*	*13,083,956*	*120,000*	*3,816*	*0*	*76.8*
SB 09-259 (non-add)	*1,558,343*	*1,558,343*	*0*	*0*	*0*	*0.0*
TOTAL	**$14,766,115**	**$14,642,299**	**$120,000**	**$3,816**	**$0**	**76.8**
Increase/(Decrease)	$68,339	$38,339	$26,184	$3,816	$0	0.0
Percentage Change	0.5%	0.3%	27.9%	n/a	n/a	0.0%

FY 2009-10 Appropriation - S.B. 09-224 (Legislative Appropriation) and S.B. 09-259 (Long Bill) Issue Descriptions

PERA amortization disbursement (SB09-224): The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salary to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

Operating adjustments (SB 09-259): The appropriation contains various centrally appropriated line items. These centrally appropriated line items include Workers' Compensation, Payments to Risk Management and Property Funds, and Legal Services. Operating adjustments are a function of recoverable overhead in the Department of Administration or the Department of Law that are allocated to other departments based on a proportionate share of utilization.

Operating adjustments (SB 09-224): The decrease in appropriation reflects various decreases in the General Assembly's operating appropriations. These include a decrease for 5 fewer days of special session and a decrease associated with membership dues.

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.

State Auditor	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1361	$8,005,793	$7,122,579	$83,214	$800,000	$0	73.0
SB 08-060	6,500	0	0	6,500	0	0
TOTAL	**$8,012,293**	**$7,122,579**	**$83,214**	**$806,500**	**$0**	**73.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$8,012,293	$7,122,579	$83,214	$806,500	$0	73.0
Salary and benefits related adjustments	103,298	82,872	20,426	0	0	0.0
PERA amortization disbursements	39,326	39,326	0	0	0	0.0
Eliminate one-time funding	(6,500)	0	0	(6,500)	0	0.0
SB 09-224	**$8,148,417**	**$7,244,777**	**$103,640**	**$800,000**	**$0**	**73.0**
TOTAL	**$8,148,417**	**$7,244,777**	**$103,640**	**$800,000**	**$0**	**73.0**
Increase/(Decrease)	$136,124	$122,198	$20,426	($6,500)	$0	0.0
Percentage Change	1.7%	1.7%	24.5%	(0.8)%	n/a	0.0%

FY 2009-10 Appropriation - S.B. 09-224 (Legislative Appropriation) Issue Descriptions

Salary and benefits related adjustments: The increase in appropriation reflects an increase as a result of the employer share of health, life, and dental.

PERA amortization disbursements: The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salary to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

Eliminate one-time funding: Eliminates one-time funding for implementation of S.B. 08-060.

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, including two from the majority political party, and three members from the Senate, including two from the majority political party. 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.

Joint Budget Committee						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1361	$1,520,729	$1,520,729	$0	$0	$0	16.0
TOTAL	**$1,520,729**	**$1,520,729**	**$0**	**$0**	**$0**	**16.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$1,520,729	$1,520,729	$0	$0	$0	16.0
PERA amortization disbursement	11,155	11,155	0	0	0	0.0
Salary and benefits related adjustments	3,710	3,710	0	0	0	0.0
SB 09-224	**$1,535,594**	**$1,535,594**	**$0**	**$0**	**$0**	**16.0**
TOTAL	**$1,535,594**	**$1,535,594**	**$0**	**$0**	**$0**	**16.0**
Increase/(Decrease)	$14,865	$14,865	$0	$0	$0	0.0
Percentage Change	1.0%	1.0%	n/a	n/a	n/a	0.0%

FY 2009-10 Appropriation - S.B. 09-224 (Legislative Appropriation) Issue Descriptions

PERA amortization disbursement: The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salary to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

Salary and benefits related adjustments: The increase in appropriation reflects an increase as a result of the employer share of health, life, and dental.

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.

Legislative Council						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1361 and HB 08-1375	$6,299,564	$6,299,564	$0	$0	$0	55.2

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 08-1361 (non-add)	*5,169,064*	*5,169,064*	*0*	*0*	*0*	*55.2*
HB 08-1375 (non-add)	*1,130,500*	*1,130,500*	*0*	*0*	*0*	*0.0*
HB 08-1157	8,472	8,472	0	0	0	0.0
HB 08-1325	7,020	7,020	0	0	0	0.0
SB 09-244	30,000	0	30,000	0	0	0.0
TOTAL	**$6,345,056**	**$6,315,056**	**$30,000**	**$0**	**$0**	**55.2**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$6,345,056	$6,315,056	$30,000	$0	$0	55.2
Operating adjustments (SB 09-259)	250,000	0	0	250,000	0	0.0
PERA amortization disbursement (SB 09-224)	35,174	35,174	0	0	0	0.0
Salary and benefits related adjustments (SB 09-224)	8,646	8,646	0	0	0	0.0
Eliminate one-time funding	(30,000)	0	(30,000)	0	0	0.0
SB 09-259 and SB 09-224	**$6,608,876**	**$6,358,876**	**$0**	**$250,000**	**$0**	**55.2**
SB 09-224 (non-add)	*5,228,376*	*5,228,376*	*0*	*0*	*0*	*55.2*
SB 09-259 (non-add)	*1,380,500*	*1,130,500*	*0*	*250,000*	*0*	*0.0*
TOTAL	**$6,608,876**	**$6,358,876**	**$0**	**$250,000**	**$0**	**55.2**
Increase/(Decrease)	$263,820	$43,820	($30,000)	$250,000	$0	0.0
Percentage Change	4.2%	0.7%	(100.0)%	n/a	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-224 increased the cash fund appropriation for the Youth Advisory Council based on the anticipated level of donations.

FY 2009-10 Appropriation - S.B. 09-224 (Legislative Appropriation) and S.B. 09-259 (Long Bill) Issue Descriptions

Operating adjustments (SB 09-259): The appropriation includes an increase of $250,000 reappropriated funds spending authority. Legislative Council staff is required to conduct a cost of living study every two years pursuant to Section 22-54-104 (5) (c) (III) (A), C.R.S, to certify the cost of living factor for each school district. The cost of living study is typically performed through a contract.

PERA amortization disbursement (SB 09-224): The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salary to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

Salary and benefits related adjustments (SB 09-224): The increase in appropriation reflects an increase as a result of the employer share of health, life, and dental.

Eliminate one-time funding: Eliminates funding associated with the Youth Advisory Council.

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 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 and 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), represents 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.

Committee on Legal Services

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1361	$5,326,853	$5,326,853	$0	$0	$0	56.1
TOTAL	**$5,326,853**	**$5,326,853**	**$0**	**$0**	**$0**	**56.1**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$5,326,853	$5,326,853	$0	$0	$0	56.1
PERA amortization disbursement	34,335	34,335	0	0	0	0.0
Salary and benefits related adjustments	19,741	19,741	0	0	0	0.0
SB 09-224	**$5,380,929**	**$5,380,929**	**$0**	**$0**	**$0**	**56.1**
TOTAL	**$5,380,929**	**$5,380,929**	**$0**	**$0**	**$0**	**56.1**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	$54,076	$54,076	$0	$0	$0	0.0
Percentage Change	1.0%	1.0%	n/a	n/a	n/a	0.0%

FY 2009-10 Appropriation - S.B. 09-224 (Legislative Appropriation) Issue Descriptions

PERA amortization disbursement: The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salary to the Public Employees' Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

Salary and benefits related adjustments: The increase in appropriation reflects an increase as a result of the employer share of health, life, and dental.

Recent Legislation

2008 Session Bills

S.B. 08-060: Extends authority for the Colorado Auto Theft Prevention Authority from July 2008 to July 2018, and adds two members to serve on the Automobile Theft Prevention Board. Creates a mandatory biannual fee of $.50 for each vehicle insured by automobile insurers to fund the program. Requires the State Auditor to audit the Colorado Auto Theft Prevention Cash fund in FY 2008-09 and every two years thereafter. Appropriates $4,262,667 cash funds from the Colorado Auto Theft Prevention Cash Fund, and 3.0 FTE, to the Department of Public Safety. Out of this amount, appropriates $6,500 reappropriated funds to the Office of the State Auditor to conduct an audit of the program.

H.B. 08-1157: Establishes the 44-member Youth Advisory Council in the legislative branch. The council is comprised of 40 voting 14- to 19-year-olds and 4 non-voting members from the General Assembly. The bill specifies council composition, member terms, and appointment procedures. Appropriates $8,472 General Fund in FY 2008-09 to the Legislature for compensation of Youth Advisory Council members.

H.B. 08-1325: Creates the "Nonimmigrant Agricultural Seasonal Worker Pilot Program" in the Department of Labor and Employment for the purpose of expediting the federal H-2A visa certification process so that eligible workers can come to Colorado legally to meet the staffing needs of Colorado farmers and ranchers. Creates an advisory council, made up of legislators, agency executives and stakeholders, to make recommendations for the adoption of rules and to assist in the preparation of reports to the General Assembly. Makes an appropriation of $82,045 and 1.0 FTE from the newly created Nonimmigrant Agricultural Seasonal Worker Pilot Program Cash Fund. Revenues for this fund are generated from fees charged to employers participating in the program. $4,322 of these funds are transferred to the Department of Law for legal services associated with the pilot program. Appropriates $7,020 General Fund to the Legislative Department for payment of per diem for members of the General Assembly appointed to the advisory council.

H.B. 08-1361: Separate legislative appropriations act for FY 2008-09.

H.B. 08-1371: Permits the print shop in the Legislative Council to submit proposals for printing of legislative bills, memorials, resolutions, calendars, and journals of the General Assembly as described in Section 24-70-203 (1) (a), C.R.S. Contains a ***conditional*** appropriation that transfers $21,824 General Fund from the House of Representatives and Senate to the Legislative Council should the Legislative Print Shop be the successful bidder for legislative printing as authorized in the bill. The Legislative Print Shop was not awarded the bid and, therefore, the conditional appropriation did not occur.

H.B. 08-1375: General appropriations act for FY 2008-09.

2009 Session Bills

S.B. 09-224: Separate legislative appropriations act for FY 2009-10.

S.B. 09-259: General appropriations act for FY 2009-10.

DEPARTMENT OF LOCAL AFFAIRS

The Department is responsible for building community and local government capacity by providing training, as well as technical and financial assistance to localities. The Department's budget is comprised of five sections: the Executive Director's Office, Property Taxation, the Division of Housing, the Division of Local Government, and the Division of Emergency Management.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund/1	$10,303,099	$10,989,371	$12,352,639	$11,889,613
Cash Funds/2	29,211,540	29,959,987	190,783,749	258,645,041
Cash Funds Exempt/2	101,962,367	107,433,892	n/a	n/a
Reappropriated Funds/2	n/a	n/a	5,324,722	6,108,376
Federal Funds	97,750,554	80,261,842	54,905,997	93,374,504
Total Funds	**$239,227,560**	**$228,645,092**	**$263,367,107**	**$370,017,534**
Full Time Equiv. Staff	192.8	184.0	180.5	186.5

/1 Appropriations include General Fund Exempt.
/2 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Funding for this department consists of 3.2 percent General Fund, 69.9 percent cash funds, 1.7 percent reappropriated funds, and 25.2 percent federal funds.

Dedicated Funding Sources

The Department of Local Affairs is responsible for a number of programs with dedicated cash revenue sources. The largest of these include: disbursements from the Conservation Trust Fund (a portion of state lottery proceeds distributed to local entities on a formula basis for parks, recreation, and open space purposes); local government mineral and energy impact assistance (a portion of state severance tax revenues as well as federal mineral lease revenues distributed to local governments affected by mineral extraction activities); limited gaming impact grants (a portion of limited gaming tax revenues distributed to communities impacted by gaming activities); and grants for the recycling, reuse, and removal of waste tires (a portion of waste tire fees distributed on a competitive basis to assist with conservation efforts). Program expenditures fluctuate with changes in the revenue available from these various dedicated funding sources. The following table summarizes recent actual and estimated revenues.

Constitutionally or Statutorily Dedicated Cash Revenues Administered by the Department of Local Affairs ($ millions)					
Revenues	**FY 2005-06 Actual**	**FY 2006-07 Actual**	**FY 2007-08 Actual**	**FY 2008-09 Approp.**	**FY 2009-10 Estimated**
Severance Tax	$71.5	$77.5	$82.7	$156.8	$119.0
Federal Mineral Lease	27.9	40.6	51.0	83.8	73.0
Conservation Trust Fund	50.0	47.6	48.9	48.0	48.0
Limited Gaming Fund	5.8	6.9	6.5	7.1	6.3
Waste Tire Fees	2.9	2.3	3.1	4.0	4.2

Federal Funds

Federal funds comprise about one-fourth of the Department of Local Affairs' FY 2009-10 appropriation. These federally-funded programs generally do not require state matching funds, and funding is provided at the discretion of federal authorities. The major on-going federal grants that are administered by this department are summarized in the following table. The Section 8 rental assistance grants, affordable housing development grants, community development block grants, and emergency shelter program grants are provided by the Department of Housing and Urban Development. Preparedness grants and training grants are provided by the Department of Homeland Security.

Major On-going Federal Grants Administered by Department of Local Affairs ($ millions)				
	FY 2006-07 Actual	**FY 2007-08 Approp.**	**FY 2008-09 Approp.**	**FY 2009-10 Estimated**
HUD Section 8 rental assistance /1	$16.6	$17.0	$17.2	$17.2
HUD Affordable housing development /1, 2	14.7	8.9	9.1	45.3
Preparedness grants and training /3	37.7	35.5	10.5	12.0
HUD Community Development Block Grants /1	9.1	6.7	6.8	7.0
Health and Human Services Community *Services* Block Grants/1	4.7	5.2	5.2	5.5
HUD Emergency Shelter Program/1	1.0	1.0	1.0	1.0

/1 Amounts exclude portions used for administration and overhead.

/2 The increase from FY 2008-09 to FY 2009-10 includes the one-time receipt of $34.0 million in federal grant moneys for the Neighborhood Stabilization Program.

/3 The reduction from FY 2007-08 to FY 2008-09 reflects the transfer of approximately $19.7 million to the Office of the Governor, Office of Homeland Security.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Local Affairs

	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$263,367,107**	**$12,352,639**	**$190,783,749**	**$5,324,722**	**$54,905,997**	**180.5**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	4,501,650	1,722,921	407,906	1,718,182	652,641	13.2
Property Taxation	3,428,730	1,974,794	672,172	781,764	0	53.5
Division of Housing	32,843,561	2,692,306	1,369,802	268,539	28,512,914	33.8
Division of Local Government	204,526,789	5,461,591	183,822,881	2,485,575	12,756,742	55.5
Division of Emergency Management	18,066,377	501,027	4,510,988	70,662	12,983,700	24.5
Breakdown of Total Appropriation by Bill						
HB 08-1375	257,860,029	12,678,187	183,802,489	5,638,314	55,741,039	185.3
SB 08-155	0	0	0	0	0	(1.8)
SB 08-218	6,916,292	0	6,900,000	16,292	0	0.3
SB 08-231	(1,336,016)	0	(20,000)	(466,016)	(850,000)	(5.0)
HB 08-1319	113,632	0	113,632	0	0	1.7
HB 08-1402	200,000	100,000	0	100,000	0	0.0
SB 09-193	(386,830)	(425,548)	(12,372)	36,132	14,958	0.0
FY 2009-10 Total Appropriation:	**$370,017,534**	**$11,889,613**	**$258,645,041**	**$6,108,376**	**$93,374,504**	**186.5**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	4,095,319	1,473,253	387,464	1,741,595	493,007	13.2
Property Taxation	3,595,604	1,652,857	692,010	1,250,737	0	53.5
Division of Housing	69,158,809	2,617,609	1,496,770	299,894	64,744,536	35.0
Division of Local Government	273,193,624	5,570,283	251,557,809	2,737,702	13,327,830	55.4
Division of Emergency Management	19,974,178	575,611	4,510,988	78,448	14,809,131	29.4
Breakdown of Total Appropriation by Bill						
SB 09-259	370,017,534	11,889,613	258,645,041	6,108,376	93,374,504	186.5
Increase/(Decrease)	$106,650,427	($463,026)	$67,861,292	$783,654	$38,468,507	6.0
Percentage Change	40.5%	(3.7)%	35.6%	14.7%	70.1%	3.3%

/1 Includes $4,044,623 General Fund Exempt in FY 2008-09, and $0 General Fund Exempt in FY 2009-10. See division detail for more information.

/2 Includes amounts (a total of $4,044,623 for FY 2008-09 and $4,141,912 for FY 2009-10) that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S.

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation is reduced by $203,000, including $33,000 General Fund, reflecting savings from the state hiring freeze.

2. The appropriation is reduced by $149,000 General Fund, reflecting a decrease in the amount of moneys necessary to fund Volunteer Firefighter Retirement Plans.

3. The appropriation is reduced by $138,000 General Fund, reflecting the elimination of funding for the Colorado Heritage Communities Grant Program.

4. The appropriation is reduced by $98,000, reflecting the refinancing of General Fund with indirect cost recoveries from cash- and federally-funded programs in the Department's divisions.

FY 2009-10 Appropriation Highlights:

1. The appropriation reflects estimated cash fund increases of $44.0 million in severance tax revenues, $22.1 million in federal mineral lease revenues, $1.4 million in Conservation Trust Fund disbursements, and $1.2 million in waste tire recycling, reuse, and removal grants.

2. The appropriation reflects a $38.2 million increase in federal revenues related to housing, including a one-time $36.2 million increase in affordable housing construction grants and loans from the Neighborhood Stabilization Program.

3. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $606,000, including $184,000, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

Detail of Appropriation by Administrative Section

Executive Director's Office

This division is responsible for the management and administration of the Department, including accounting, budgeting, and human resources. The appropriation to this office includes centrally-appropriated funds which are further distributed to the various divisions. The Division also conducts several miscellaneous functions statutorily assigned to the Department, including administration of the Moffat Tunnel Improvement District. Cash funds appropriations to this office involve a number of individual cash funds related to programs administered through the various divisions, as well as lease revenues generated from the operation of the Moffat Tunnel. Reappropriated fund sources include indirect cost recoveries, federal funds transferred from other agencies, and severance tax revenues and federal mineral lease revenues transferred from the Division of Local Government.

Executive Director's Office						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$5,824,712	$1,822,845	$427,906	$2,086,278	$1,487,683	19.0
SB 08-155	0	0	0	0	0	(0.8)
SB 08-231	(1,336,016)	0	(20,000)	(466,016)	(850,000)	(5.0)
SB 09-193	12,954	(99,924)	0	97,920	14,958	0.0
TOTAL	**$4,501,650**	**$1,722,921**	**$407,906**	**$1,718,182**	**$652,641**	**13.2**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$4,501,650	$1,722,921	$407,906	$1,718,182	$652,641	13.2
Centrally-appropriated line items	109,253	71,640	21,265	12,149	4,199	0.0
Annualize salary and benefits adjustments	52,182	0	0	52,182	0	0.0
Moffat tunnel improvement district spending authority	44,486	0	44,486	0	0	0.0
Pre-disaster mitigation program	18,903	4,726	0	0	14,177	0.0
Operating adjustments	6,573	2,684	0	196	3,693	0.0
Annualize prior year funding	5,331	728	0	4,603	0	0.0
Fund source adjustment	0	(75,006)	0	75,006	0	0.0
Eliminate salary survey and performance-based pay	(643,059)	(254,440)	(86,193)	(120,723)	(181,703)	0.0
SB 09-259	**$4,095,319**	**$1,473,253**	**$387,464**	**$1,741,595**	**$493,007**	**13.2**
TOTAL	**$4,095,319**	**$1,473,253**	**$387,464**	**$1,741,595**	**$493,007**	**13.2**
Increase/(Decrease)	($406,331)	($249,668)	($20,442)	$23,413	($159,634)	0.0
Percentage Change	(9.0)%	(14.5)%	(5.0)%	1.4%	(24.5)%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-193 reduced the General Fund appropriation for indirect cost recoveries by $97,920, and offset these expenditures with an increase in cash and federal funds transferred from the Department's other divisions, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Centrally-appropriated line items: The appropriation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, legal services, purchase of services from

the state's computer center, management and administration of the Office of Information Technology, payments to risk management and property funds, capitol complex leased space, and vehicle leases.

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

Moffat tunnel improvement district spending authority: The appropriation includes an increase of $44,486 cash funds spending authority for title and engineering issues, as well as legal matters related to the operation of the tunnel.

Pre-disaster mitigation program: The appropriation includes state matching moneys to qualify for a three-to-one federal-to-state match for FTE and operating expenses for the Pre-Disaster Mitigation (PDM) Grant Program.

Operating adjustments: The appropriation reflects an increase of $6,573, including $2,684 General Fund, related to contractual leased space adjustments.

Annualize prior year funding: The appropriation reflects an increase of $5,331, including $728 General Fund, related to increases for prior year budget adjustments.

Fund source adjustment: The appropriation includes an increase in the amount of total department indirect cost recoveries applied to offset the need for General Fund in this division, which necessitates an increase in the reappropriated funds appropriation.

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

Property Taxation

This section provides funding for the Division of Property Taxation, which: issues appraisal standards and provides training and technical assistance to county assessors; values multi-county companies; and grants taxation exemptions. This section also provides funding for the State Board of Equalization, which supervises the administration of property tax laws by local county assessors, as well as the Board of Assessment Appeals, which hears petitions for appeal on valuation, abatements, exemptions, and valuation of state-assessed properties. Cash fund appropriations are from the Property Tax Exemption Fund. Reappropriated funds are from severance tax revenues and federal mineral lease revenues transferred from the Division of Local Government.

Property Taxation						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$3,468,330	$1,977,343	$672,172	$818,815	$0	53.5
SB 09-193	(39,600)	(2,549)	0	(37,051)	0	0.0
TOTAL	**$3,428,730**	**$1,974,794**	**$672,172**	**$781,764**	**$0**	**53.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$3,428,730	$1,974,794	$672,172	$781,764	$0	53.5
Annualize salary and benefits adjustments	135,210	70,930	32,595	31,685	0	0.0
Annualize FY 2008-09 hiring freeze	37,051	0	0	37,051	0	0.0
Indirect cost assessment	35,808	(378,492)	0	414,300	0	0.0
Postage increase	4,327	4,327	0	0	0	0.0
Annualize prior year funding	2,549	2,549	0	0	0	0.0
Personal services base reduction	(48,071)	(21,251)	(12,757)	(14,063)	0	0.0
SB 09-259	$3,595,604	$1,652,857	$692,010	$1,250,737	$0	53.5
TOTAL	**$3,595,604**	**$1,652,857**	**$692,010**	**$1,250,737**	**$0**	**53.5**
Increase/(Decrease)	$166,874	($321,937)	$19,838	$468,973	$0	0.0
Percentage Change	4.9%	(16.3)%	3.0%	60.0%	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-193 reflect savings from the hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

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

Annualize prior year funding: The appropriation includes various increases related to prior year funding.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Division of Housing

The Division provides financial and technical assistance to help communities provide affordable housing to low-income, elderly, and disabled individuals. The Division administers state and federal affordable housing programs, and regulates the manufacture of factory-built residential and commercial buildings. Cash fund appropriations are from the Building Regulation Fund and the Private Activity Bond Allocations Fund. Reappropriated funds are from severance tax revenues and federal mineral lease revenues transferred from the Division of Local Government.

Division of Housing

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$32,542,301	$2,592,306	$1,268,542	$168,539	$28,512,914	32.1
HB 08-1319	113,632	0	113,632	0	0	1.7
HB 08-1402	200,000	100,000	0	100,000	0	0.0
SB 09-193	(12,372)	0	(12,372)	0	0	0.0
TOTAL	**$32,843,561**	**$2,692,306**	**$1,369,802**	**$268,539**	**$28,512,914**	**33.8**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$32,843,561	$2,692,306	$1,369,802	$268,539	$28,512,914	33.8
Anticipated federal revenue increases	36,188,674	0	0	0	36,188,674	1.2
Annualize salary and benefits adjustments	124,672	32,091	34,129	8,808	49,644	0.0
Indirect cost assessment	99,340	0	65,514	25,342	8,484	0.0
Annualize FY 2008-09 hiring freeze	30,089	0	30,089	0	0	0.0
Postage increase	1,668	0	643	0	1,025	0.0
Annualize prior year funding	(101,999)	(100,000)	(1,999)	0	0	0.0
Personal services base reduction	(27,196)	(6,788)	(1,408)	(2,795)	(16,205)	0.0
SB 09-259	**$69,158,809**	**$2,617,609**	**$1,496,770**	**$299,894**	**$64,744,536**	**35.0**
TOTAL	**$69,158,809**	**$2,617,609**	**$1,496,770**	**$299,894**	**$64,744,536**	**35.0**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	$36,315,248	($74,697)	$126,968	$31,355	$36,231,622	1.2
Percentage Change	110.6%	(2.8)%	9.3%	11.7%	127.1%	3.6%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-193 reduced the cash funds appropriation by $30,089 reflecting savings from the hiring freeze, which is offset by $19,174 cash funds as a result of the increase in indirect cost collections, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Anticipated federal revenue increases: The appropriation reflects a $38.2 million increase in revenues, including a one-time $36.2 million increase in federal affordable housing construction grants and loans from the federal Neighborhood Stabilization Program.

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

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

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

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

Annualize prior year funding: The appropriation includes the elimination of one-time appropriations, including $100,000 General Fund appropriation for foreclosure prevention grants (H.B. 08-1402) and $3,342 related to the Manufactured Building Program (H.B. 08-1319), as well as an increase of $1,457 cash funds to restore one-time FY 2008-09 supplemental reductions.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Division of Local Government

This division provides information and training for local governments in budget development, purchasing, demographics, land use planning, and regulatory issues; and it manages federal and state funding programs to support infrastructure and local services development. To provide this assistance to local governments, the Division operates eight field offices. Significant cash fund sources include: (1) severance tax revenues; (2) federal mineral lease revenues; (3) net lottery proceeds; (4) revenues generated by waste tire-related fees; and (5) gaming revenues. Reappropriated funds are primarily from severance tax revenues and federal mineral lease

revenues transferred within this Division from the Local Government Mineral and Energy Impact Grants and Disbursements line item. Federal funds in this section include the Community Development Block Grant and the Community Services Block Grant.

Division of Local Government						
	Total Funds	**General Fund/1,2**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$197,957,580	$5,783,937	$176,922,881	$2,494,020	$12,756,742	55.2
SB 08-218	6,916,292	0	6,900,000	16,292	0	0.3
SB 09-193	(347,083)	(322,346)	0	(24,737)	0	0.0
TOTAL	**$204,526,789**	**$5,461,591**	**$183,822,881**	**$2,485,575**	**$12,756,742**	**55.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$204,526,789	$5,461,591	$183,822,881	$2,485,575	$12,756,742	55.5
Local government mineral and energy impact grants and disbursements	66,100,000	0	66,100,000	0	0	0.0
Conservation Trust Fund disbursements	1,400,000	0	1,400,000	0	0	0.0
Waste tire programs	1,200,000	0	1,200,000	0	0	0.0
Community Services Block Grants	309,053	0	0	0	309,053	0.0
Community Development Block Grants	230,024	0	0	0	230,024	0.0
Annualize salary and benefits adjustments	186,747	63,744	15,844	72,904	34,255	0.0
Indirect cost assessment	160,941	0	45,470	113,367	2,104	0.0
Annualize FY 2008-09 hiring freeze	136,253	32,770	0	103,483	0	0.0
Volunteer fire fighter retirement plans	97,289	97,289	0	0	0	0.0
Postage increase	873	0	0	873	0	0.0
Limited gaming impact grants	(874,437)	0	(874,437)	0	0	0.0
Annualize prior year funding	(215,259)	(59,452)	(150,000)	(5,807)	0	(0.1)
Personal services base reduction	(64,649)	(25,659)	(1,949)	(32,693)	(4,348)	0.0
SB 09-259	**$273,193,624**	**$5,570,283**	**$251,557,809**	**$2,737,702**	**$13,327,830**	**55.4**
TOTAL	**$273,193,624**	**$5,570,283**	**$251,557,809**	**$2,737,702**	**$13,327,830**	**55.4**
Increase/(Decrease)	$68,666,835	$108,692	$67,734,928	$252,127	$571,088	(0.1)
Percentage Change	33.6%	2.0%	36.8%	10.1%	4.5%	(0.2)%

/1 Amounts include General Fund Exempt appropriations.
/2 Includes amounts (a total of $4,044,623 for FY 2008-09 and $4,141,912 for FY 2009-10) that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Appropriation	$5,783,937	$1,590,286	$4,193,651
FY 2008-09 supplemental adjustments	(322,346)	(173,318)	(149,028)
FY 2008-09 Adjusted Appropriation	**$5,461,591**	**$1,416,968**	**$4,044,623**
Volunteer firefighter retirement plans	97,289	0	97,289
Annualize salary and benefits adjustments	63,744	63,744	0
Annualize FY 2008-09 hiring freeze	32,770	32,770	0
Annualize prior year funding	(59,452)	(59,452)	0
Personal services base reduction	(25,659)	(25,659)	0
Eliminate General Fund Exempt amount based on FY 2009-10 revenue projections	0	4,141,912	(4,141,912)
Total FY 2009-10 Long Bill Appropriation	**$5,570,283**	**$5,570,283**	**$0**

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C. Referendum C allowed the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account [see Section 24-77-103.6 (2), C.R.S.]. The above table shows the amount appropriated from the General Fund Exempt Account for purposes of funding retirement plans for firefighters pursuant to Sections 24-77-103.6 (2) (c) and 24-77-104.5 (1) (a) (I) (B), C.R.S.

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-193 includes the following General Fund reductions: $149,028 for Volunteer Firefighter Retirement Plans, $138,000 to the Colorado Heritage Communities Grant Fund program, and $32,770 reflecting savings from the hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Local government mineral and energy impact grants and disbursements: The appropriation reflects a higher amount of funding for this program based on projected revenues that will be credited to the Local Government Severance Tax Fund and the Local Government Mineral Impact Fund.

Conservation Trust Fund disbursements: The appropriation reflects a projected increase in disbursements from the Conservation Trust Fund based on projected lottery revenues.

Waste tire programs: The appropriation increases fee revenues allocated to funds administered by this Department based on projected revenues.

Community Services Block Grant: The appropriation reflects an anticipated increase in the federal Community Services Block Grant.

Community Development Block Grant: The appropriation reflects a projected increase in federal funds for business and infrastructure development through the Community Development Block Grant program.

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

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

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

Volunteer firefighter retirement plans: The appropriation includes an increase for the State's contributions for local volunteer firefighter retirement plans and death and disability insurance.

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

Limited gaming impact grants: The appropriation includes a decrease in limited gaming impact grants based on projected limited gaming revenues that will be credited to the Local Government Limited Gaming Impact Fund.

Annualize prior year funding: The appropriation includes the elimination of one-time appropriations, including $150,000 cash funds for United Health Rural Health Care Grants and $5,807 and 0.1 FTE related to federal mineral lease revenue distributions (S.B. 08-218), as well as the elimination of $62,000 General Fund related to the Heritage Grant Fund Program and an increase of $2,548 General Fund related to the restoration of one-time FY 2008-09 supplemental reductions.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Division of Emergency Management

This division assists local, state, and private organizations in disaster preparedness, response, recovery, and impact mitigation. The Division is responsible for preparing and maintaining a state disaster plan, as well as taking part in the development and revision of local and inter-jurisdictional disaster plans. The Colorado Emergency Planning Commission, established within this Department, is charged with designating local emergency planning districts (as required by federal law), as well as with assisting in the appropriate training of personnel to react to emergency response situations. Cash funds are nearly entirely from the Disaster Emergency Fund, with a small amount received from fees paid for emergency training programs. Reappropriated funds are from severance tax revenues and federal mineral lease revenues transferred from the Division of Local Government. Federal funds are from grant moneys received from the Department of Homeland Security for emergency preparedness, chemical stockpile readiness, and other programs.

Division of Emergency Management						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$18,067,106	$501,756	$4,510,988	$70,662	$12,983,700	25.5
SB 08-155	0	0	0	0	0	(1.0)
SB 09-193	(729)	(729)	0	0	0	0.0
TOTAL	**$18,066,377**	**$501,027**	**$4,510,988**	**$70,662**	**$12,983,700**	**24.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$18,066,377	$501,027	$4,510,988	$70,662	$12,983,700	24.5
Disaster preparedness grants	1,464,648	0	0	0	1,464,648	1.0
Pre-disaster mitigation program	270,833	66,148	0	0	204,685	3.9
Annualize salary and benefits adjustments	107,329	16,950	0	2,028	88,351	0.0
Indirect cost assessment	94,065	0	0	6,962	87,103	0.0
Postage increase	1,199	0	0	0	1,199	0.0
Annualize prior year funding	729	729	0	0	0	0.0
Personal services base reduction	(31,002)	(9,243)	0	(1,204)	(20,555)	0.0
SB 09-259	**$19,974,178**	**$575,611**	**$4,510,988**	**$78,448**	**$14,809,131**	**29.4**
TOTAL	**$19,974,178**	**$575,611**	**$4,510,988**	**$78,448**	**$14,809,131**	**29.4**
Increase/(Decrease)	$1,907,801	$74,584	$0	$7,786	$1,825,431	4.9
Percentage Change	10.6%	14.9%	0.0%	11.0%	14.1%	20.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-193 reduced the General Fund appropriation by $729, reflecting adjustments to the division's costs related to management and administration of the Office of Information Technology.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Disaster preparedness grants: The appropriation reflects a projected $1.5 million increase in federal funds for disaster preparedness grants.

Pre-disaster mitigation program: The appropriation includes state matching moneys to qualify for a three-to-one federal-to-state match to augment the Pre-Disaster Mitigation (PDM) Grant Program. The PDM program

dedicates mitigation specialists to assist Colorado communities to develop mitigation approaches through planning and projects that protect citizens in the most effective manner possible.

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

Indirect cost assessment: The appropriation includes a net increase in indirect cost assessments.

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

Annualize prior year funding: The appropriation reflects an increase related to the restoration of one-time FY 2008-09 supplemental reductions.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Recent Legislation

2008 Session Bills

S.B. 08-155: Consolidates the responsibility for information technology oversight of most of the State's executive branch in the Governor's Office of Information Technology. Reduces appropriations to the Department of Local Affairs by 1.8 FTE. For additional information on this bill, see the "Recent Legislation" section for the Governor's Office.

S.B. 08-218: Increases the amount of federal mineral lease (FML) revenues allocated by the Department of Local Affairs (DOLA) to local governments through direct distribution and decreases the amount allocated through grants, resulting in a net increase in the total amount allocated by DOLA. Creates the Local Government Permanent Fund, consisting of 50 percent of FML revenues attributable to bonus payments. Allows the General Assembly to appropriate moneys from this new fund to DOLA under certain circumstances to prevent a decrease in the amount of formula-based direct distributions to counties and municipalities. Increases the cash funds appropriation from the Local Government Mineral Impact Fund to DOLA for FY 2008-09 for local government grants and disbursements by $6,900,000 to reflect the anticipated impact of the new FML allocation formula. Appropriates $16,292 reappropriated funds (which originate from the Local Government Mineral Impact Fund) and 0.3 FTE to DOLA for FY 2008-09 for establishing guidelines concerning the factors and weights to be used for direct distribution of FML revenues at the sub-county level. For additional information on this bill, see the "Recent Legislation" subsection in the Capital Construction section.

S.B. 08-231: Transfers the state Work Force Development Council from the Department of Local Affairs to the Department of Labor and Employment. Transfers the following FY 2008-09 appropriations from the Department of Local Affairs to the Department of Labor and Employment: $466,016 reappropriated funds

(federal funds transferred from various state agencies) and 4.0 FTE for the Work Force Development Council; and $870,000 and 1.0 FTE (including $850,000 federal funds and $20,000 cash funds from donations) for Work Force Improvement Grants.

H.B. 08-1083: Modifies the composition of the Energy Impact Assistance Advisory Committee and requires Senate consent for the Governor's appointments to the Committee. Requires the Committee to make recommendations to the Executive Director of the Department regarding the distribution of moneys derived from mineral extraction within the state. Changes the formula for the direct distribution of severance tax revenue to local governments, requiring that 30 percent of gross receipts credited to the Local Government Severance Tax Fund be allocated based on three factors: (1) the proportion of industry employees within a given county to the total number of employees residing in the state; (2) the proportion of mine and well permits issued within a given county to the total number of such permits issued within the state; and (3) the proportion of the overall mineral production within the county to the overall mineral production within the state. Requires the Department to submit a biennial report to the General Assembly evaluating the effectiveness of this new allocation formula. Requires the Executive Director of the Department to annually submit to the State Auditor a detailed accounting of distributions from the Mineral Leasing Fund and the Local Government Severance Tax Fund.

H.B. 08-1305: Transfers certain enterprise zone program administrative responsibilities from the Department of Local Affairs to the Governor's Office of Economic Development (OED) and the Economic Development Commission. This transfer requires a $65,000 and 1.0 FTE reduction in FY 2008-09 appropriations to the Department of Local Affairs (including $22,963 General Fund and $42,037 reappropriated funds previously transferred from the OED). This transfer also requires a $22,963 General Fund and 1.0 FTE increase in FY 2008-09 appropriations to OED. As this act passed prior to the introduction of the FY 2008-09 Long Bill, these appropriation adjustments are reflected in the FY 2008-09 Long Bill.

H.B. 08-1314: Creates two accounts within the Local Government Limited Gaming Impact Fund. Requires 98 percent of gaming revenues transferred to the Fund to be allocated to the "Limited Gaming Impact Account"; moneys in this account will continue to be distributed by the Department of Local Affairs to designated local governments for documented gaming impacts. Requires the remaining two percent of gaming revenues transferred to the Fund to be allocated to the "Gambling Addiction Account"; the Department of Human Services will use moneys in this account to award grants for the provision of gambling addiction counseling services, including prevention and education. Appropriates $146,684 reappropriated funds (transferred from the Department of Local Affairs) and 0.1 FTE to the Department of Human Services for FY 2008-09. Appropriates $2,866 reappropriated funds (transferred from the Department of Human Services) to the Department of Law for the provision of legal services.

H.B. 08-1319: Requires individuals who are registered to install or certified to inspect the installation of manufactured homes, mobile homes, and factory-built residential structures to complete specified education requirements and pass an installation test approved by the Division of Housing. Expands those factory-built structures that must be inspected and certified by the Division to include those occupied on or after March 1, 2009 (even if the structure was not manufactured, repaired, or sold in Colorado). Appropriates $113,632 cash funds and 1.7 FTE to the Division of Housing for FY 2008-09.

H.B. 08-1375: General appropriations act for FY 2008-09.

H.B. 08-1402: Requires a lender, at least 30 days prior to filing a notice of election and demand for sale related to a public trustee foreclosure, to mail a notice to a debtor containing telephone numbers for the Colorado Foreclosure Hotline and the lender's loss mitigation representative or department. Creates the Foreclosure Prevention Grant Fund, and authorizes the Division of Housing to use moneys in the Fund to make grants for the purpose of providing outreach and notice of foreclosure prevention assistance to persons in danger of foreclosure and to communities with high foreclosure rates. Appropriates $100,000 General Fund to the Foreclosure Prevention Grant Fund for FY 2008-09, and appropriates $100,000 from the Fund (reappropriated funds) to the Division of Housing for FY 2008-09.

2009 Session Bills

S.B. 09-041: Authorizes the Department to charge an administrative fee to entities that receive direct allocations of bonding authority as part of the Private Activity Bond (PAB) Ceiling Allocation Act. The bill also allows the department to contract with a private person, corporation, or entity for the administration of the program. Finally, the bill makes changes to certain deadlines for allocation and reporting requirements regarding the program.

S.B. 09-193: Supplemental appropriation to the Department of Local Affairs to modify FY 2008-09 appropriations included in the FY 2008-09 Long Bill (H.B. 08-1375).

S.B. 09-208: Augments General Fund revenues for FY 2008-09 with $224.0 million in transfers from various cash funds, including $950,000 from the Local Government Limited Gaming Impact Fund. For information on S.B. 09-208, see the "Recent Legislation" section at the end of the Department of Labor and Employment.

S.B. 09-232: Transfers $17 million from the Local Government Permanent Fund to the Local Government Mineral Impact Fund. Requires the entire transfer to be distributed by the Executive Director of the Department in accordance with purposes and priorities described in law, giving priority to the communities most directly and substantially impacted by production of energy resources on federal mineral lands.

S.B. 09-259: General appropriations act for FY 2009-10.

S.B. 09-279: Augments General Fund revenues for FY 2008-09 and FY 2009-10 with transfers from various cash funds, including the following transfers from funds in this Department. For information on S.B. 09-279, see the "Recent Legislation" section at the end of the Department of Labor and Employment.

Cash Fund Transfers in S.B. 09-279		
Cash Funds	**FY 2008-09**	**FY 2009-10**
Local Government Severance Tax Fund	$7,500,000	$22,600,000
Home Investment Trust Fund	1,284,000	
Building Regulation Fund	1,101,349	
Local Government Mineral Impact Fund	1,000,000	
Waste Tire Cleanup Fund	500,000	
Waste Tire Recycling Development Cash Fund	150,000	

Cash Fund Transfers in S.B. 09-279		
Cash Funds	**FY 2008-09**	**FY 2009-10**
Moffat Tunnel Cash Fund	86,758	
Total	**$11,622,107**	**$22,600,000**

This bill also includes the following options for one-day transfers on June 30, 2009 to augment the General Fund if needed. These transfers will be reversed back to the original funds on July 1, 2009.

June 30th, 2009 One-Day Cash Fund Transfers	
Cash Fund	**Maximum Amount**
Local Government Severance Tax Fund	$128,000,000
Local Government Mineral Impact Fund	72,000,000
Total	**$200,000,000**

S.B. 09-289: Changes when waste tire disposal fees are collected from the time of disposal to the time of sale. Exempts agricultural vehicles from the requirement to pay the fee. Directs retailers of new tires to provide purchasers with a specific written notice of the statutory waste tire disposal fee. Permits the Department to reallocate uncommitted waste tire disposal revenues among existing funding categories at the end of each quarter.

H.B. 09-1213: Creates the continuously appropriated Housing Development Grant Fund and specifies that the fund shall consist of all moneys appropriated to the Colorado Affordable Housing Construction Grants and Loan Fund by the General Assembly, all moneys collected by the Division of Housing for purposes of the act from federal grants, and other gifts, grants, and donations, as well as interest earned on such money. Authorizes expenditure of moneys for the purpose of making grants or loans for to improve, preserve, or expand the supply of affordable housing and to finance foreclosure prevention activities in Colorado as well as to fund the acquisition of housing and economic data necessary to advise the state housing board on local housing conditions. Specifies that any moneys in the fund not expended or encumbered from any appropriation at the end of any fiscal year shall remain available for expenditure by the Division of Housing in the next fiscal year. Requires that not more than $250,000 may be appropriated from the General Fund in any one state fiscal year for any uses not related to construction grants or loans.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs has approximately 5,300 Army and Air National Guard members trained and ready for federal active duty abroad and for preserving life and property during natural disasters and civil emergencies at home in Colorado. Currently, 799 members of the Colorado National Guard are serving on federal active duty in Iraq, Afghanistan, and other duty locations.

The Department maintains the equipment and facilities for the state military forces; provides for safekeeping of the public arms, military records, relics and banners of the state; assists veterans and National Guard members with benefits claims; maintains the Western Slope Veterans' Cemetery; supports the Civil Air Patrol, Colorado Wing; and assists in fighting the spread of drug trafficking and abuse.

More than 96.0 percent of the Department's budget is provided by the federal government, which fully funds the training of National Guard troops and provides the majority of the funding for the construction of armories and other military buildings. Under its cooperative agreements with the federal government, the State provides funding for 100.0 percent of maintenance and utilities costs at the fifteen armories located on state land, and 20.0 or 25.0 percent of those costs at four other facilities.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$5,215,526	$5,530,793	$5,685,713	$5,862,332
Cash Funds/1	76,413	119,124	1,308,889	1,410,190
Cash Funds Exempt/1	1,475,343	1,580,665	n/a	n/a
Reappropriated Funds/1	n/a	n/a	653,509	803,509
Federal Funds	145,789,638	165,434,307	195,706,763	195,680,391
Total Funds	**$152,556,920**	**$172,664,889**	**$203,354,874**	**$203,756,422**
Full Time Equiv. Staff	1,187.8	1,383.8	1,386.9	1,386.9

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

The major factor driving the Department's budget continues to be the "Global War on Terror," which has resulted in unprecedented activation of Colorado Air and Army National Guard members. The primary budget driver for the Colorado National Guard is the "federal force structure," or number of Guard personnel authorized by the U.S. National Guard Bureau, and the State's ability to fill the force structure, which together with the associated facilities maintenance and utilities needs, determine the amount of federal funds flowing into and through the Department. The primary budget driver for the Division of Veterans Affairs is the number

of veterans who need assistance with federal benefits claims. The State provides ongoing financial support for the Civil Air Patrol, which is an auxiliary of the U.S. Air Force, through the Division of Civil Air Patrol.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Military and Veterans Affairs

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$203,354,874**	**$5,685,713**	**$1,308,889**	**$653,509**	**$195,706,763**	**1,386.9**
Breakdown of Total Appropriation by Administrative Section						
Executive Director and Army National Guard	10,341,612	4,305,097	106,397	650,000	5,280,118	85.8
Division of Veterans Affairs	2,119,339	862,338	1,202,492	3,509	51,000	12.5
Air National Guard	3,122,596	390,937	0	0	2,731,659	48.6
Federal Funded Programs	187,643,986	0	0	0	187,643,986	1,239.0
Civil Air Patrol	127,341	127,341	0	0	0	1.0
Breakdown of Total Appropriation by Bill						
HB 08-1375	203,247,032	5,854,264	958,889	653,509	195,780,370	1,387.3
SB 08-155	0	0	0	0	0	(0.4)
SB 09-194	(242,158)	(168,551)	0	0	(73,607)	0.0
HB 09-1329	350,000	0	350,000	0	0	0.0
FY 2009-10 Total Appropriation:	**$203,756,422**	**$5,862,332**	**$1,410,190**	**$803,509**	**$195,680,391**	**1,386.9**
Breakdown of Total Appropriation by Administrative Section						
Executive Director and Army National Guard	10,409,090	4,338,134	101,965	800,000	5,168,991	85.8
Division of Veterans Affairs	2,295,448	932,714	1,308,225	3,509	51,000	12.5
Air National Guard	3,343,234	461,320	0	0	2,881,914	48.6
Federal Funded Programs	187,578,486	0	0	0	187,578,486	1,239.0
Civil Air Patrol	130,164	130,164	0	0	0	1.0
Breakdown of Total Appropriation by Bill						
SB 09-259	203,166,922	5,862,332	970,690	653,509	195,680,391	1,386.9
HB 09-1290	150,000	0	0	150,000	0	0.0
HB 09-1329	439,500	0	439,500	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	$401,548	$176,619	$101,301	$150,000	($26,372)	0.0
Percentage Change	0.2%	3.1%	7.7%	23.0%	0.0%	0.0%

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation includes an increase from the Colorado State Veterans Trust Fund of $350,000 cash funds appropriated as a result of the enactment of H.B. 09-1329, which increases the percentage of the transfer from the Tobacco Master Settlement that can be expended for the purposes identified in the statute.

2. The appropriation is reduced by $242,158, including $168,551 General Fund as part of the budget reduction package. The reductions include $102,009 related to the hiring freeze, $101,357 in various operating expense line items, and $45,000 for a pilot program for County Veterans Service Office payments, offset by an increase of $6,208 related to the consolidation of the Office of Information Technology.

FY 2009-10 Appropriation Highlights:

1. The appropriation includes an increase from the Colorado State Veterans Trust Fund of $439,500 cash funds appropriated as a result of the enactment of H.B. 09-1329, which increased the percentage of the transfer from the Master Tobacco Settlement that can be expended on veterans programs.

2. The appropriation includes an increase in Colorado National Guard Tuition Fund expenditures of $220,354, including $150,000 reappropriated funds as a result of H.B. 09-1290, which increases the funding for tuition from the Department of Higher Education, and $70,354 General Fund appropriated directly to the Department.

3. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $358,992, including $124,748 General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

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. It also includes appropriations for tuition assistance for National Guard members attending college and the State's share of maintenance for Army National Guard facilities.

Most of the Department's General Fund expenditures are for administrative and professional staff in the Executive Director/Army National Guard office, and for the labor trades and crafts employees who maintain and repair the armories and other military facilities.

Executive Director and Army National Guard						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$10,377,582	$4,341,067	$106,397	$650,000	$5,280,118	86.2
SB 08-155	0	0	0	0	0	(0.4)
SB 09-194	(35,970)	(35,970)	0	0	0	0.0
TOTAL	**$10,341,612**	**$4,305,097**	**$106,397**	**$650,000**	**$5,280,118**	**85.8**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$10,341,612	$4,305,097	$106,397	$650,000	$5,280,118	85.8
Army National Guard cooperative agreement	110,147	0	0	0	110,147	0.0
Annualize salary and benefits adjustments	98,247	87,855	162	0	10,230	0.0
Colorado National Guard Tuition Fund increase	70,354	70,354	0	0	0	0.0
Annualize prior year funding	32,178	32,178	0	0	0	0.0
Centrally-appropriated line items	10,122	7,688	246	0	2,188	0.0
Annualize FY 2008-09 hiring freeze	10,000	10,000	0	0	0	0.0
Eliminate salary survey and performance-based pay	(358,992)	(124,748)	(4,771)	0	(229,473)	0.0
Personal services base reduction	(40,644)	(36,356)	(69)	0	(4,219)	0.0
Operating expenses	(8,934)	(8,934)	0	0	0	0.0
Information technology asset maintenance	(5,000)	(5,000)	0	0	0	0.0
SB 09-259	**$10,259,090**	**$4,338,134**	**$101,965**	**$650,000**	**$5,168,991**	**85.8**
HB 09-1290	150,000	0	0	150,000	0	0.0
TOTAL	**$10,409,090**	**$4,338,134**	**$101,965**	**$800,000**	**$5,168,991**	**85.8**
Increase/(Decrease)	$67,478	$33,037	($4,432)	$150,000	($111,127)	0.0
Percentage Change	0.7%	0.8%	(4.2)%	23.1%	(2.1)%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-194 incorporated the savings from the hiring freeze, and reduced appropriations for operating expenses, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Army National Guard cooperative agreement: The appropriation reflects an expected increase in federal funds under the Army National Guard cooperative agreement.

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

Colorado National Guard Tuition Fund increase: The appropriation includes an increase of by $70,354 General Fund to provide for increased National Guard member participation, as well as appropriating the maximum allowed by law from the Department of Higher Education Financial Aid funds to the Colorado National Guard tuition fund.

Annualize prior year funding: The appropriation restores funding for one-time reductions in the appropriation for operating expenses and information technology asset maintenance.

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

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Operating expenses: The appropriation includes a reduction in operating expenses.

Information technology asset maintenance: The appropriation includes a reduction in the information technology asset maintenance line item.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Veterans Affairs

State expenditures for services to veterans and veterans' families are shown in the Department of Military and Veterans Affairs and the Department of Human Services sections of the Long Bill.

The Division of Veterans Affairs represents veterans in federal benefits claims, primarily in claims on appeal, and provides information, training, and a small amount of direct funding to county veterans service officers. The State Board of Veterans Affairs makes grants to veterans service organizations from the Veterans Trust Fund, which is derived from the tobacco settlement proceeds. The Division also maintains the Western Slope Veterans' Cemetery in Grand Junction. Cash funds are from the Veterans Trust Fund and the Veterans Cemetery Fund.

Division of Veterans Affairs						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$1,836,839	$929,838	$852,492	$3,509	$51,000	12.5
SB 09-194	(67,500)	(67,500)	0	0	0	0.0
HB 09-1329	350,000	0	350,000	0	0	0.0
TOTAL	**$2,119,339**	**$862,338**	**$1,202,492**	**$3,509**	**$51,000**	**12.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$2,119,339	$862,338	$1,202,492	$3,509	$51,000	12.5
Annualize prior year funding	67,500	67,500	0	0	0	0.0
Annualize salary and benefits adjustments	29,698	25,376	4,322	0	0	0.0
Colorado state veterans trust fund expenditures	11,911	0	11,911	0	0	0.0
Annualize FY 2008-09 funding related to HB 09-1329	(350,000)	0	(350,000)	0	0	0.0
Reduce county veterans service officer payments	(22,500)	(22,500)	0	0	0	0.0
SB 09-259	**$1,855,948**	**$932,714**	**$868,725**	**$3,509**	**$51,000**	**12.5**
HB 09-1329	439,500	0	439,500	0	0	0.0
TOTAL	**$2,295,448**	**$932,714**	**$1,308,225**	**$3,509**	**$51,000**	**12.5**
Increase/(Decrease)	$176,109	$70,376	$105,733	$0	$0	0.0
Percentage Change	8.3%	8.2%	8.8%	0.0%	0.0%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-194 reduced veterans service operations and county veterans service officer payments, among other changes. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Annualize prior year funding: The appropriation includes increases associated with restoring one-time funding reductions.

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

Colorado state veterans trust fund expenditures: The appropriation provides an increase for expenditures from the Veterans Trust Fund. The fund receives one percent, up to $1 million of the proceeds from the Master Tobacco Settlement. Current law provides that the Department can expend 45 percent of the transfer in FY 2009-10, plus any accumulated interest in the fund.

Annualize FY 2008-09 funding related to H.B. 09-1329: The appropriation eliminates one-time funding of $350,000 for FY 2008-09 for the Colorado State Veterans Trust Fund expenditures line as a result of H.B. 09-1329.

Reduce county veterans service officer payments: The appropriation reduces payments for the county veterans service officer pilot program by $22,500.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

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 varies under its agreements with the federal government, based on the type and use of the building and whether it is on state or federal land. The federal government also funds five full-time security guards at the space command facility at Greeley.

Air National Guard

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$3,261,284	$456,018	$0	$0	$2,805,266	48.6
SB 09-194	(138,688)	(65,081)	0	0	(73,607)	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$3,122,596**	**$390,937**	**$0**	**$0**	**$2,731,659**	**48.6**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$3,122,596	$390,937	$0	$0	$2,731,659	48.6
Annualize salary and benefits adjustments	104,912	9,863	0	0	95,049	0.0
Annualize FY 2008-09 hiring freeze	92,009	18,402	0	0	73,607	0.0
Annualize prior year funding	46,679	46,679	0	0	0	0.0
Personal services base reduction	(22,962)	(4,561)	0	0	(18,401)	0.0
SB 09-259	**$3,343,234**	**$461,320**	**$0**	**$0**	**$2,881,914**	**48.6**
TOTAL	**$3,343,234**	**$461,320**	**$0**	**$0**	**$2,881,914**	**48.6**
Increase/(Decrease)	$220,638	$70,383	$0	$0	$150,255	0.0
Percentage Change	7.1%	18.0%	n/a	n/a	5.5%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-194 incorporated savings from the hiring freeze and reduced maintenance expenditures for the Operations and Maintenance agreement for Buckley/Greeley by $138,688, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Annualize prior year funding: The appropriation includes increases associated with restoring one-time funding reductions.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Federal Funded Programs

This section is included for informational purposes only. It describes funding that is managed by the Department but which is not subject to state appropriation and does not flow through the state accounting system. This funding supports training each weekend and two weeks per year for members of the Colorado National Guard, as well as maintenance and construction of armories and other military facilities. Funding is based on the federal fiscal year, which begins October 1, 2009.

Federal Funded Programs						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$187,643,986	$0	$0	$0	$187,643,986	1,239.0
TOTAL	**$187,643,986**	**$0**	**$0**	**$0**	**$187,643,986**	**1,239.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$187,643,986	$0	$0	$0	$187,643,986	1,239.0
Federal funded programs	(65,500)	0	0	0	(65,500)	0.0
SB 09-259	**$187,578,486**	**$0**	**$0**	**$0**	**$187,578,486**	**1,239.0**
TOTAL	**$187,578,486**	**$0**	**$0**	**$0**	**$187,578,486**	**1,239.0**
Increase/(Decrease)	($65,500)	$0	$0	$0	($65,500)	0.0
Percentage Change	0.0%	n/a	n/a	n/a	0.0%	0.0%

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Federal funded programs: The appropriation includes an expected decrease in federal construction funds, offsetting an increase in personal services and benefits for National Guard members and an increase in operating expenses.

Civil Air Patrol

The Civil Air Patrol is a federally-chartered nonprofit corporation, created in Title 10 of the U.S. Code (10 U.S.C. 9441), as an auxiliary to the U.S. Air Force. It is funded primarily by the U.S. Air Force and user fees. The organization's statutory purposes include encouraging: (1) citizens to contribute to developing aviation and maintaining air supremacy; (2) providing aviation education and training; and (3) fostering civil aviation in local communities. The Division of Civil Air Patrol was created to support the Civil Air Patrol, Colorado Wing.

Civil Air Patrol						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$127,341	$127,341	$0	$0	$0	1.0
TOTAL	**$127,341**	**$127,341**	**$0**	**$0**	**$0**	**1.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$127,341	$127,341	$0	$0	$0	1.0
Annualize salary and benefits adjustments	2,823	2,823	0	0	0	0.0
SB 09-259	**$130,164**	**$130,164**	**$0**	**$0**	**$0**	**1.0**
TOTAL	**$130,164**	**$130,164**	**$0**	**$0**	**$0**	**1.0**
Increase/(Decrease)	$2,823	$2,823	$0	$0	$0	0.0
Percentage Change	2.2%	2.2%	n/a	n/a	n/a	0.0%

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Recent Legislation

2008 Session Bills

S.B. 08-155: Consolidates the responsibility for information technology (IT) oversight of most of the State's executive branch in the Governor's Office of Information Technology (OIT). Starting with FY 2008-09, transfers the Division of Information Technology from the Department of Personnel to OIT. For additional information on this bill, see the "Recent Legislation" section for the Governor's Office.

H.B. 08-1078: Transfers $2,917,300 from the General Fund to the Colorado State Veterans Trust Fund. This represents the amount, plus interest, that was transferred from the Veterans Trust Fund to the General Fund in 2003. Pursuant to Section 28-5-709 (1) (b) these funds will not be spent, but will increase the balance in the Trust Fund. Interest earnings from the Trust Fund may be used to fund capital improvement projects and amenities for state veterans nursing homes, costs incurred to evaluate the quality of care at state and veterans nursing homes, veterans cemetery costs, and grants to non-profit organizations that provide services and programs for veterans.

H.B. 08-1375: General appropriations act (Long Bill) for FY 2008-09.

2009 Session Bills

S.B. 09-194: Supplemental appropriations act for the Department of Military and Veterans Affairs for FY 2008-09.

S.B. 09-259: General appropriations act (Long Bill) for FY 2009-10.

H.B. 09-1280: Creates the "Colorado Youth Challenge Corps Program" for certain at-risk youth who are between 16 and 19 years of age. Directs the Department to apply for any available federal moneys, and permits the Department to accept gifts, grants, or donations to implement the program. Creates the Youth Challenge Corps Program Fund and continuously appropriates moneys in the fund for the purpose of implementing the program. Obligates the Department to operate the program only if adequate funding is available.

H.B. 09-1290: Increases the maximum amount that the Colorado Commission on Higher Education provides for the Colorado National Guard Tuition Fund from $650,000 to $800,000 annually.

H.B. 09-1291: Creates the Veterans Resource Information Clearinghouse in the Division of Veterans Affairs to identify the resources available to provide support services and assistance to veterans and their families. Specifies that the clearinghouse's scope of operations are subject to available state and federal resources, and that the authorizes the Department to accept and expend gifts, grants, and donations, including volunteer services and in-kind donations, for this purpose.

H.B. 09-1325: This bill allows the Governor to activate the National Guard, in addition to the reasons in current statute, for service in a national special security event or in situations of imminent danger of emergency or disaster.

H.B. 09-1329: Specifies that, beginning in FY 2008-09, 10.0 percent of the tobacco litigation settlement moneys transferred to the Colorado State Veterans Trust Fund shall be retained as principal in the fund and that 90.0 percent, plus any earned interest in the fund, shall be available be available for annual appropriation.

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 divisions: Executive Director's Office; Reclamation, Mining, and Safety; Geological Survey; Oil and Gas Conservation Commission; State Board of Land Commissioners; Parks and Outdoor Recreation; Colorado Water Conservation Board; Water Resources (State Engineer's Office); Wildlife; and Forestry.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$28,427,902	$30,258,368	$31,057,499	$29,680,331
Cash Funds/1	40,311,776	49,707,409	179,001,019	173,426,573
Cash Funds Exempt/1	109,269,434	114,273,379	n/a	n/a
Reappropriated Funds/1	n/a	n/a	7,377,769	7,310,734
Federal Funds	16,749,675	16,903,787	17,333,292	17,400,564
Total Funds	**$194,758,787**	**$211,142,943**	**$234,769,579**	**$227,818,202**
Full Time Equiv. Staff	1,466.8	1,515.4	1,546.8	1,545.1

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Funding for this department in FY 2009-10 consists of 13.0 percent General Fund, 76.1 percent cash funds, 3.2 percent reappropriated funds, and 7.7 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Severance Tax (Operational Account) Funds

Section 39-29-108 (2), C.R.S., provides that 50.0 percent of severance tax revenues are credited to the Severance Tax Trust Fund and 50.0 percent of the revenues are credited to the Department of Local Affairs for grants and distributions to local governments impacted by mining activities. Of the revenue credited to the Severance Tax Trust Fund, 50.0 percent is allocated to the Perpetual Base Account of the Severance Tax Trust Fund (or 25.0 percent of total severance tax revenues), which is used by the Colorado Water Conservation Board for water construction projects. The other 50.0 percent of Severance Tax Trust Fund revenues (or 25.0 percent of total severance tax revenues) is allocated to the Operational Account to fund programs that "promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water."

Severance tax revenues are highly variable. The available severance tax revenues to the Operational Account influences the funding levels for many programs in the Department. House Bill 08-1398 divided programs funded from the Operational Account into two tiers. The tier 1 programs support the day-to-day operations of the Department of Natural Resources, including paying salaries for employees. The tier 2 programs support grants, loans, research, and construction. The required reserve for tier 1 programs is one times the appropriations. The reserve requirement for tier 2 programs is equal to 15.0 percent of the authorized expenditures. The distribution of funding for tier 2 programs is staggered with 40.0 percent released July 1, 30.0 percent released January 4, and the final 30.0 percent released April 1. Tier 2 programs are subject to proportional reduction if mid-year revenue projections indicate there are insufficient funds.

	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate	FY 09-10 Estimate
Beginning balance	$18,149,884	$25,399,591	$50,851,610	$40,012,876	$46,588,101	$56,596,377
Revenues	36,555,003	64,468,852	33,312,271	39,367,947	71,986,237	10,343,705
Total available	$54,704,887	$89,868,443	$84,163,881	$79,380,823	$118,574,338	$66,940,082
Tier 1 Programs	6,205,296	7,167,084	8,669,679	9,715,887	15,112,372	14,034,671
Tier 2 Programs	23,100,000	31,849,749	35,481,326	23,076,835	46,865,589	21,726,072
Ending balance	25,399,591	50,851,610	40,012,876	46,588,101	56,596,377	31,179,339
Reserve	12,410,592	26,896,272	28,864,470	32,431,774	21,395,000	17,293,581
Unobligated	12,988,999	23,955,338	11,148,406	14,156,327	35,201,377	13,885,758

State Board of Land Commissioners

The State Board of Land Commissioners (State Land Board) manages properties for eight trusts set up in either the Colorado Constitution or in statute. By far the largest trust managed by the State Land Board is the Public School Trust (School Trust). Approximately 98.0 percent of the revenue generated by the State Land Board is attributable to the School Trust.

Pursuant to H.B. 08-1335 (known as the BEST bill) 35.0 percent of the gross amount of income received during the fiscal year from income, mineral royalties, and interest derived from state public school lands is deposited in the Public School Capital Construction Assistance (PSCCA) Fund. Up to $11.0 million may be appropriated in the School Finance Act. Any remaining revenue is deposited in the Public School Fund (the Permanent Fund) or reinvested by the State Land Board to purchase other lands.

SCHOOL TRUST REVENUE	FY03-04 Actual	FY04-05 Actual	FY05-06 Actual	FY06-07 Actual	FY07-08 Actual
School Trust-Total Revenues	$36,445,680	$53,771,940	$63,868,553	$61,151,881	$69,495,847
Mineral Rental	986,720	1,253,324	1,751,130	1,614,907	2,023,401
Mineral Royalties/Bonuses	24,517,032	40,121,204	50,399,909	46,715,425	53,105,648
Surface Rental	6,793,722	7,988,701	8,009,916	8,371,449	8,819,293
Commercial/Other	3,937,968	4,033,546	3,478,051	3,259,564	5,172,228
Land Sales	25,054	75,707	11,286	60,021	4,085
Interest and Penalties	106,389	149,153	126,634	16,694	315,960
Timber Sales	78,795	150,305	91,627	1,113,821	55,232

Oil and Gas Activity

The Colorado Oil and Gas Conservation Commission (OGCC) is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The level of oil and gas drilling activity impacts the Colorado Oil and Gas Conservation Commission's workload and necessary expenditures.

Oil and Gas Conservation Commission	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate	FY 09-10 Estimate
Workload Activity						
Drilling Permits Received	3,847	5,829	6,664	7,661	6,600	5,000
Number of Active Wells	28,032	30,324	32,021	35,686	40,000	43,000
Active Drilling Rigs	63	83	97	113	87	44
OGCC Expenditures[1/]	$3,623,183	$3,977,718	$6,067,702	$6,533,355	$10,627,958	$9,187,907
Total FTE	35.3	38.0	43.4	53.0	73.0	73.0

[1/] Division-only expenditures include all fund sources; does not include centrally appropriated items funded in the Executive Director's Office.

State Parks

Funding for state parks is primarily a mixture of General Fund and cash funds from fees. The following table shows the level of General Fund relative to total funds for the Division of Parks and Outdoor Recreation.

State Parks Funding Mix[/1]	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Estimated
General Fund - State Parks	$5,244,382	$6,398,814	$6,644,343	$6,988,368	$4,798,324
Percent Change	*n/a*	*22.0%*	*3.8%*	*5.2%*	*(31.3)%*
Total Funds - State Parks	$32,103,800	$34,867,027	$38,452,101	$43,152,094	$40,915,338
Percent Change	*n/a*	*8.6%*	*10.3%*	*12.2%*	*(5.2)%*
State Parks Visitation	11,393,494	11,305,183	11,834,228	11,761,000	11,666,912
Percent Change	*n/a*	*(0.8)%*	*4.7%*	*(0.6)%*	*(0.8)%*

/1 Includes centrally appropriated items funded in the Executive Director's Office.

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. The GOCO grants are not subject to legislative appropriation authority and thus are reflected for information only. The 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). The GOCO grants to the Division of Wildlife are used for species protection, habitat development, watchable wildlife, and wildlife education.

Great Outdoors Colorado Board Grants	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09 Estimated	FY 2009-10 Estimated
Parks Capital Budget	$13,048,000	$7,143,000	$8,318,000	$760,000	$4,225,000
Parks Operating Budget	4,980,000	4,980,000	4,025,000	3,864,000	4,335,000
Total GOCO Grants to Parks	$18,028,000	$12,123,000	$12,343,000	$4,624,000	$8,560,000
Percent of Parks' Expenditures	*25.9%*	*23.3%*	*23.5%*	*10.8%*	*10.8%*
Wildlife Capital Budget	$7,940,000	$2,330,000	$13,940,283	$2,416,065	$2,361,651
Wildlife Operating Budget	8,060,000	6,070,000	6,421,006	6,200,000	6,200,000
Total Grants to Wildlife	$16,000,000	$8,400,000	$20,361,289	$8,616,065	$8,561,651
Percent of DOW Expenditures	*15.9%*	*15.1%*	*16.1%*	*10.0%*	*11.0%*

Colorado Water Conservation Board Construction Fund

The Colorado Water Conservation Board Construction Fund, created in Section 37-60-121 (1) (a), C.R.S., provides loans for projects which will increase the beneficial consumptive use of Colorado's undeveloped compact entitled waters. Statute instructs the Colorado Water Conservation Board to participate in only those projects that can repay the board's investment. Grants are not allowed, unless specifically authorized by the general assembly through a bill.

The Construction Fund is a partially self-supporting revolving loan fund. Revenues come from the return of principal and interest on outstanding loans, interest earned on the cash balance of the fund through investments by the State Treasurer, and federal mineral lease (FML) fund distributions. Senate Bill 08-218 modified the allocation of the state's portion of FML revenue by segregating FML bonus payment revenue and reallocation as well as non-bonus (rent and royalty) FML revenue reallocation. Senate Bill 08-218 amended statute so that beginning with FY 2008-09, the CWCB Construction fund receives a distribution of 10.0 percent of non-bonus revenue, up to $14.0 million. The amount transferred is allowed to grow by 4 percent annually in succeeding years.

The Construction Fund also pays for the administrative expenses of the Colorado Water Conservation Board (CWCB). For FY 2009-10 the CWCB estimates that it will need $7.2 million for salaries and operating costs. In addition the Construction Fund provides funding for non-reimbursable projects, an estimated $5.9 million in FY 2009-10. In addition, the CWCB anticipates $2.3 million in transfers to the Litigation Fund, Flood Response Fund, and Wild and Scenic Rivers Fund. The fund also provides funding for loans, the CWCB anticipates $15.5 million in new water loans for FY 2009-10.

Colorado Water Conservation Board Construction Fund				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Cash Balance - Beginning of Year	$8,775,717	$13,282,580	$2,049,393	$1,313,874
Revenues	28,884,363	28,569,174	30,115,309	31,306,269
CWCB Operations	*(5,914,121)*	*(6,744,815)*	*(7,220,828)*	*(7,532,484)*
Non-Reimbursable Investments	*(3,828,890)*	*(7,371,000)*	*(8,180,000)*	*(5,000,000)*

Colorado Water Conservation Board Construction Fund				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Loan Issuances	*(14,634,489)*	*(15,436,546)*	*(15,450,000)*	*(20,000,000)*
Total Expenditures	*(24,377,500)*	*(29,552,361)*	*(30,850,828)*	*(32,532,484)*
Ending FY Balance without transfer	$13,282,580	$12,299,393	$1,313,874	$87,659
Transfer to the General Fund in S.B. 09-208	0	(10,250,000)	0	0
Ending Balance after transfer	$13,282,580	$2,049,393	$1,313,874	$87,659

Perpetual Base Account of the Severance Tax Trust Fund

The Severance Tax Perpetual Base Account is authorized in Section 39-29-109 (2) (a), C.R.S., to be used for the same purposes as the Colorado Water Conservation Board Construction Fund. Specifically, to fund directly or provide loans for construction, rehabilitation, enlargement, or improvement of water projects. The Severance Tax Perpetual Base Account receives half of receipts to the severance tax trust fund (one fourth of all severance tax income). This fund is a revolving loan account, as such no permanent programs depend on this fund.

Perpetual Base Account of the Severance Tax Trust Fund				
	FY 2007-08 Actual	FY 2008-09 Estimate	FY 2009-10 Estimate	FY 2010-11 Estimate
Cash Balance - Beginning of Year	$43,702,079	$18,058,960	$7,614,373	$0
Receivables/Interest Earnings	*10,507,640*	*8,531,145*	*7,871,920*	*8,767,050*
Severance Tax	*37,868,413*	*58,646,000*	*7,468,750*	*40,650,000*
Principal Repayment	*2,731,028*	*3,028,268*	*3,028,268*	*3,028,268*
*Previously Obligated Loans**	*0*	*0*	*37,016,689*	*0*
Total Revenues	*51,107,081*	*70,205,413*	*55,385,627*	*52,445,318*
Loan Issuances/Drought Grants	(76,750,200)	(45,650,000)	(1,000,000)	(50,000,000)
Ending FY Balance without transfer	$18,058,960	$42,614,373	$62,000,000	$2,445,318
Transfer to the General Fund in S.B. 09-208	0	(20,000,000)	0	0
Transfer to the General Fund in S.B. 09-279	0	(15,000,000)	(62,000,000)	0
Ending Balance after transfer	$18,058,960	$7,614,373	$0	$2,445,318

* Senate Bill 09-279 requires the transfer of $62.0 million from the Perpetual Base Account of the Severance Tax Trust Fund to the General Fund in FY 2009-10. There is not enough unobligated cash in the Perpetual Base Account to satisfy this transfer requirement. An estimated $37.0 million will come from money set aside for authorized projects that are not yet under contract or have not yet been fully completed. To honor these authorizations and complete these projects, the CWCB intends to set aside future revenues for these obligations.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Natural Resources	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$234,769,579**	**$31,057,499**	**$179,001,019**	**$7,377,769**	**$17,333,292**	**1,546.8**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	46,224,770	6,192,712	32,531,082	6,248,716	1,252,260	59.4
Reclamation, Mining, and Safety	7,645,246	0	4,271,694	30,000	3,343,552	73.1
Geological Survey	4,594,912	0	2,802,495	803,026	989,391	35.4
Oil and Gas Conservation Commission	10,627,958	0	10,525,622	0	102,336	73.0
State Board of Land Commissioners	3,863,252	0	3,863,252	0	0	38.0
Parks and Outdoor Recreation	38,153,113	5,614,271	31,515,655	0	1,023,187	294.5
Colorado Water Conservation Board	15,157,394	0	14,722,941	296,027	138,426	47.7
Water Resources Division	21,548,425	19,250,516	2,213,301	0	84,608	274.3
Division of Wildlife	86,954,509	0	76,554,977	0	10,399,532	651.4
Breakdown of Total Appropriation by Bill						
HB 08-1375	209,672,063	32,095,945	152,844,574	7,374,280	17,357,264	1,545.4
SB 08-013	2,753,985	0	2,753,985	0	0	0.0
SB 08-155	0	0	0	0	0	(3.0)
SB 08-168	11,163,886	0	11,163,886	0	0	0.0
SB 08-169	32,460	0	32,460	0	0	0.0
SB 08-226	7,206,636	0	7,206,636	0	0	7.0
HB 08-1161	42,540	0	42,540	0	0	0.4
HB 08-1346	8,071,000	0	8,071,000	0	0	0.0
HB 08-1398	(1,145,067)	0	(1,145,067)	0	0	0.0
SB 09-024	600,000	0	600,000	0	0	0.0
SB 09-195	(3,627,924)	(1,038,446)	(2,568,995)	3,489	(23,972)	(3.0)
FY 2009-10 Total Appropriation:	**$227,818,202**	**$29,680,331**	**$173,426,573**	**$7,310,734**	**$17,400,564**	**1,545.1**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	41,708,554	5,730,662	28,551,837	6,141,225	1,284,830	59.8
Reclamation, Mining, and Safety	7,861,729	0	4,331,148	30,000	3,500,581	72.9
Geological Survey	4,881,414	0	3,071,647	843,482	966,285	35.4
Oil and Gas Conservation Commission	9,187,907	0	9,087,699	0	100,208	73.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
State Board of Land Commissioners	3,937,897	0	3,937,897	0	0	38.0
Parks and Outdoor Recreation	36,128,365	3,866,992	31,233,217	0	1,028,156	294.5
Colorado Water Conservation Board	14,322,304	0	13,884,909	296,027	141,368	47.7
Water Resources Division	22,218,201	20,082,677	2,038,921	0	96,603	272.4
Division of Wildlife	87,571,831	0	77,289,298	0	10,282,533	651.4
Breakdown of Total Appropriation by Bill						
SB 09-259	212,045,852	29,680,331	157,654,223	7,310,734	17,400,564	1,545.1
SB 09-024	1,450,000	0	1,450,000	0	0	0.0
SB 09-125	5,880,000	0	5,880,000	0	0	0.0
SB 09-158	50,000	0	50,000	0	0	0.0
HB 09-1129	14,280	0	14,280	0	0	0.0
HB 09-1289	8,378,070	0	8,378,070	0	0	0.0
Increase/(Decrease)	($6,951,377)	($1,377,168)	($5,574,446)	($67,035)	$67,272	(1.7)
Percentage Change	(3.0)%	(4.4)%	(3.1)%	(0.9)%	0.4%	(0.1)%

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation is reduced by $2.6 million, including $513,000 General Fund, to reflect savings from the FY 2008-09 hiring freeze.

2. The appropriation is reduced by $1.0 million to reflect various budget balancing actions.

FY 2009-10 Appropriation Highlights:

1. House Bill 09-1289 provides an additional $8.4 million cash funds from the Species Conservation Trust Fund (transfers from the Operational Account of the Severance Tax Trust Fund) in order to meet the state's obligations under the federal Endangered Species Act.

2. Senate Bill 09-125 provides an additional $5.9 million for a variety of water-related projects from the Colorado Water Conservation Board Construction Fund.

3. The appropriation provides $1.8 million in benefits increases for health, life, and dental insurance, amortization equalization disbursement, and supplemental amortization equalization disbursement.

4. Senate Bill 09-024 provides an additional $1.5 million (Wildlife Cash Fund) to the Division of Wildlife for game damage prevention materials.

5. The appropriation provides $940,000 for centrally-appropriated operating adjustments.

6. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $4.8 million, including $949,000 General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80.0 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

7. The appropriation reduces funding for personal services by a total of $2.1 million (including $505,000 General Fund).

8. The appropriation includes a $1.9 million General Fund State Parks operations reduction to reflect General Fund savings in response to a statewide General Fund revenue shortfall.

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, and information technology services. The FY 2009-10 funding for this division consists of 68.5 percent cash funds (approximately $20.2 million from various cash funds throughout the Department used to pay for employee benefits and other central services provided by the Department of Personnel and the Governor's Office, and $8.4 million from the Species Conservation Trust Fund pursuant to H.B. 09-1289), 13.7 percent General Fund, 14.7 reappropriated funds (indirect cost recovery), and 3.1 percent federal funds.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$35,163,379	$6,369,594	$21,301,258	$6,245,227	$1,247,300	61.0
SB 08-155	0	0	0	0	0	(1.6)
SB 08-168	11,163,886	0	11,163,886	0	0	0.0
HB 08-1398	(31,072)	0	(31,072)	0	0	0.0
SB 09-195	(71,423)	(176,882)	97,010	3,489	4,960	0.0
TOTAL	**$46,224,770**	**$6,192,712**	**$32,531,082**	**$6,248,716**	**$1,252,260**	**59.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$46,224,770	$6,192,712	$32,531,082	$6,248,716	$1,252,260	59.4
Benefits adjustments	1,816,444	307,186	1,267,662	83,234	158,362	0.0
Operating Adjustments	941,453	(51,077)	986,003	16,650	(10,123)	0.0
Annualize salary and benefits adjustments	235,798	0	0	235,798	0	0.0
Annualize FY 2008-09 hiring freeze	84,240	84,240	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Leased space adjustments	24,626	34,329	(9,870)	0	167	0.0
Annualize funding for S.B. 07-228	22,099	22,099	0	0	0	0.4
Fund mix adjustment	0	194,123	0	(194,123)	0	0.0
Eliminate one-time funding	(11,163,886)	0	(11,163,886)	0	0	0.0
Eliminate salary survey and performance-based pay increases	(4,801,285)	(949,175)	(3,487,224)	(249,050)	(115,836)	0.0
Personal services base reduction	(97,089)	(97,089)	0	0	0	0.0
End department participation in State Fair	(6,686)	(6,686)	0	0	0	0.0
SB 09-259	**$33,280,484**	**$5,730,662**	**$20,123,767**	**$6,141,225**	**$1,284,830**	**59.8**
SB 09-158	50,000	0	50,000	0	0	0.0
HB 09-1289	8,378,070	0	8,378,070	0	0	0.0
TOTAL	**$41,708,554**	**$5,730,662**	**$28,551,837**	**$6,141,225**	**$1,284,830**	**59.8**
Increase/(Decrease)	($4,516,216)	($462,050)	($3,979,245)	($107,491)	$32,570	0.4
Percentage Change	(9.8)%	(7.5)%	(12.2)%	(1.7)%	2.6%	0.7%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-195 reduced $293,000 in total funds related to a hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Benefits adjustments: The appropriation includes the following changes for centrally-appropriated line items: $1,242,123 for Health, Life, and Dental; $379,977 for S.B. 06-235 Supplemental Amortization Equalization Disbursement; $204,999 for S.B. 04-257 Amortization Equalization Disbursement; a reduction of $9,572 for Shift Differential; and a reduction of $1,083 for Short-term Disability.

Operating adjustments: The appropriation includes changes for centrally-appropriated line items: $605,017 for Workers' Compensation; $445,509 for Vehicle Lease Payments; $12,414 for Capitol Complex Leased Space; $12,307 for Legal Services; $9,855 for Management and Administration of OIT; $670 for Operating Expenses (related to an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel); $0 for Purchase of Services from Computer Center (various fund changes); $0 for Multiuse Network Payments (various fund changes); a reduction of $142,688 for Payment to Risk Management and Property Funds; and a reduction of $1,631 for Operating Expenses (to annualize a FY 2008-09 supplemental which reduced operating expenses due to the consolidation of cellular phone plans).

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

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

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

Leased space adjustments: The appropriation includes an increase in leased space costs of $51,698 to reflect various increases in leased space costs throughout the Department due to the renewal of leases, an increase of $1,260 to reflect the reallocation of funds from the Colorado Water Conservation Board for the lease of a vehicle parking slot, as well as a reduction of leased space costs of $28,332 to reflect a change in occupancy as the State Land Board moves out of leased space in the Capitol Complex and State Parks discontinues private leased space in order to utilize capitol complex leased space vacated by the State Land Board.

Annualize funding for S.B. 07-228: The appropriation annualizes funding for S.B. 07-228 for monitoring of vendor performance on state contracts.

Fund mix adjustment: The appropriation includes a fund mix adjustment pursuant to the Department's indirect cost plan, which is used to offset the need for General Fund in the Executive Director's Office.

Eliminate one-time funding: The appropriation eliminates one-time funding that was provided to the Department in FY 2008-09 through S.B. 08-168 (Species Conservation Trust Fund).

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

End department participation in State Fair: The appropriation includes reductions reflecting savings related to ending the Department's participation in the Colorado State Fair.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Reclamation, Mining, and Safety

This division includes the following programs:

- Coal Land Reclamation -- This program protects society and the environment from the adverse effects of coal mining, as well as ensures miner compliance with the requirements of the federal Surface Mining Control and Reclamation Act.

- Inactive Mines -- This program safeguards inactive mine openings, inspects and monitors mine sites, and reclaims abandoned mines. There are over 23,000 hazardous mine openings in Colorado, of which about 6,000 have been safeguarded.

- Minerals -- This program issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands.

- Mine Safety Training -- This program regulates active mines for safety, inspects tourist mines, performs safety audits, administers certification programs for mining employees, provides training in mine rescue/safety, and regulates underground diesel equipment and mining explosives.

The primary source of cash funds is the Operational Account of the Severance Tax Trust Fund. The reappropriated funds are from the Department of Public Health and Environment for reclamation of inactive mines.

Division of Reclamation, Mining, and Safety						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$7,856,431	$0	$4,457,488	$30,000	$3,368,943	72.7
SB 08-169	15,743	0	15,743	0	0	0.0
HB 08-1161	42,540	0	42,540	0	0	0.4
SB 09-195	(269,468)	0	(244,077)	0	(25,391)	0.0
TOTAL	**$7,645,246**	**$0**	**$4,271,694**	**$30,000**	**$3,343,552**	**73.1**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$7,645,246	$0	$4,271,694	$30,000	$3,343,552	73.1
Annualize FY 2008-09 hiring freeze	261,004	0	239,741	0	21,263	0.0
Annualize salary and benefits adjustments	189,906	0	92,349	0	97,557	0.0
Indirect and fund mix adjustments	38,042	0	(46,019)	0	84,061	0.0
Interest for mine reclamation	20,000	0	20,000	0	0	0.0
Operating adjustments	392	0	499	0	(107)	0.0
Decreased severance tax revenue for mine reclamation	(183,623)	0	(183,623)	0	0	0.0
Personal services base reduction	(70,123)	0	(42,861)	0	(27,262)	0.0
Annualize prior year funding	(23,989)	0	(14,375)	0	(9,614)	(0.2)
End department participation in State Fair	(15,126)	0	(6,257)	0	(8,869)	0.0
SB 09-259	**$7,861,729**	**$0**	**$4,331,148**	**$30,000**	**$3,500,581**	**72.9**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$7,861,729**	**$0**	**$4,331,148**	**$30,000**	**$3,500,581**	**72.9**
Increase/(Decrease)	$216,483	$0	$59,454	$0	$157,029	(0.2)
Percentage Change	2.8%	n/a	1.4%	0.0%	4.7%	(0.3)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-195 reduced $261,000 in total funds related to a hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Indirect and fund mix adjustments: The appropriation includes an adjustment for changes in the division's indirect cost recovery plan and various small changes in the sources of funds for programs.

Interest for mine reclamation: The appropriation includes an increase in spending authority for interest earned by the Mine Site Reclamation Fund.

Operating adjustments: The appropriation includes operating adjustments for a decrease in cell phone costs and an increase in postal costs.

Decreased severance tax revenue for mine reclamation: The appropriation reduces expenditures from the Operational Account of the Severance Tax Trust Fund for mine site reclamation due to a decrease in the forecast of available severance tax revenues.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Annualize prior year funding: The appropriation removes one-time funding for FY 2008-09 bills and decision items, and annualizes funding for the Management and Administration of OIT line item in the Executive Director's Office.

End department participation in State Fair: The appropriation includes a reduction to end the Department's participation in the State Fair.

Geological Survey

This division includes the following three programs:

- Environmental Geology and Geological Hazards -- This program is designed to lessen the impact of, and increase the awareness and understanding of, geological hazards in Colorado.

- Mineral Resources and Mapping -- This program promotes the development of the state's mineral resources through the publication and distribution of maps, reports, and presentations on geological conditions, mineral potential, mineral reserves, and actual mineral production.

- Colorado Avalanche Information Center -- This program provides avalanche forecasting services and education to back country recreation users, industry, and travelers.

The sources of cash funds are the Operational Account of the Severance Tax Trust Fund and fees for avalanche training and geological services. The sources of reappropriated funds are fees and contracts with the Department of Transportation for geological services, and indirect cost recoveries.

Geological Survey

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$4,751,633	$0	$2,959,216	$803,026	$989,391	35.4
SB 08-169	3,928	0	3,928	0	0	0.0
SB 09-195	(160,649)	0	(160,649)	0	0	0.0
TOTAL	**$4,594,912**	**$0**	**$2,802,495**	**$803,026**	**$989,391**	**35.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$4,594,912	$0	$2,802,495	$803,026	$989,391	35.4
Annualize FY 2008-09 hiring freeze	156,211	0	156,211	0	0	0.0
Annualize salary and benefits adjustments	97,601	0	88,675	0	8,926	0.0
Colorado Avalanche Information Center	34,456	0	0	40,456	(6,000)	0.0
Indirect and fund mix adjustments	6,911	0	32,943	0	(26,032)	0.0
Operating adjustments	1,444	0	1,444	0	0	0.0
End department participation in State Fair	(6,686)	0	(6,686)	0	0	0.0
Annualize prior year funding	(3,435)	0	(3,435)	0	0	0.0
SB 09-259	**$4,881,414**	**$0**	**$3,071,647**	**$843,482**	**$966,285**	**35.4**
TOTAL	**$4,881,414**	**$0**	**$3,071,647**	**$843,482**	**$966,285**	**35.4**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	$286,502	$0	$269,152	$40,456	($23,106)	0.0
Percentage Change	6.2%	n/a	9.6%	5.0%	(2.3)%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-195 reduced $156,000 in total funds related to a hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Colorado Avalanche Information Center: The appropriation includes an increase in spending authority for a contract with the Department of Transportation to provide avalanche forecasting.

Indirect and fund mix adjustments: The appropriation includes an adjustment for changes in the division's indirect cost recovery plan and various small changes in the sources of funds for programs.

Operating adjustments: The appropriation includes operating adjustments for a decrease in cell phone costs and an increase in postal costs.

End department participation in State Fair: The appropriation includes a reduction to end the Department's participation in the State Fair.

Annualize prior year funding: The appropriation eliminates one-time funding for FY 2008-09 bills and decision items, and annualizes funding for the Management and Administration of OIT line item in the Executive Director's Office.

Oil and Gas Conservation Commission

The Commission is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The Commission also has the authority to regulate oil and gas operations so as to protect public health, prevent significant adverse environmental impacts, and prevent waste. In addition to enforcement, this responsibility involves answering complaints and inquiries, responding to oil and gas spills and other environmental emergencies at production sites, managing plugging and reclamation work at abandoned well sites, and performing baseline water quality studies. The appropriation reflects the workload attributable to the increase in active wells statewide.

The bulk of the funding for the Oil and Gas Conservation Commission is from the Oil and Gas Conservation and Environmental Response Fund and its associated reserves, and secondarily from the Operational Account of the Severance Tax Trust Fund.

Oil and Gas Conservation Commission	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$11,312,474	$0	$11,210,138	$0	$102,336	76.0
SB 09-195	(684,516)	0	(684,516)	0	0	(3.0)
TOTAL	**$10,627,958**	**$0**	**$10,525,622**	**$0**	**$102,336**	**73.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$10,627,958	$0	$10,525,622	$0	$102,336	73.0
Annualize FY 2008-09 hiring freeze	679,000	0	679,000	0	0	0.0
Annualize salary and benefits adjustments	168,974	0	168,974	0	0	0.0
Operating adjustments	1,638	0	1,638	0	0	0.0
Annualize prior year funding	(1,986,258)	0	(1,986,258)	0	0	0.0
Environmental Protection and Mitigation Studies	(175,000)	0	(175,000)	0	0	0.0
Personal services base reduction	(108,278)	0	(108,278)	0	0	0.0
Indirect and fund mix adjustments	(11,303)	0	(9,175)	0	(2,128)	0.0
End department participation in State Fair	(8,824)	0	(8,824)	0	0	0.0
SB 09-259	**$9,187,907**	**$0**	**$9,087,699**	**$0**	**$100,208**	**73.0**
TOTAL	**$9,187,907**	**$0**	**$9,087,699**	**$0**	**$100,208**	**73.0**
Increase/(Decrease)	($1,440,051)	$0	($1,437,923)	$0	($2,128)	0.0
Percentage Change	(13.6)%	n/a	(13.7)%	n/a	(2.1)%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-195 reduced funding by $679,000 due to delays in filling new positions authorized for FY 2008-09. The supplemental appropriation also converted 3.0 FTE to contract positions, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Operating adjustments: The appropriation includes operating adjustments for a decrease in cell phone costs and an increase in postal costs.

Annualize prior year funding: The appropriation eliminates one-time funding for FY 2008-09 bills and decision items, and annualizes funding for the Management and Administration of OIT line item in the Executive Director's Office.

Environmental Protection and Mitigation Studies: The appropriation reduces funding from the Operational Account of the Severance Tax Trust Fund for environmental protection and mitigation studies due to a decrease in the forecast of available severance tax revenues. The remaining funding approximately equals FY 2007-08 actual expenditures.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Indirect and fund mix adjustments: The appropriation includes an adjustment for changes in the division's indirect cost recovery plan and various small changes in the sources of funds for programs.

End department participation in State Fair: The appropriation includes a reduction to end the Department's participation in the State Fair.

State Board of Land Commissioners

The State Board of Land Commissioners (State Land Board) manages properties for eight trusts set up in either the Colorado Constitution or in statute. By far the largest trust managed by the State Land Board is the Public School Trust (School Trust). Approximately 98 percent of the revenue generated by the State Land Board is attributable to the School Trust.

Pursuant to H.B. 08-1335 (known as the BEST bill) 35 percent of the gross amount of income received during the fiscal year from income, mineral royalties, and interest derived from state public school lands is deposited in the Public School Capital Construction Assistance (PSCCA) Fund. Up to $11 million may be appropriated in the School Finance Act. Any remaining revenue is deposited in the Public School Fund (the Permanent Fund) or reinvested by the State Land Board to purchase other lands.

State Board of Land Commissioners

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$3,936,926	$0	$3,936,926	$0	$0	38.0
SB 09-195	(73,674)	0	(73,674)	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$3,863,252**	**$0**	**$3,863,252**	**$0**	**$0**	**38.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$3,863,252	$0	$3,863,252	$0	$0	38.0
Annualize salary and benefits adjustments	115,763	0	115,763	0	0	0.0
Annualize FY 2008-09 hiring freeze	69,141	0	69,141	0	0	0.0
Operating adjustments	942	0	942	0	0	0.0
Annualize prior year funding	447	0	447	0	0	0.0
Indirect and fund mix adjustments	(55,625)	0	(55,625)	0	0	0.0
Personal services base reduction	(45,641)	0	(45,641)	0	0	0.0
End department participation in State Fair	(10,382)	0	(10,382)	0	0	0.0
SB 09-259	**$3,937,897**	**$0**	**$3,937,897**	**$0**	**$0**	**38.0**
TOTAL	**$3,937,897**	**$0**	**$3,937,897**	**$0**	**$0**	**38.0**
Increase/(Decrease)	$74,645	$0	$74,645	$0	$0	0.0
Percentage Change	1.9%	n/a	1.9%	n/a	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-195 reduced $69,000 in total funds related to a hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Operating adjustments: The appropriation includes operating adjustments for a decrease in cell phone costs and an increase in postal costs.

Annualize prior year funding: The appropriation eliminates one-time funding for FY 2008-09 bills and decision items, and annualizes funding for the Management and Administration of OIT line item in the Executive Director's Office.

Indirect and fund mix adjustments: The appropriation includes an adjustment for changes in the division's indirect cost recovery plan and various small changes in the sources of funds for programs.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

End department participation in State Fair: The appropriation includes a reduction to end the Department's participation in the State Fair.

Parks and Outdoor Recreation

This division manages 43 parks and associated park projects. The Division also manages statewide recreation programs, including the snowmobile program, the off-highway vehicle program, and river outfitters regulation. State parks are estimated to have approximately 11,666,912 visitors in FY 2009-10. The parks are supported by a mixture of General Fund, cash funds from fees, funds from the State Lottery and Great Outdoors Colorado, the Operational Account of the Severance Tax Trust Fund (S.B. 08-226), and federal grants.

Parks and Outdoor Recreation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$33,965,969	$5,783,168	$27,156,073	$0	$1,026,728	287.9
SB 08-013	1,234,058	0	1,234,058	0	0	0.0
SB 08-155	0	0	0	0	0	(0.4)
SB 08-226	3,289,392	0	3,289,392	0	0	7.0
SB 09-195	(336,306)	(168,897)	(163,868)	0	(3,541)	0.0
TOTAL	**$38,153,113**	**$5,614,271**	**$31,515,655**	**$0**	**$1,023,187**	**294.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$38,153,113	$5,614,271	$31,515,655	$0	$1,023,187	294.5
Annualize salary and benefits adjustments	781,854	229,671	552,183	0	0	0.0
Annualize FY 2008-09 hiring freeze	184,793	35,029	146,223	0	3,541	0.0
Postage increase	44,801	8,540	36,261	0	0	0.0
State parks operations reduction	(1,940,197)	(1,940,197)	0	0	0	0.0
S.B. 08-226 aquatic nuisance species annualization	(587,931)	0	(587,931)	0	0	0.0
Personal services base reduction	(438,733)	(65,362)	(365,277)	0	(8,094)	0.0
Indirect cost assessment	(52,004)	0	(61,526)	0	9,522	0.0
End department participation in State Fair	(9,718)	(9,718)	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Other	(7,613)	(5,242)	(2,371)	0	0	0.0
SB 09-259	**$36,128,365**	**$3,866,992**	**$31,233,217**	**$0**	**$1,028,156**	**294.5**
TOTAL	**$36,128,365**	**$3,866,992**	**$31,233,217**	**$0**	**$1,028,156**	**294.5**
Increase/(Decrease)	($2,024,748)	($1,747,279)	($282,438)	$0	$4,969	0.0
Percentage Change	(5.3)%	(31.1)%	(0.9)%	n/a	0.5%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-195 reduced $170,000 related to a hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

State parks operations reduction: The appropriation reflects a state parks operations reduction to address the General Fund revenue shortfall in FY 2009-10.

S.B. 08-226 aquatic nuisance species annualization: The appropriation includes a reduction to annualize funds added by S.B. 08-226.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Indirect cost assessment: The appropriation reflects a reduction in indirect costs assessed against the division.

End department participation in State Fair: The appropriation includes a reduction reflecting savings related to ending the Department's participation in the Colorado State Fair.

Other: The appropriation includes a reduction of $4,226 to annualize a FY 2008-09 supplemental which reduced operating expenses due to a consolidation of cellular phone plans and a reduction of $3,387 to annualize funding for the Management and Administration of OIT line item in the Executive Director's Office.

Colorado Water Conservation Board

Under the guidance of the Board, this division is responsible for protecting, conserving, and developing the state's water resources, and minimizing the risk of flood damage and associated economic loss. The Colorado Water Conservation Board is divided into two main functional areas: administration and special purpose programs. Beginning in FY 2001-02, all General Fund was replaced with cash funds from the Colorado Water Conservation Board Construction Fund. Special purpose programs are generally supported by specific cash funds or federal funds.

Colorado Water Conservation Board	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$8,674,025	$0	$8,239,572	$296,027	$138,426	47.7
HB 08-1346	7,721,000	0	7,721,000	0	0	0.0
HB 08-1398	(1,113,995)	0	(1,113,995)	0	0	0.0
SB 09-195	(123,636)	0	(123,636)	0	0	0.0
TOTAL	**$15,157,394**	**$0**	**$14,722,941**	**$296,027**	**$138,426**	**47.7**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$15,157,394	$0	$14,722,941	$296,027	$138,426	47.7
H.B. 08-1398 Interbasin Compact Committee Operation Fund	1,145,067	0	1,145,067	0	0	0.0
Annualize salary and benefits adjustments	135,272	0	135,272	0	0	0.0
Annualize FY 2008-09 hiring freeze	113,628	0	113,628	0	0	0.0
Indirect cost assessment	20,104	0	17,162	0	2,942	0.0
Postage increase	670	0	670	0	0	0.0
Eliminate one-time funding	(7,721,000)	0	(7,721,000)	0	0	0.0
Personal services base reduction	(55,210)	0	(55,210)	0	0	0.0
End department participation in State Fair	(8,110)	0	(8,110)	0	0	0.0
Annualize prior year funding	(7,823)	0	(7,823)	0	0	0.0
Other	(1,968)	0	(1,968)	0	0	0.0
SB 09-259	**$8,778,024**	**$0**	**$8,340,629**	**$296,027**	**$141,368**	**47.7**
SB 09-125	5,530,000	0	5,530,000	0	0	0.0
HB 09-1129	14,280	0	14,280	0	0	0.0
TOTAL	**$14,322,304**	**$0**	**$13,884,909**	**$296,027**	**$141,368**	**47.7**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	($835,090)	$0	($838,032)	$0	$2,942	0.0
Percentage Change	(5.5)%	n/a	(5.7)%	0.0%	2.1%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-195 reduced $114,000 related to a hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

H.B. 08-1398 Interbasin Compact Committee Operation Fund: The appropriation increases funding to reflect a continuous appropriation from the Interbasin Compact Committee Operation Fund pursuant to Section 37-75-107, C.R.S.

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

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

Indirect cost assessment: The appropriation reflects an increase in indirect costs assessed against the division.

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

Eliminate one-time funding: The appropriation includes a reduction of $7,721,000 associated with a one-time appropriation contained in H.B. 08-1346 (Water Conservation Board Construction Fund projects).

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

End department participation in State Fair: The appropriation includes a reduction reflecting savings related to ending the Department's participation in the Colorado State Fair.

Annualize prior year funding: The appropriation includes the following funding changes as a result of prior year funding decisions: reduces $3,455 for a FY 2008-09 decision item for a hydrographer and vehicle; reduces $3,455 for a FY 2008-09 decision item for drought planning staff; and reduces $913 to annualize a FY 2008-09 supplemental which reduced operating expenses due to the consolidation of cellular phone plans.

Other: The appropriation includes reductions of: $1,260 to reflect the reallocation of funds to the Leased Space line in the Executive Director's Office to pay for the lease of a vehicle parking slot; and a reduction of $708 for Management and Administration of OIT.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Water Resources Division

This division, also called the Office of the State Engineer, is primarily responsible for administration of water resources. This includes daily oversight of water allocations within the state and downstream interstate compact compliance, monitoring of water supply through stream-flow measurements, and groundwater regulation. The Division administers 79,622 direct flow water rights. The Division is also responsible for dam safety inspections and groundwater well construction regulation. The General Fund provides approximately 90.4 percent of the Division's funding, excluding centrally appropriated items in the Executive Director's Office. The Ground Water Management Cash Fund, the Colorado Water Conservation Board Construction Fund, and the Well Inspection Cash Fund provide the bulk of cash funds.

Water Resources Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$21,745,206	$19,943,183	$1,717,415	$0	$84,608	274.3
SB 08-169	7,855	0	7,855	0	0	0.0
HB 08-1346	350,000	0	350,000	0	0	0.0
SB 09-195	(554,636)	(692,667)	138,031	0	0	0.0
TOTAL	**$21,548,425**	**$19,250,516**	**$2,213,301**	**$0**	**$84,608**	**274.3**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$21,548,425	$19,250,516	$2,213,301	$0	$84,608	274.3
Annualize salary and benefits adjustments	667,687	654,292	13,395	0	0	0.0
Annualize FY 2008-09 hiring freeze	426,567	393,598	32,969	0	0	0.0
Satellite monitoring system	30,000	0	30,000	0	0	0.0
Federal grants	10,782	0	0	0	10,782	0.0
Postage increase	3,587	3,587	0	0	0	0.0
Personal services base reduction	(352,242)	(342,711)	(9,531)	0	0	0.0
Eliminate one-time funding	(350,000)	0	(350,000)	0	0	0.0
Online water information	(84,000)	0	(84,000)	0	0	(2.0)
Indirect cost assessment	(14,000)	0	(15,213)	0	1,213	0.0
Annualize prior year funding	(12,392)	129,608	(142,000)	0	0	0.1
End department participation in State Fair	(3,555)	(3,555)	0	0	0	0.0
Other	(2,658)	(2,658)	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-259	**$21,868,201**	**$20,082,677**	**$1,688,921**	**$0**	**$96,603**	**272.4**
SB 09-125	350,000	0	350,000	0	0	0.0
TOTAL	**$22,218,201**	**$20,082,677**	**$2,038,921**	**$0**	**$96,603**	**272.4**
Increase/(Decrease)	$669,776	$832,161	($174,380)	$0	$11,995	(1.9)
Percentage Change	3.1%	4.3%	(7.9)%	n/a	14.2%	(0.7)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-195 reduced $408,000 related to a hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Satellite monitoring system: The appropriation includes an increase in funding for the Satellite Monitoring System (Satellite Monitoring System Cash Fund) for an increase in stream flow gauging stations and equipment maintenance and upkeep.

Federal grants: The appropriation includes an increase for anticipated Federal Emergency Management Agency grants.

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Eliminate one-time funding: The appropriation includes a reduction of $350,000 associated with a one-time appropriation contained in H.B. 08-1346 (Water Conservation Board Construction Fund projects).

Online water information: The appropriation reduces $84,000 from the Water Data Bank Fund and 2.0 FTE as a result of providing water records information online.

Indirect cost assessment: The appropriation reflects a decrease in indirect costs assessed against the division.

Annualize prior year funding: The appropriation includes the following funding changes as a result of prior year funding decisions: reduces $7,581 General Fund and increases 0.1 FTE for a FY 2008-09 decision item for Republican River Compact Compliance; reduces $4,811 to annualize a FY 2008-09 supplemental which reduced operating expenses due to the consolidation of cellular phone plans; refinances a one-time FY 2008-09 General Fund savings of $94,000 with cash funds from the Well Enforcement Cash Fund; and refinances a one-time FY 2008-09 General Fund savings of $48,000 with cash funds from the Satellite Monitoring System Cash Fund.

End department participation in State Fair: The appropriation includes a reduction reflecting savings related to ending the Department's participation in the Colorado State Fair.

Other: The appropriation includes a reduction of $2,658 to annualize funding for the Management and Administration of OIT line item in the Executive Director's Office.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Wildlife

The Division manages the state's 960 game and non-game wildlife species by issuing hunting and fishing licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations and managing 295 state wildlife areas. The Division's appropriations contain funding for 13 major programs, including the following: wildlife habitat, wildlife species, hunting recreation, fishing recreation, watchable wildlife, law enforcement, licensing, wildlife education, wildlife information, customer service, public policy, human resources, and internal systems. These programs are funded through the following budget sections:

- **Director's Office** - The Director's Office is responsible for the overall management and oversight of Division activities. The section works closely with the Wildlife Commission, the Executive Director of the Department, the Governor, the Legislature, constituents, and employees in the development and implementation of wildlife policies and regulations. This program includes division-wide planning, budgeting and evaluation activities, and management of the division's grant programs. This program also includes support to the Colorado Wildlife Commission. Special projects, most of which involve extensive public participation and involvement, are managed under this section.

- **Biological Programs** - This section manages Colorado's aquatic and terrestrial wildlife and their habitats to provide a diversity of fishing and hunting opportunities to the public while preserving and protecting species and habitats.

- **Fish Hatcheries** - This section is responsible for managing and operating the Division's 18 fish hatchery facilities located across the state. The hatchery system produces, transports, and stocks Colorado's waters with a variety of native and non-native fish.

- **Regional Operations** - The Division's three regions (and 18 areas within those regions) serve as the central points of contact for the public at the local level. Regional focus is on providing quality customer service, enforcing wildlife statutes, working with county land use planners, managing division properties, informing the public, and providing educational opportunities in their respective areas.

- **Information and Education** - This section is responsible for providing the public with information on wildlife and wildlife related issues through the production and publication of a variety of information materials, interaction with the media, and access to the Division's internet site. This section also designs and provides public outreach and education programs to increase the public's knowledge and appreciation of wildlife.

- **Law Enforcement** - This section directs the Division's law enforcement activities at a statewide level. The section is responsible for law enforcement planning and policy development, internal and external training of law enforcement personnel on wildlife related laws, evaluation and revision of internal law enforcement procedures, coordination of all special investigations, collection of law enforcement data, and criminal records management. This program is funded entirely from the Wildlife Cash Fund.

- **Information Technology** - This section supports the Division's information technology (IT) systems necessary for core division-wide activities by providing computer and communications infrastructure, asset management, user support, standardized software applications, internet oversight, development of IT policies and plans, and the development and maintenance of new and existing business applications.

- **Engineering Services** - This section is responsible for managing all aspects of the Division's capital construction program including the project selection, planning, project design and construction on Division-owned properties and facilities. The section also manages the agency's Dam Safety Program, which requires working closely with the Division of Water Resources. Activities include periodic dam maintenance inspections, emergency action plan development, monitoring, construction improvement and restoration.

- **Support Services** - This section supports the agency by providing various administrative services to divisional programs. Support functions include accounting of financial transactions, procuring goods and services, preparing contracts and legal documents, operating and maintaining non-regional administrative facilities and vehicles, issuing and accounting for the hunting and fishing licenses, and all human resource activities associated with maintaining a highly qualified and diverse workforce.

Cash funds in the Division include the following: (1) hunting and fishing license revenue deposited into the Wildlife Cash Fund; (2) Great Outdoors Colorado (GOCO) Board grant awards; and (3) 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.

Division of Wildlife

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$82,266,020	$0	$71,866,488	$0	$10,399,532	652.4
SB 08-013	1,519,927	0	1,519,927	0	0	0.0
SB 08-155	0	0	0	0	0	(1.0)
SB 08-169	4,934	0	4,934	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 08-226	3,917,244	0	3,917,244	0	0	0.0
SB 09-024	600,000	0	600,000	0	0	0.0
SB 09-195	(1,353,616)	0	(1,353,616)	0	0	0.0
TOTAL	**$86,954,509**	**$0**	**$76,554,977**	**$0**	**$10,399,532**	**651.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$86,954,509	$0	$76,554,977	$0	$10,399,532	651.4
Annualize salary and benefits adjustments	2,122,961	0	2,118,350	0	4,611	0.0
Annualize FY 2008-09 hiring freeze	1,257,309	0	1,257,309	0	0	0.0
Annualize S.B. 08-013 severance tax operational account appropriations	49,217	0	49,217	0	0	0.0
Postage increase	38,749	0	38,749	0	0	0.0
S.B. 08-226 aquatic nuisance species annualization	(2,612,700)	0	(2,612,700)	0	0	0.0
Personal services base reduction	(909,044)	0	(790,033)	0	(119,011)	0.0
S.B. 09-024 game damage annualization	(600,000)	0	(600,000)	0	0	0.0
Indirect cost assessment	(132,413)	0	(132,413)	0	0	0.0
Annualize prior year funding	(37,472)	0	(37,472)	0	0	0.0
End department participation in State Fair	(6,686)	0	(6,686)	0	0	0.0
Other	(2,599)	0	0	0	(2,599)	0.0
SB 09-259	**$86,121,831**	**$0**	**$75,839,298**	**$0**	**$10,282,533**	**651.4**
SB 09-024	1,450,000	0	1,450,000	0	0	0.0
TOTAL	**$87,571,831**	**$0**	**$77,289,298**	**$0**	**$10,282,533**	**651.4**
Increase/(Decrease)	$617,322	$0	$734,321	$0	($116,999)	0.0
Percentage Change	0.7%	n/a	1.0%	n/a	(1.1)%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-195 reduced $1,257,000 related to a hiring freeze, among other changes. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

Annualize S.B. 08-013 severance tax operational account appropriations: The appropriation reflects an increase to the appropriation provided to the division pursuant to S.B. 08-013.

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

S.B. 08-226 aquatic nuisance species annualization: The appropriation includes a reduction to annualize funding provided in S.B. 08-226.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

S.B. 09-024 game damage annualization: The appropriation includes a reduction to annualize funding provided in S.B. 09-024.

Indirect cost assessment: The appropriation reflects a decrease in indirect costs assessed against the division.

Annualize prior year funding: The appropriation includes the following funding changes as a result of prior year funding decisions: reduces $29,354 to annualize a FY 2008-09 supplemental which reduced operating expenses due to the consolidation of cellular phone plans; reduces $8,118 to annualize funding for the Management and Administration of OIT line item in the Executive Director's Office.

End department participation in State Fair: The appropriation includes a reduction reflecting savings related to ending the Department's participation in the Colorado State Fair.

Other: The appropriation reflects an anticipated reduction in federal funds.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Forestry

The Division of Forestry was created pursuant to H.B. 00-1460, which established a collaborative relationship between the Department of Natural Resources and the Colorado State Forest Service, a program of Colorado State University. The Division monitors the health of all forests in the state, including national and private forests. By statute, the Division of Forestry is headed by the State Forester and is staffed by the Colorado State Forest Service. There were no appropriations to the Division of Forestry for FY 2008-09 and FY 2009-10.

Recent Legislation

2008 Session Bills

S.B. 08-013: Reduces the maximum percentage of the Operational Account of the Severance Tax fund that may be appropriated to the Colorado Oil and Gas Conservation Commission and the Division of Reclamation, Mining, and Safety by five percent each. Allows appropriations from the Operational Account of the Severance Tax Fund of up to five percent of the balance to the Division of Wildlife to monitor, manage, mitigate, and research the impacts of mineral or mineral fuel production activities on wildlife, and up to five percent of the balance to the Division of Parks and Outdoor Recreation to operate, maintain, and improve state parks located in areas impacted by energy development. Appropriates from the Operational Account of the Severance Tax Fund to the Department of Natural Resources: $1,234,058 for the Division of Parks and Outdoor Recreation; $1,519,927 for the Division of Wildlife; and $750,000 to construct a boat ramp at Nighthorse Reservoir.

S.B. 08-071: Extends the forest restoration pilot program administered by the Colorado State Forest Service at Colorado State University through FY 2011-12. Creates the Forest Restoration Pilot Program Cash Fund and continuously appropriates the fund to the Department of Higher Education. Transfers $1,000,000 per year through FY 2011-12 from the Operational Account of the Severance Tax Trust Fund to the fund. By placing the transfers within the structure of H.B. 08-1398, makes the transfers subject to the reserve requirements and proportional reductions if there are insufficient revenues that are associated with tier 2 programs.

S.B. 08-155: Consolidates the responsibility for information technology (IT) oversight of most of the state's executive branch in the Governor's Office of Information Technology (OIT). For FY 2008-09, the bill transfers 3.0 FTE from the Department to OIT. For additional information on this bill, see the "Recent Legislation" section for the Governor's Office.

S.B. 08-168: Appropriates $11,163,886 from the Species Conservation Trust Fund (SCTF) to the Department of Natural Resources for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species as determined by the United States Fish and Wildlife Service. The bill also changes the funding of the SCTF by delaying a transfer from the Operational Account of the Severance Tax Trust Fund to the SCTF from FY 2007-08 to FY 2008-09 and changing the timing of transfers to the SCTF specified in S.B. 06-229.

S.B. 08-169: Makes changes to fees for regulating oil shale and in situ uranium mines. Appropriates $32,460 cash funds from the Mined Land Reclamation Fund to the Department of Natural Resources for costs related to reviewing in situ uranium mining permits with $15,743 allocated to the Division of Reclamation Mining and Safety, $4,934 allocated to the Division of Wildlife, $7,855 allocated to the Division of Water Resources, and $3,928 allocated to the Colorado Geological Survey.

S.B. 08-226: Authorizes regulations and penalties related to aquatic nuisance species. For FY 2008-09, transfers $1,250,000 from the Wildlife Cash Fund plus $2,667,244 from the Operational Account of the Severance Tax Trust Fund (total of $3,917,244) to the newly created Division of Wildlife Aquatic Nuisance Species Fund, and appropriates the balance in the fund to the Division of Wildlife. In addition, for FY 2008-09, transfers $3,289,392 from the Operational Account of the Severance Tax Trust Fund to the newly created Division of Parks and Outdoor Recreation Aquatic Nuisance Species Fund and appropriates the balance in the fund to the Division of Parks and Outdoor Recreation. Reduces FY 2008-09 transfers from the Operational

Account of the Severance Tax Trust Fund to the Species Conservation Trust Fund by $750,000. For FY 2009-10 and every year thereafter, transfers from the Operational Account of the Severance Tax Trust Fund $4,006,005 with $2,701,461 for the Division of Parks and Outdoor Recreation Aquatic Nuisance Species Fund and $1,304,544 for the Division of Wildlife Aquatic Nuisance Species Fund.

H.B. 08-1161: Makes changes to regulations for in situ leach mining. Appropriates $42,540 cash funds from the Mined Land Reclamation Fund and 0.4 FTE to the Division of Reclamation, Mining and Safety in the Department of Natural Resources. Also, appropriates $14,406 reappropriated funds to the Department of Law.

H.B. 08-1241: Changes the name of the Colorado Watershed Protection Fund to the Healthy Rivers Fund, and extends for three tax years (2008 through 2010) the period the state income tax returns will include a voluntary contribution designation benefitting the fund. Money in the fund is used by the Colorado Water Conservation Board (CWCB) in cooperation with the Water Quality Control Commission (WQCC) to award competitive grants to Colorado residents working toward the restoration and protection of land and natural resources within Colorado watersheds.

H.B. 08-1346: Loans $60,600,000 for the Republican River Water Conservation District Water Activity Enterprise - Republican River Compact Compliance Pipeline from the Severance Tax Trust Fund Perpetual Base Account. Loans $11,217,060 for the Pagosa Area Water & Sanitation District Water Activity Enterprise - Dry Gulch Reservoir Project Land Purchase from the Colorado Water Conservation Board Construction Fund. Appropriates $7,071,000 cash funds from the Colorado Water Conservation Board Construction Fund to the Department of Natural Resources in FY 2008-09 for various projects. Transfers $1,000,000 from the Operational Account of the Species Conservation Trust Fund to the Colorado Water Conservation Board Construction Fund and appropriates this amount to the Colorado Water Conservation Board in the Department of Natural Resources to finance a tamarisk control cost-sharing grant program.

H.B. 08-1375: General appropriations act for FY 2008-09.

H.B. 08-1387: Re-authorizes low-income energy assistance programs. Replaces cash fund appropriations from the Operational Account of the Severance Tax Trust Fund made in the 2008 Long Bill (H.B. 08-1375) of $7,050,000 to the Governor's Office and $5,950,000 to the Department of Human Services with transfers from the Operational Account into newly created funds that are continuously appropriated to the Department of Human Services and the Governor's Office. Authorizes new transfers of $13 million per year in state fiscal years 2009-10, 2010-11, and 2011-12 from the Operational Account of the Severance Tax Trust Fund to the following funds:

- 25 percent to the Department of Human Services Low-income Energy Assistance Fund;
- 25 percent to the Energy Outreach Colorado Low-income Energy Assistance Fund; and
- 50 percent to the Governor's Energy Office Low-income Energy Assistance Fund.

By placing the extension of funding within the structure of H.B. 08-1398, makes the funding for low-income energy assistance programs subject to the reserve requirements and proportional reductions if there are insufficient revenues that are specified for all tier 2 programs. Specifies a slightly different installment structure than other tier 2 programs under HB 08-1398, by requiring all of the funding to the Governor's Energy Office Low-income Energy Assistance Fund to be made on July 1, all of the funding to the Department of Human Services Low-income Energy Assistance Fund to be made on January 4, and all of the funding to the Energy Outreach Colorado Low-income Energy Assistance Fund to be made on April 1. Changes the qualification levels for the Governor's Energy Office Home Energy Efficiency Program.

H.B. 08-1398: Repeals and reenacts statutes governing the distribution of funds from the Operational Account of the Severance Tax Trust Fund with relocations, technical corrections, and repeals of out-dated language. Changes the reserve requirements for the Operational Account of the Severance Tax Trust Fund as follows:

- Reduces the reserve from twice the appropriations for the core operations of the Department of Natural Resources ("tier 1 programs") to one times the appropriations, plus 15 percent of all other transfers from the operational account grant, research, and construction programs ("tier 2 programs");
- Changes the dates for transfers out of the Operational Account for tier 2 programs:
  - 40 percent transfers July 1,
  - 30 percent transfers January 4, and
  - 30 percent transfers April 1.
- Reduces transfers from the Operational Account for tier 2 programs proportionately if the Legislative Council Staff revenue forecast indicates there will be insufficient funds to maintain the reserve.

H.B. 08-1405: Transfers $500,000 in FY 2008-09 from the Operational Account of the Severance Tax Trust Fund to the Water Research Fund, which is continuously appropriated to the Water Research Institute at Colorado State University in the Department of Higher Education. By placing the transfer within the structure of H.B. 08-1398, makes the transfer subject to the reserve requirements and proportional reductions if there are insufficient revenues that are associated with tier 2 programs.

2009 Session Bills

S.B. 09-022: Increases the annual limit of payments generated from state school lands that can be credited to the State Board of Land Commissioners Investment and Development Fund from $1.0 million to $5.0 million, in equal increments over 3 years, and removes the repeal of the fund.

S.B. 09-024: Modifies the responsibilities of the Division of Wildlife with respect to game damage issues. As a result of the bill, the Division of Wildlife must: contact landowners within 48 hours and consult with the landowner within 5 business days of a damage prevention material request being filed; provide temporary game damage prevention materials within 15 business days of receiving a request; provide permanent game damage prevention materials within 45 business days of receiving a request, under certain circumstances; pay for damages that occur between the request of damage prevention materials and the receipt of damage prevention materials if the deadlines are not met. Appropriates $600,000 from the Wildlife Cash Fund to the Division of Wildlife in FY 2008-09 and appropriates $1,450,000 from the Wildlife Cash Fund to the Division of Wildlife in FY 2009-10.

S.B. 09-106: Increases a statutorily authorized transfer from the Operational Account of the Severance Tax Trust Fund to the Water Supply Reserve Account in FY 2010-11 from $6.0 million to $10.0 million and authorizes a similar transfer each year thereafter. Allows any unencumbered and unexpended amount in the Water Supply Reserve Account to remain in the fund. Limits grants and loans from the Water Supply Reserve Account to "covered entities" that have adopted a water conservation plan.

S.B. 09-124: Extends a $500,000 per year transfer from the Operational Account of the Severance Tax Trust Fund to the Agriculture Value-added Cash Fund through FY 2011-12. The transfer was previously set to expire after FY 2008-09. The Agriculture Value-added Cash Fund is used to promote agricultural energy-related projects and research.

S.B. 09-125: Appropriates $5,880,000 cash funds from the Colorado Water Conservation Board Construction Fund to the Department of Natural Resources in FY 2009-10 for various water-related projects. Gives the Colorado Water Conservation Board (CWCB) the authority to deauthorize grants previously approved by the General Assembly and use any remaining funds for other statutorily authorized purposes if a specific grant project has been completed or is no longer feasible. Creates the continuously appropriated Wild and Scenic Rivers Fund for the CWCB to use in developing a state alternative to the wild and scenic river designation under federal law for river preservation. Reduces an annual transfer from the Operational Account of the Severance Tax Trust Fund to the Interbasin Compact Committee Operation Fund beginning on July 1, 2009, from $1,145,067 to $745,067. Finally, extends a loan from two years to twelve years, initially issued in 2007 and totaling $60,600,000 for the Southern Colorado Water Conservancy District Water Activity Enterprise Arkansas Valley Conduit Project.

S.B. 09-158: Requires the Department of Natural Resources to carry out a study of federal and state landowner conservation programs that offer monetary compensation to landowners who set aside lands or adopt specific land management strategies. The Department is tasked to report the findings of the study to the House of Representatives Committee on Agriculture, Livestock, and Natural Resources and the Senate Committee on Agriculture and Natural Resources at the same time as the annual species conservation eligibility list and annual report are submitted. Appropriates $50,000 from the Operation and Maintenance Account of the Species Conservation Trust Fund (authorized in H.B. 09-1289) to the Executive Director's Office of the Department of Natural Resources for FY 2009-10.

S.B. 09-195: Supplemental appropriation to the Department of Natural Resources to modify FY 2008-09 appropriations included in the FY 2008-09 Long Bill (H.B. 08-1375).

S.B. 09-208: Transfers in FY 2008-09 the following to the General Fund: $20,000,000 from the Perpetual Base Account of the Severance Tax Trust Fund and $10,250,000 from the Colorado Water Conservation Board Construction Fund. For additional information on this bill see the "Recent Legislation" section for the Department of Labor and Employment.

S.B. 09-259: General appropriations act for FY 2009-10.

S.B. 09-279: Transfers in FY 2008-09 to the General Fund $15,000,000 from the Perpetual Base Account of the Severance Tax Trust Fund and transfers in FY 2009-10 to the General Fund $62,000,000 from the Perpetual Base Account of the Severance Tax Trust Fund. For additional information on this bill see the "Recent Legislation" section for the Department of Labor and Employment.

S.B. 09-293: Makes the following changes to transfers from the Operational Account of the Severance Tax Trust Fund:

- Reduces funding for the Water Supply Reserve Account by $3.0 million in FY 2008-09 and $4,225,000 in FY 2009-10;
- Eliminates contingent funding for the Water Efficiency Grant Program of up to $1.0 million, dependent on the prior year unobligated revenue, in FY 2009-10;
- Reduces funding for the Species Conservation Trust Fund by $4.5 million in FY 2009-10;
- Reduces funding for low income energy assistance by $9,750,000 in FY 2009-10;
- Increases funding for low income energy assistance by $13.0 million in FY 2012-13; and
- Reduces funding for the Healthy Forests and Vibrant Communities Fund by $500,000.

The bill also makes changes to the allocation by program of money for low-income energy assistance and money for the Healthy Forests and Vibrant Communities Fund.

H.B. 09-1017: Clarifies the authority of the Colorado Water Conservation Board (CWCB) to operate the Water Efficiency Grant Program. The bill specifies that moneys in the Water Efficiency Grant Program Cash Fund are to be continuously appropriated to the CWCB for the grant program until the projects financed are completed or until June 30, 2012, whichever occurs first.

H.B. 09-1129: Establishes a pilot program for the collection of precipitation from rooftops for nonpotable uses. The pilot program will be carried out by the Colorado Water Conservation Board. Appropriates $14,280 from the Colorado Water Conservation Board Construction Fund to the Colorado Water Conservation Board in FY 2009-10.

H.B. 09-1199: Further defines and expands the roll of the Colorado State Forest Service in helping local communities mitigate the risk of wildfires, and plan for response. Transfers from the Operational Account of the Severance Tax Trust Fund $1,950,000 to the newly created Healthy Forests and Vibrant Communities Fund and $50,000 to the Wildland-urban Interface Training Fund each year for three years beginning in FY 2009-10. Allows expenditures from the Healthy Forests and Vibrant Communities Fund for the following:

- Community Wildfire Protection Plans ($475,000);
- Wildfire mitigation ($225,000);
- Community watershed restoration ($100,000);
- Revolving loans to promote the use of woody biomass in heating applications ($80,000);
- Revolving loans to provide start-up capital for new facilities or equipment to harvest, remove, use, and market beetle-killed and other timber taken for wildfire mitigation ($320,000):
- Outreach and technical assistance ($700,000); and
- The Department of Public Health and Environment to study prescribed burning ($50,000).

Appropriates $50,000 from the Wildland-urban Interface Training Fund to the Department of Public Safety in FY 2009-10.

The bill also expands the allowable uses of the existing Forest Restoration Pilot Program Cash Fund to allow up to $1,000,000 of that fund to be used each year for community watershed restoration. Finally, the bill authorizes the Governor to make a one-time transfer from the Disaster Emergency Fund to the Wildfire Emergency Response Fund.

H.B. 09-1289: Appropriates $5,825,000 from the Capital Account of the Species Conservation Trust Fund and $2,553,070 from the Operation and Maintenance Account of the Species Conservation Trust Fund to the Department of Natural Resources for programs to conserve native species that have been listed as threatened or endangered under state or federal law, or are candidate species or are likely to become candidate species as determined by the United States Fish and Wildlife Service.

DEPARTMENT OF PERSONNEL AND ADMINISTRATION

The Department of Personnel and Administration is responsible for administering the state personnel system, which includes approximately 31,432 full-time-equivalent (FTE) employees, excluding the Department of Higher Education. The Department's responsibilities include 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 provides for the administration of all classified employee benefits programs, except the Public Employees Retirement Association (PERA). These benefit programs include group health, life, and dental insurance, short-term disability insurance, and deferred and defined compensation retirement plans. The Department also provides support to the State Personnel Board, which is responsible for ensuring compliance with 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 state financial activities; maintenance of state archives and public records; maintenance of the buildings in the capitol complex and two other campuses; provision of central services to state agencies, including mail, printing, copying and motor pool 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) Division of Human Resources; (3) Constitutionally Independent Entities (formerly Personnel Board); (4) Central Services; (5) Division of Accounts and Control-Controller (formerly Finance and Procurement); and (6) Administrative Courts.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$9,466,191	$11,439,122	$5,784,722	$6,291,404
Cash Funds/1	12,559,141	14,676,758	6,667,669	8,408,070
Cash Funds Exempt/1	150,341,703	164,029,604	n/a	n/a
Reappropriated Funds/1	n/a	n/a	136,431,825	166,632,569
Federal Funds	121,000	121,000	0	0
TOTAL	**$172,488,035**	**$190,266,484**	**$148,884,216**	**$181,332,043**
Full Time Equiv. Staff	541.3	567.5	392.9	392.1

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Funding for this department consists of 3.5 percent General Fund, 4.6 percent cash funds, and 91.9 percent reappropriated funds. The Department is primarily funded through transfers received from other state agencies for the provision of centralized services. Three of the most important factors driving the budget are reviewed below.

Number of State Employees

The Department administers and oversees the State's workforce and programs related to compensation and benefits. The number of state employees affects many 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 table shows the number of FTE appropriated statewide, *excluding* all employees in the Department of Higher Education.

State Employees	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Total Number of FTE Appropriated by the General Assembly	28,536.4	29,106.7	30,211.0	31,142.3	31,432.0

State employees are provided benefits such as health insurance, salary increases, and retirement plans. The State contributes funding for these benefits and the number of FTE affects the cost of these contributions. Health, life, and dental contributions are determined by the General Assembly; employees voluntarily enroll in the program. Enrollment and the General Assembly's determination of the State's contribution determine the fiscal impact to the State.

Estimated FY 2009-10 Cost of State's Contribution Rate for Health Insurance for All Eligible and Enrolled Employees

	Enrollees	State Contribution Rate Per Month	FY 2009-10 Cost
Employee	15,125	$350.66	$63,644,790
Employee with Spouse	3,678	592.54	26,152,345
Employee with Child(ren)	4,592	627.10	34,555,718
Employee with Family	5,207	868.98	54,297,346
TOTAL	**28,602**		**$178,650,199**

Estimated FY 2009-10 Cost of State's Contribution Rate for Health Insurance for All Enrolled Appropriated Positions Only[/1]			
	Enrollees	State Contribution Rate Per Month	FY 2009-10 Cost
Employee	10,669	$350.66	$44,894,298
Employee with Spouse	2,564	592.54	18,231,271
Employee with Child(ren)	3,518	627.10	26,473,654
Employee with Family	3,855	868.98	40,199,015
TOTAL	**20,606**		**$129,798,238**

/1 This table excludes non-appropriated positions in the Departments of Higher Education, Transportation, Human Services, and Public Health and Environment.

In addition to contributing funding for health insurance, the State provides other salary and benefit adjustments. In most years, salary increases are an important cost driver. Starting with FY 2007-08, the Department of Personnel and Administration introduced a new methodology for awarding salary increases called Achievement Pay. This new methodology has two components: base and non-base building. Base-building Achievement Pay consists of market salary increases by occupational group ("salary survey"), adjusted for the Supplemental Amortization Equalization Disbursement (SAED), and a single uniform statewide increase to recognize performance.

The General Assembly did not appropriate funding for salary increases in FY 2009-10. Appropriations for FY 2008-09 salary increases are as follows:

FY 2008-09 and FY 2009-10 Appropriations for Salary Increase Awards		
	FY 2008-09 Achievement Pay[/1]	FY 2009-10 Achievement Pay
General Fund	$42,861,866	$0
Cash Funds	18,711,707	0
Reappropriated Funds	7,135,519	0
Federal Funds	6,639,276	0
TOTAL	**$75,348,368**	**$0**

/1 Includes market salary adjustments ("salary survey") and performance awards.

State Fleet Program

This program provides light duty vehicles to all state agencies on a long-term basis, maintains 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 financing for additional and replacement vehicles, 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. Pursuant to H.B. 04-1009, as of FY 2004-05, institutions in the Department of Higher Education can exempt themselves from certain centralized programs operated by the Department of Personnel, including the fleet management program. For FY 2009-10, the University of Colorado, the Colorado State

University, and Ft. Lewis College have exempted themselves from the centralized Fleet Management Program. The figures in the table below reflect these decisions.

Fiscal Year	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08[/1] Actual	FY 2008-09 Appropriated	FY 2009-10 Appropriated
Number of Fleet Vehicles	4,970	4,970	5,565	5,565	5,578
Total Cost of Fleet Management (Includes Vehicle Leases, Maintenance, and Fuel)	**$29,669,350**	**$29,669,350**	**$35,286,201**	**$33,235,636**	**$38,112,278**

/1 The FY 2007-08 vehicle count includes approximately 483 additional vehicles added to the state fleet as a result of S.B. 06-015.

Risk Management

The State's Risk Management program provides insurance coverage to departments and agencies for workers' compensation and property and liability insurance. The Department of Personnel and Administration administers and maintains this coverage through the Risk Management program. The State is self-insured for workers' compensation and liability, and it purchases property insurance from the private sector. Generally, appropriations for the coverage provided by the Risk Management program are calculated using actuarially determined prospective claims losses. As of FY 2004-05, institutions in the Department of Higher Education can exempt themselves from certain centralized programs administered by the Department of Personnel and Administration, including the Risk Management program. To date, only the University of Colorado and the Colorado State University are operating individual risk management programs; the University of Colorado's program was authorized and established prior to H.B. 04-1009.

For FY 2009-10, the appropriation includes increased contingency funding for workers' compensation and risk management of 16.5 percent of total estimated expenditures in order to account for historical volatility in workers' compensation and risk premiums.

The following table lists actual and appropriated expenditures for the Risk Management program.

Fiscal Year	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriated	FY 2009-10 Appropriated
Workers' Compensation	$26,517,136	$30,305,844	$35,473,864	$31,896,783	$44,409,630
Property	5,818,914	6,556,767	9,047,174	11,855,953	11,038,314
Liability	5,271,058	4,540,332	4,951,379	8,977,137	10,087,116

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Personnel and Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$148,884,216**	**$5,784,722**	**$6,667,669**	**$136,431,825**	**$0**	**392.9**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	11,496,728	3,982,284	17,455	7,496,989	0	22.5
Division of Human Resources	62,744,413	0	2,915,996	59,828,417	0	58.7
Personnel Board	479,978	0	1,196	478,782	0	4.8
Central Services	63,531,962	0	67,405	63,464,557	0	193.1
Finance and Procurement	6,546,162	1,284,352	3,525,356	1,736,454	0	64.5
Information and Archival Services (previously Division of Information Technology)	532,543	406,043	111,715	14,785	0	8.5
Administrative Courts	3,552,430	112,043	28,546	3,411,841	0	40.8
Breakdown of Total Appropriation by Bill						
HB 08-1375	190,217,423	7,521,808	8,319,877	174,254,738	121,000	571.7
SB 08-155	(43,134,866)	(1,142,825)	(1,923,462)	(39,947,579)	(121,000)	(178.8)
SB 09-196	1,421,975	(594,261)	271,254	1,744,982	0	0.0
SB 09-259	379,684	0	0	379,684	0	0.0
FY 2009-10 Total Appropriation:	**$181,332,043**	**$6,291,404**	**$8,408,070**	**$166,632,569**	**$0**	**392.1**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	12,783,225	4,230,129	187,666	8,365,430	0	47.0
Division of Human Resources	74,105,530	0	2,671,971	71,433,559	0	45.7
Constitutionally Independent Entities (previously Personnel Board)	760,301	762,633	1,196	(3,528)	0	6.8
Central Services	81,734,430	0	67,405	81,667,025	0	193.1
Division of Accounts and Control - Controller (previously Finance and Procurement)	8,234,035	1,298,642	5,451,805	1,483,588	0	59.5
Information and Archival Services	0	0	0	0	0	0.0
Administrative Courts	3,714,522	0	28,027	3,686,495	0	40.0
Breakdown of Total Appropriation by Bill						
SB 09-259	172,501,975	6,291,404	6,662,597	159,547,974	0	393.1

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-066	(956,815)	0	(179,089)	(777,726)	0	(2.0)
SB 09-099	1,924,562	0	1,924,562	0	0	1.0
HB 09-1150	7,860,321	0	0	7,860,321	0	0.0
HB 09-1326	2,000	0	0	2,000	0	0.0
Increase/(Decrease)	$32,447,827	$506,682	$1,740,401	$30,200,744	$0	(0.8)
Percentage Change	21.8%	8.8%	26.1%	22.1%	n/a	(0.2)%

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation for the division of Central Services for Integrated Document Factory is increased by $1.8 million reappropriated funds to reflect an increase in workload for printing jobs done for state agencies.

2. The appropriation is reduced by $421,000 (including $109,000 General Fund) to reflect savings from the FY 2008-09 hiring freeze.

FY 2009-10 Appropriation Highlights:

1. Provides $12.8 million reappropriated funds spending authority for the workers' compensation and risk management programs in order to account for volatility in workers' compensation and risk premiums.

2. House Bill 09-1150 appropriates $7.9 million reappropriated funds to Central Services to account for an expansion of counties in which the division of Central Services is to provide central services functions for the executive branch of the state.

3. Provides an increase of $3.5 million reappropriated funds spending authority to allow the fleet vehicle program to absorb a $1.00 per gallon fuel cost increase.

4. Adds $3.2 million reappropriated funds spending authority to allow the Integrated Document Factory to absorb a 20 percent increase in printing, scanning, digital storing, and mail services workload.

5. Senate Bill 09-099 appropriates $1.9 million cash funds and 1.0 FTE to the Department to implement a centralized electronic procurement system for use by state agencies, local governments, and vendors.

6. Increases $1.4 million reappropriated funds for the purchase of new mail services processing equipment.

7. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $1.2 million, including $531,000 General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80.0 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

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 it is also 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. Starting with FY 2009-10, as a result of a Long Bill realignment, the Division includes these additional programs: Colorado State Employees Assistance Program, the Office of the State Architect, and the Colorado State Archives. The primary source of funding, reappropriated funds (65.4 percent), is from indirect cost recoveries originating in other divisions throughout the Department and user fees from other state agencies. General Fund accounts for 33.1 percent of the Division's total funds.

Executive Director's Office

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$16,430,413	$5,050,479	$17,163	$11,362,771	$0	23.5
SB 08-155	(4,972,632)	(1,142,825)	0	(3,829,807)	0	(1.0)
SB 09-196	38,947	74,630	292	(35,975)	0	0.0
TOTAL	**$11,496,728**	**$3,982,284**	**$17,455**	**$7,496,989**	**$0**	**22.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$11,496,728	$3,982,284	$17,455	$7,496,989	$0	22.5
Department Long Bill realignment	1,711,771	822,201	93,811	795,759	0	24.5
Benefits adjustments	435,128	(72,029)	51,781	455,376	0	0.0
Annualize salary and benefits adjustments	188,613	64,395	0	124,218	0	0.0
Operating Adjustments	124,899	(26,812)	24,605	127,106	0	0.0
Annualize FY 2008-09 hiring freeze	112,861	0	0	112,861	0	0.0
Postage increase	7,921	0	0	7,921	0	0.0
Eliminate salary survey and performance-based pay increases	(1,157,295)	(531,374)	0	(625,921)	0	0.0
Annualize prior year funding	(55,643)	(8,536)	14	(47,121)	0	0.0
Indirect cost assessment	(49,479)	0	0	(49,479)	0	0.0
Personal services base reduction	(32,279)	0	0	(32,279)	0	0.0
SB 09-259	**$12,783,225**	**$4,230,129**	**$187,666**	**$8,365,430**	**$0**	**47.0**
TOTAL	**$12,783,225**	**$4,230,129**	**$187,666**	**$8,365,430**	**$0**	**47.0**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	$1,286,497	$247,845	$170,211	$868,441	$0	24.5
Percentage Change	11.2%	6.2%	975.1%	11.6%	n/a	108.9%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-196 reduced $43,800 reappropriated funds related to a hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Department Long Bill realignment: The appropriation reflects a departmental realignment of Long Bill line items. In the Executive Director's Office, this includes the creation of a sub-group titled "Statewide Special Purpose" to include the following: (1) $784,858 and 10.0 FTE for the Colorado State Employees Assistance Program (previously residing within the Division of Human Resources); (2) $517,134 and 6.0 FTE for the Office of the State Architect (previously residing within Finance and Procurement, Real Estate Services Program, Coordination of Capital Construction, Controlled Maintenance Requests, and Building Lease Review); (3) $542,255 and 8.5 FTE for the Colorado State Archives (previously residing within Information and Archival Services); (4) the reduction of $132,476 for 1,764 legal services hours to be reflected within the newly created Constitutionally Independent Entities group; and (5) the inclusion of Test Facility Lease, Employment Security Contract Payment, and Employee Emeritus Retirement (previously residing within the Executive Director's Office) within the Executive Director's Office, Statewide Special Purpose sub-group.

Benefits adjustments: The appropriation includes the following changes for centrally appropriated line items: $276,171 for Health, Life, and Dental; $94,403 for Supplemental Amortization Equalization Disbursement; $63,763 for Amortization Equalization Disbursement; $2,181 for Short-term Disability; and a reduction of $1,390 for Shift Differential.

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

Operating adjustments: The appropriation includes changes for centrally-appropriated line items: $103,644 for Workers' Compensation; $80,712 for Capitol Complex Leased Space; $23,153 for Vehicle Lease Payments; $3,558 for Administrative Law Judges; $877 for Legal Services; a reduction of $82,306 for Payment to Risk Management and Property Funds; and a reduction of $4,739 for Leased Space.

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

Postage increase: The appropriation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel, Central Services division.

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

Annualize prior year funding: The appropriation annualizes funding for FY 2008-09 decision items and supplementals.

Indirect cost assessment: The appropriation reflects a reduction in the division's indirect cost assessment.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Division of Human Resources

This division is responsible for administration of the State's selection, classification, and compensation programs and administration of the State's employee benefit programs (including: health, life, dental; 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.

Division of Human Resources

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$62,903,014	$92,383	$2,797,934	$60,012,697	$0	58.7
SB 09-196	(158,601)	(92,383)	118,062	(184,280)	0	0.0
TOTAL	**$62,744,413**	**$0**	**$2,915,996**	**$59,828,417**	**$0**	**58.7**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$62,744,413	$0	$2,915,996	$59,828,417	$0	58.7
Workers' compensation and risk premiums	12,814,108	0	0	12,814,108	0	0.0
Annualize salary and benefits adjustments	166,590	0	0	166,590	0	0.0
Indirect cost assessment	109,131	0	0	109,131	0	0.0
Increase training services funding	100,000	0	50,000	50,000	0	0.0
Annualize FY 2008-09 hiring freeze	81,993	0	0	81,993	0	0.0
Annualize prior year funding	7,519	0	25,679	(18,160)	0	(1.0)

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Postage increase	1,472	0	0	1,472	0	0.0
Department Long Bill realignment	(784,858)	0	0	(784,858)	0	(10.0)
Supplemental state contribution	(140,615)	0	(140,615)	0	0	0.0
Personal services base reduction	(37,408)	0	0	(37,408)	0	0.0
SB 09-259	**$75,062,345**	**$0**	**$2,851,060**	**$72,211,285**	**$0**	**47.7**
SB 09-066	(956,815)	0	(179,089)	(777,726)	0	(2.0)
TOTAL	**$74,105,530**	**$0**	**$2,671,971**	**$71,433,559**	**$0**	**45.7**
Increase/(Decrease)	$11,361,117	$0	($244,025)	$11,605,142	$0	(13.0)
Percentage Change	18.1%	n/a	(8.4)%	19.4%	n/a	(22.1)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-196 reduced $151,000 reappropriated funds related to a hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Workers' compensation and risk premiums: The appropriation includes increased funding for workers' compensation and risk management in order to account for volatility in workers' compensation and risk premiums.

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

Indirect cost assessment: The appropriation reflects an increase in the division's indirect cost assessment.

Increase training services funding: The appropriation includes an increase in training services funding to account for an anticipated increase in training courses provided to state agencies and individuals.

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

Annualize prior year funding: The appropriation annualizes funding for FY 2008-09 supplementals.

Postage increase: The appropriation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel, Central Services division.

Department Long Bill realignment: The appropriation reflects a departmental realignment of Long Bill line items. The Colorado State Employees Assistance Program is moved to the Executive Director's Office, Statewide Special Purpose sub-group.

Supplemental state contribution: The appropriation reflects an anticipated reduction to funds from the tobacco litigation settlement.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Constitutionally Independent Entities (previously Personnel Board)

This division was named "Personnel Board" through FY 2008-09. Effective FY 2009-10, the Independent Ethics Commission was added and the division was renamed.

Personnel Board: This unit provides staff support for the five-member State Personnel Board authorized in Article XII, Sections 13 through 15, of the Colorado Constitution. The Board has the authority to adopt, by rule, a uniform grievance procedure to be used by all state agencies for classified employees in the state personnel system. The Board adjudicates employment disputes within the state classified system and is responsible for promulgating rules to ensure that state employment is based on merit.

Independent Ethics Commission: The Independent Ethics Commission is a constitutionally created independent commission charged with the implementation of Article XXIX of the Colorado Constitution and Section 24-18.5-101, C.R.S. The purpose of the Independent Ethics Commission is to hear complaints, issue findings and assess penalties in appropriate cases, and also to issue advisory opinions on ethics issues arising under Article XXIX of the Colorado Constitution and any other standards of conduct and reporting requirements as provided by law.

Constitutionally Independent Entities

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$485,978	$0	$1,196	$484,782	$0	4.8
SB 09-196	(6,000)	0	0	(6,000)	0	0.0
TOTAL	**$479,978**	**$0**	**$1,196**	**$478,782**	**$0**	**4.8**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$479,978	$0	$1,196	$478,782	$0	4.8
Department Long Bill realignment	204,760	204,760	0	0	0	1.8

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Independent Ethics Commission funding	42,036	42,036	0	0	0	0.2
Annualize salary and benefits adjustments	28,946	28,946	0	0	0	0.0
Annualize FY 2008-09 hiring freeze	6,845	6,845	0	0	0	0.0
Annualize prior year funding	6,000	0	0	6,000	0	0.0
Postage increase	264	264	0	0	0	0.0
Statewide indirect costs refinance	0	479,782	0	(479,782)	0	0.0
Indirect cost assessment	(5,000)	0	0	(5,000)	0	0.0
SB 09-259	**$763,829**	**$762,633**	**$1,196**	**$0**	**$0**	**6.8**
HB 09-1150*	(3,528)	0	0	(3,528)	0	0.0
TOTAL	**$760,301**	**$762,633**	**$1,196**	**($3,528)**	**$0**	**6.8**
Increase/(Decrease)	$280,323	$762,633	$0	($482,310)	$0	2.0
Percentage Change	58.4%	n/a	0.0%	(100.7)%	n/a	41.7%

* The appropriation for HB 09-1150 reduces $3,528 reappropriated funds. The correct appropriation should have reduced $3,528 in General Fund. It is anticipated that this error can be fixed through the annual budget process.

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-196 reduced $6,000 reappropriated funds for operating expenses.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Department Long Bill realignment: The appropriation reflects a departmental realignment of Long Bill line items. The Independent Ethics Commission is being moved from the Administrative Courts division to the newly created Constitutionally Independent Entities division.

Independent Ethics Commission funding: The appropriation includes increased funding for the Independent Ethics Commission.

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

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

Annualize prior year funding: The appropriation annualizes funding for FY 2008-09 supplementals.

Postage increase: The appropriation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel, Central Services division.

Statewide indirect costs refinance: The appropriation includes a refinancing of reappropriated funds with General Fund to reflect a reduction of statewide indirect cost recoveries offset in the Department for FY 2010.

Indirect cost assessment: The appropriation reflects a reduction in the division's indirect cost assessment.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Central Services

This division is responsible for realizing savings in governmental costs by providing centralized services to state agencies. The services provided include: management of the statewide travel program; processing of incoming and outgoing mail; mail delivery and messenger services; copying, printing and graphics design; microfilming and imaging services; vehicle leasing; management of the State's motor vehicle fleet; and operation and maintenance of buildings in the capitol complex and various other state-owned facilities. It is funded primarily from fees paid by state agencies.

Central Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$61,343,340	$0	$24,069	$61,319,271	$0	202.1
SB 08-155	0	0	0	0	0	(9.0)
SB 09-196	1,808,938	0	43,336	1,765,602	0	0.0
SB 09-259	379,684	0	0	379,684	0	0.0
TOTAL	**$63,531,962**	**$0**	**$67,405**	**$63,464,557**	**$0**	**193.1**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$63,531,962	$0	$67,405	$63,464,557	$0	193.1
Fleet fuel contingency funding	3,450,067	0	0	3,450,067	0	0.0
Integrated Document Factory contingency funding	3,231,954	0	0	3,231,954	0	0.0
Postage increase and mail equipment upgrade	1,680,571	0	0	1,680,571	0	0.0
Fleet vehicle lease costs	1,426,575	0	0	1,426,575	0	0.0
Department of Revenue projects	454,921	0	0	454,921	0	0.0
Capitol complex operating and utilities costs	431,612	0	0	431,612	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize salary and benefits adjustments	349,123	0	0	349,123	0	0.0
Integrated Document Factory personal services realignment	319,597	0	0	319,597	0	0.0
Indirect cost assessment	303,020	0	0	303,020	0	0.0
Document Solutions Group anticipated projects	170,148	0	43,336	126,812	0	0.0
Reprographics Services paper costs	93,705	0	0	93,705	0	0.0
Noxious weeds	44,187	0	0	44,187	0	0.0
Capitol Complex Security	18,837	0	0	18,837	0	0.0
Postage increase	151	0	0	151	0	0.0
Annualize prior year funding	(979,667)	0	(43,336)	(936,331)	0	0.0
Eliminate one-time supplemental	(379,684)	0	0	(379,684)	0	0.0
Personal services base reduction	(154,105)	0	0	(154,105)	0	0.0
Capitol Complex operating reductions	(127,853)	0	0	(127,853)	0	0.0
SB 09-259	**$73,865,121**	**$0**	**$67,405**	**$73,797,716**	**$0**	**193.1**
HB 09-1150	7,869,309	0	0	7,869,309	0	0.0
TOTAL	**$81,734,430**	**$0**	**$67,405**	**$81,667,025**	**$0**	**193.1**
Increase/(Decrease)	$18,202,468	$0	$0	$18,202,468	$0	0.0
Percentage Change	28.7%	n/a	0.0%	28.7%	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-196 and S.B. 09-259 increased $1.8 million reappropriated funds and $380,000 reappropriated funds respectively to reflect an increase in workload for printing, scanning, and mail jobs done for state agencies, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Fleet fuel contingency funding: The appropriation includes increased spending authority to allow the fleet program to absorb a $1.00 per gallon fuel cost increase.

Integrated Document Factory contingency funding: The appropriation includes increased spending authority to allow the Integrated Document Factory to absorb a 20 percent increase in printing, scanning, digital storing, and mail services workload.

Postage increase and mail equipment upgrade: The appropriation includes $1,428,000 for the purchase of new mail services processing equipment and $252,751 for an increase in postage charged by the United States Postal Service.

Fleet vehicle lease costs: The appropriation includes funding for the annualization of FY 2008-09 vehicle replacements and additions as well as partial-year costs for FY 2009-10 vehicle replacements.

Department of Revenue projects: The appropriation includes increased funding for the Integrated Document Factory in order to perform various projects for the Department of Revenue.

Capitol complex operating and utilities costs: The appropriation includes $230,920 for expenditures related to excess federal fund balance and $200,692 related to operating and utilities expenditures associated with a North Campus building vacated by the Colorado Community College.

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

Integrated Document Factory personal services realignment: The appropriation includes the realignment of personal services costs between Reprographics Services, Document Solutions Group, and Mail Services to better reflect expenditures by the three programs.

Indirect cost assessment: The appropriation reflects an increase in indirect costs assessed against the division.

Document Solutions Group anticipated projects: The appropriation reflects an anticipated increase in project requests.

Reprographics Services paper costs: The appropriation reflects an increase in paper costs.

Noxious weeds: The appropriation reflects funding for noxious weed management at Camp George West.

Capitol Complex Security: The appropriation reflects increased personal services costs for Capitol Complex Security.

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

Annualize prior year funding: The appropriation annualizes funding for FY 2008-09 supplemental adjustments.

Eliminate one-time supplemental: The appropriation removes a one-time supplemental increase for the FY 2008-09 Governor's Energy Office Home Energy Audit Project.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Capitol Complex operating reductions: The appropriation includes the reduction of various maintenance expenditures within the Capitol Complex.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Accounts and Control - Controller (previously Finance and Procurement)

This division was named "Finance and Procurement" through FY 2008-09. Effective FY 2009-10, the division was renamed.

This division manages the financial affairs of all departments through the Office of the State Controller by using the Colorado Financial Reporting System (COFRS). The division also administers a statewide procurement program through the State Purchasing Office using the Bid Information and Distribution System (BIDS). The Division meets the product and service needs of state agencies by negotiating contracts for acceptable goods and services in order to leverage more favorable purchasing agreements for the State. In addition, the Division conducts statewide financial reporting, policy and procedural guidance, contract management, the development of the statewide indirect cost allocation plan, and is responsible for the collection of debts due to the State.

Division of Accounts and Control - Controller	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$6,751,425	$1,827,549	$3,433,696	$1,490,180	$0	65.5
SB 08-155	0	0	0	0	0	(1.0)
SB 09-196	(205,263)	(543,197)	91,660	246,274	0	0.0
TOTAL	**$6,546,162**	**$1,284,352**	**$3,525,356**	**$1,736,454**	**$0**	**64.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$6,546,162	$1,284,352	$3,525,356	$1,736,454	$0	64.5
Annualize salary and benefits adjustments	223,181	184,683	38,498	0	0	0.0
Annualize FY 2008-09 hiring freeze	174,563	101,758	72,805	0	0	0.0
Collections Services temporary staff	15,658	0	15,658	0	0	0.0
Annualize prior year funding	15,579	15,579	0	0	0	0.0
Postage increase	838	838	0	0	0	0.0
Statewide indirect costs refinance	0	322,992	(105,754)	(217,238)	0	0.0
Department Long Bill realignment	(517,134)	(517,134)	0	0	0	(6.0)
Indirect cost assessment	(88,540)	0	0	(88,540)	0	0.0
Personal services base reduction	(60,834)	(94,426)	(19,320)	52,912	0	0.0
SB 09-259	**$6,309,473**	**$1,298,642**	**$3,527,243**	**$1,483,588**	**$0**	**58.5**
SB 09-099	1,924,562	0	1,924,562	0	0	1.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$8,234,035**	**$1,298,642**	**$5,451,805**	**$1,483,588**	**$0**	**59.5**
Increase/(Decrease)	$1,687,873	$14,290	$1,926,449	($252,866)	$0	(5.0)
Percentage Change	25.8%	1.1%	54.6%	(14.6)%	n/a	(7.8)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-196 refinanced $330,000 General Fund with reappropriated funds as a result of an increase in procurement card rebates and statewide indirect cost recoveries, and reduced $175,000 General Fund related to a hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Collections Services temporary staff: The appropriation provides funding for the hire of temporary staff within Collections Services.

Annualize prior year funding: The appropriation annualizes funding for FY 2008-09 supplemental adjustments.

Postage increase: The appropriation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel, Central Services division.

Statewide indirect costs refinance: The appropriation includes the refinance of cash funds and reappropriated funds with General Fund to reflect the reduction of statewide indirect cost recoveries offset in the Department for FY 2009-10.

Department Long Bill realignment: The appropriation reflects a departmental realignment of Long Bill line items. The Real Estate Services Program is being moved from the Division of Accounts and Control - Controller to the newly created Office of the State Architect in the Executive Director's Office, Special Purpose sub-group.

Indirect cost assessment: The appropriation reflects a reduction in the division's indirect cost assessment.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Information and Archival Services (previously Division of Information Technology)

This section previously incorporated two units: the Division of Information Technology and Information and Archival Services. Through FY 2007-08, the State's information services were integrated in the Department of Personnel's Division of Information Technology. Senate Bill 08-155 re-organized state government by centralizing all executive agencies' information technology resources into the Governor's Office of Information Technology. Starting with FY 2008-09, the Division of Information Technology resides in the Governor's Office of Information Technology.

The Information and Archival Services unit plans, manages, operates and implements the State's archival and records management program to protect, preserve, and maintain the legal documents for Colorado territorial and State government. This unit develops and approves record retention policies and destruction schedules for all state agencies, counties, cities, school districts, and special districts. This unit is also responsible for managing and operating the State's home page content on the internet. As a result of a departmental realignment of Long Bill line items, beginning in FY 2009-10, this division is integrated into the Executive Director's Office.

Information and Archival Services

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$38,727,152	$460,206	$2,017,273	$36,128,673	$121,000	176.3
SB 08-155	(38,162,234)	0	(1,923,462)	(36,117,772)	(121,000)	(167.8)
SB 09-196	(32,375)	(54,163)	17,904	3,884	0	0.0
TOTAL	**$532,543**	**$406,043**	**$111,715**	**$14,785**	**$0**	**8.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$532,543	$406,043	$111,715	$14,785	$0	8.5
Department Long Bill realignment	(532,543)	(406,043)	(111,715)	(14,785)	0	(8.5)
SB 09-259	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
Increase/(Decrease)	($532,543)	($406,043)	($111,715)	($14,785)	$0	(8.5)
Percentage Change	(100.0)%	(100.0)%	(100.0)%	(100.0)%	n/a	(100.0)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-196 reduced $23,000 General Fund related to vacancy savings, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Department Long Bill realignment: The appropriation reflects a departmental realignment of Long Bill line items. The Information and Archival Services program is being moved to the Executive Director's Office, Special Purpose sub-group and re-named "Colorado State Archives".

Administrative Courts

This division provides an independent administrative law adjudication system for state agencies in order to resolve cases that deal with workers' compensation, human resources, and regulatory law. The Division offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation. Pursuant to Section 24-30-1001, C.R.S., this division provides administrative law judge services to hear cases upon request by agencies of state government. Departments utilizing these services include: Labor and Employment, Human Services, Regulatory Agencies, and Public Health and Environment. Approximately 58.0 percent of all hearings are related to workers' compensation cases. The funding for this division is 99.2 percent reappropriated funds, (transferred from agencies using administrative court services) and 0.8 percent cash funds (from user fees from non-state agencies).

Administrative Courts

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$3,576,101	$91,191	$28,546	$3,456,364	$0	40.8
SB 09-196	(23,671)	20,852	0	(44,523)	0	0.0
TOTAL	**$3,552,430**	**$112,043**	**$28,546**	**$3,411,841**	**$0**	**40.8**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$3,552,430	$112,043	$28,546	$3,411,841	$0	40.8
Annualize salary and benefits adjustments	134,848	0	0	134,848	0	0.0
Indirect cost assessment	102,042	0	0	102,042	0	0.0
Administrative law judge	95,395	0	0	95,395	0	1.0
Annualize FY 2008-09 hiring freeze	44,523	0	0	44,523	0	0.0
Postage increase	1,221	0	0	1,221	0	0.0
Department Long Bill realignment	(112,043)	(112,043)	0	0	0	(1.8)
Personal services base reduction	(57,800)	0	(519)	(57,281)	0	0.0
Program expenditure reduction	(42,634)	0	0	(42,634)	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-259	**$3,717,982**	**$0**	**$28,027**	**$3,689,955**	**$0**	**40.0**
HB 09-1150	(5,460)	0	0	(5,460)	0	0.0
HB 09-1326	2,000	0	0	2,000	0	0.0
TOTAL	**$3,714,522**	**$0**	**$28,027**	**$3,686,495**	**$0**	**40.0**
Increase/(Decrease)	$162,092	($112,043)	($519)	$274,654	$0	(0.8)
Percentage Change	4.6%	(100.0)%	(1.8)%	8.1%	n/a	(2.0)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-196 reduced $51,000 total funds related to a hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Indirect cost assessment: The appropriation reflects an increase in indirect costs assessed against the division.

Administrative law judge: The appropriation provides funding for an additional administrative law judge.

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

Postage increase: The appropriation reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel, Central Services division.

Department Long Bill realignment: The appropriation reflects a departmental realignment of Long Bill line items. The Independent Ethics Commission is being moved to the newly created Constitutionally Independent Entities division.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Program expenditure reduction: The appropriation includes personal services and operating expenditure reductions related to program efficiencies and savings.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Recent Legislation

2008 Session Bills

S.B. 08-155: Consolidates the responsibility for information technology (IT) oversight of most of the State's executive branch in the Governor's Office of Information Technology (OIT). Starting with FY 2008-09, transfers the Division of Information Technology from the Department of Personnel to OIT. Transfers the following appropriations from the Department of Personnel to OIT: $4,972,632 and 1.0 FTE from the Executive Director's Office; 9.0 FTE from Central Services; 1.0 FTE from Finance and Procurement; $38,162,234 and 167.8 FTE from the Division of Information Technology. For additional information on this bill, see the "Recent Legislation" section for the Governor's Office.

H.B. 08-1047: Creates a set aside program to enable nonprofit agencies that employ persons with severe disabilities to bid on certain types of state services. The Department of Human Services will administer the program which applies to all state agencies and each institution of higher education. A nonprofit agency is required to apply to the Department of Human Services to become a self-certified vendor eligible to participate in the set aside program. The application must include the tasks and activities that the nonprofit is able to perform. To qualify for the program, 75 percent of a nonprofit's employees must have severe disabilities and at least 20 percent must have developmental disabilities. The nonprofit must be an independent, tax-exempt charitable or social welfare organization, and registered on the Department of Personnel centralized supplier database.

H.B. 08-1375: General appropriations act for FY 2008-09.

2009 Session Bills

S.B. 09-066: Transfers the administration of two state employee retirement plans from the Department of Personnel to the Public Employee's Retirement Association (PERA). The plans include the state's defined contribution (DC) plan and the state's optional deferred compensation (457) plan. The bill also abolishes the State Deferred Compensation Committee. Reduces appropriations to the Department of Personnel totaling $956,815 and 2.0 FTE.

S.B. 09-099: Requires the Department of Personnel to implement a centralized electronic procurement system for use by state agencies, local governments, and vendors. Appropriates $1,924,562 cash funds (Supplier Database Cash Fund) and 1.0 FTE to the Department of Personnel for the implementation of the procurement system.

S.B. 09-196: Supplemental appropriation to the Department of Personnel to modify FY 2008-09 appropriations included in the FY 2008-09 Long Bill (H.B. 08-1375).

S.B. 09-208: Transfers in FY 2008-09 the following to the General Fund: $2,300,000 from the Capitol Complex Facilities Fund and $1,000,000 from the Motor Fleet Management Fund. For additional information on this bill see the "Recent Legislation" section for the Department of Labor and Employment.

S.B. 09-259: General appropriations act for FY 2009-10. Section 17 of S.B. 09-259 amends Department of Personnel appropriations for FY 2008-09.

S.B. 09-279: Transfers in FY 2008-09 the following to the General Fund: $10,316,060 from the State Employees Workers' Compensation Account, $10,010,599 from the Risk Management Fund, and $1,295,055 from the Self-Insured Property Fund. For additional information on this bill see the "Recent Legislation" section for the Department of Labor and Employment.

H.B. 09-1150: Expands the counties within which the division of Central Services is to provide central services functions for the executive branch of the state. The additional counties are: Boulder, Douglas, Pueblo, El Paso, the City and County of Broomfield, and within any other areas in the state of Colorado where central services are offered. Allows the Office of Administrative Courts to send written notice to parties about a hearing by electronic mail or facsimile. Creates the Administrative Courts Cash Fund. Creates the Professional Development Cash Fund. Appropriates $7,860,321 reappropriated funds to the Department of Personnel.

H.B. 09-1326: Makes changes to the initiative petition process, changes deadlines for setting ballot titles, filing petitions with the Secretary of State, and withdrawing an initiative petition from the ballot, among other changes. Appropriates $2,000 reappropriated funds to the office of Administrative Courts. For additional information on H.B. 09-1326, see the "Recent Legislation" section at the end of the Department of State.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

The Department of Public Health and Environment is responsible for protecting and improving the health of the people of Colorado, protecting the quality of Colorado's environment, and helping to ensure the availability of health and medical care services to individuals and families. The Department is comprised of twelve divisions:

1. Administration and Support
2. Center for Health and Environmental Information
3. Laboratory Services
4. Local Public Health Planning and Support
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. Prevention Services Division
11. Health Facilities and Emergency Medical Services Division
12. Emergency Preparedness and Response Division

These divisions are organized into three groups: Administration, consisting of divisions 1 through 3, Environmental Programs, consisting of divisions 5 through 8, and Health Programs, consisting of divisions 4 and 9 through 12.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund/1	$22,819,173	$23,932,469	$26,586,357	$28,232,074
Cash Funds/2	32,566,551	40,390,291	164,440,239	158,912,259
Cash Funds Exempt/2	185,371,937	186,347,402	n/a	n/a
Reappropriated Funds/2	n/a	n/a	69,325,687	34,469,429
Federal Funds	210,383,465	210,131,476	209,613,716	224,938,456
TOTAL	**$451,141,126**	**$460,801,638**	**$469,965,999**	**$446,552,218**
Full Time Equiv. Staff	1,150.2	1,188.2	1,224.8	1,289.5

/1 Includes General Fund Exempt.

/2 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Funding for the Department for FY 2009-10 consists of 6.3 percent General Fund (including appropriations from the General Fund Exempt account), 35.6 percent cash funds, 7.7 percent reappropriated funds, and 50.4 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Providing Services to Low-Income Populations

Some programs within the health divisions serve low-income individuals, with income cutoffs varying among programs. For example, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) serves households with income less than 185.0 percent of federal poverty guidelines ($40,793 annually for a family of four in 2009) while the Women's Wellness Connection provides free mammograms to women whose income is less than 250.0 percent of federal poverty guidelines. Services are often delivered through contracts with local health providers. The following table shows appropriations for programs directly targeted at low-income individuals and compares them to the total budget of the health and administration divisions.

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Approp.
Appropriations to Programs Targeting Low-income Populations	$115,596,305	$124,844,845	$144,140,221	$134,782,762	$134,320,782
As a Percent of Total Health and Administration Divisions Budget	38.4%	44.4%	48.5%	34.5%	34.8%

Federal Programs

Health Divisions: Federal funds are the largest funding source for programs in the health divisions. The majority of the federal funds are for programs that are exclusively funded with federal dollars, such as the Women, Infants and Children Grant Program, although some programs, such as the Maternal and Child Health Block Grant, require a state match.

Health Divisions	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Approp.
Total Federal Funds - Health and Administration Divisions	$187,710,430	$185,675,026	$202,537,989	$206,757,893	$205,382,836
As a Percent of Total Health and Administration Divisions Budget	62.4%	66.0%	68.1%	52.9%	53.2%

Environmental Divisions: Approximately 33.4 percent of the budget for environmental divisions is funded by federal dollars, down from nearly 50.0 percent in FY 2002-03. This reduction is due to cuts in federal spending on environmental programs and increased General Fund support for these divisions. The environmental divisions manage over 100 active federal grants, some of which require a state match or maintenance of effort. Current grants included sub-awards of the Performance Partnership Block Grant and the Superfund Block Grant from the U.S. Environmental Protection Agency (EPA).

Environmental Divisions/1	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Approp.
Total Federal Funds	$20,181,565	$23,103,737	$23,638,931	$22,715,016	$21,060,682	$20,260,479
Percent of the Environ. Divisions' Budget	45.3%	46.9%	46.6%	42.1%	35.6%	33.4%

/1 Includes the Air Quality Control, Water Quality Control, Hazardous Materials and Waste Management, and Consumer Protection divisions. Beginning in FY 2008-09, Special Environmental Programs within the Administration and Support division are also included.

Tobacco Funding

The Department receives support from two tobacco-related funding sources: (1) the payments that Colorado receives under the terms of the 1998 Master Settlement Agreement with tobacco manufacturers and (2) the tobacco-tax revenues that Colorado collects under the provisions of Amendment 35. Master Settlement Agreement revenues support the Ryan White AIDS Drug Assistance program, the HIV and AIDS Prevention Grant Program, the Tony Grampsas Youth Services program, the Nurse Home Visitor program, the Dental Loan Repayment program, Distributions to Local Public Health Agencies, the Colorado Immunization Program, and Short-term Innovative Health Program Grants. Amendment 35 tax revenues support the Tobacco Education, Prevention, and Cessation program, the Health Disparities Grant Program, the Cardiovascular, Pulmonary, and Chronic Disease Grant Programs, and a portion of the Breast and Cervical Cancer Screening Program. Appropriations to these programs are driven by formulas that tie funding to the amount of revenue that the state receives. The following table summarizes these tobacco-related appropriations, excluding several double appropriations of Amendment 35 dollars. See Appendix G for more information on tobacco funding.

Funding from Tobacco Sources	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Approp.
Master Settlement Agreement	$15,387,330	$15,260,414	$21,334,996	$31,369,074	$27,435,218
Amendment 35	41,972,525	60,778,953	51,149,510	76,193,911	69,323,189
Total	$57,359,855	$76,039,367	$72,484,506	$107,562,985	$96,758,407
As a percent of total Health and Administration Divisions budget	19.1%	27.0%	24.4%	27.5%	25.1%

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. Inspection responsibilities include regulating sanitary conditions at dairy farms, ensuring that contaminated sites are properly remediated, and monitoring drinking water and wastewater treatment facilities.

Environmental Divisions	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Estimate	FY 09-10 Estimate
Permits and Applications Processed						
Air Quality Control Division	6,619	6,037	6,263	7,086	6,912	7,360
Water Quality Control Division	2,579	2,326	2,354	2,565	2,500	2,500
Hazardous Waste Division	750	1,244	1,385	1,120	1,315	1,315
Consumer Protection Division	2,548	2,530	2,680	2,841	2,845	2,845
Total Permits & Applications	**12,496**	**12,137**	**12,682**	**13,612**	**13,572**	**14,020**
Inspections Conducted						
Air Quality Control Division/1	3,573	3,584	3,085	3,687	2,809	3,600
Water Quality Control Division	1,562	1,034	937	826	812	830
Hazardous Waste Division/2	6,100	7,040	5,455	6,240	6,575	6,575
Consumer Protection Division	3,131	3,367	3,257	3,327	3,352	3,352
Total Inspections	**14,366**	**15,025**	**12,734**	**14,080**	**13,548**	**14,357**

/1 The number of inspections dropped in FY 2006-07 due to a large number of vacant positions in the Stationary Sources program.
/2 The actual number of x-ray inspections will vary from year to year because machines are on a three-year inspection cycle.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Public Health and Environment	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$469,965,999**	**$26,586,357**	**$164,440,239**	**$69,325,687**	**$209,613,716**	**1,224.8**
Breakdown of Total Appropriation by Administrative Section						
Administration and Support	38,645,476	957,561	8,406,272	22,526,619	6,755,024	75.8
Center for Health and Environmental Information	7,377,079	0	2,886,059	3,074,042	1,416,978	78.9
Laboratory Services	10,178,537	174,981	7,016,396	303,809	2,683,351	84.0
Local Public Health Planning and Support	9,301,348	6,459,412	2,578,734	0	263,202	8.0
Air Quality Control Division	18,198,032	0	14,929,480	0	3,268,552	165.9
Water Quality Control Division	15,588,070	2,497,274	5,027,826	40,632	8,022,338	142.8
Hazardous Materials and Waste Management Division	18,914,014	0	9,976,257	227,404	8,710,353	128.4
Consumer Protection	2,447,779	1,134,186	863,418	95,595	354,580	28.4
Disease Control and Environmental Epidemiology Division	70,169,485	5,706,361	8,756,446	305,574	55,401,104	183.6

	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Prevention Services Division	261,676,610	7,970,711	96,395,583	38,315,050	118,995,266	188.6
Health Facilities and Emergency Medical Services Division	17,469,569	1,685,871	7,603,768	4,436,962	3,742,968	140.4
Emergency Preparedness and Response Division	0	0	0	0	0	0.0
Breakdown of Total Appropriation by Bill						
HB 08-1375	465,787,156	26,803,837	160,157,973	69,183,635	209,641,711	1,211.9
SB 08-055	737,929	0	737,929	0	0	5.0
SB 08-102	0	0	0	0	0	1.0
SB 08-153	184,389	0	184,389	0	0	2.9
SB 08-154	4,029	0	4,029	0	0	0.0
SB 08-155	0	0	0	0	0	(2.5)
SB 08-194	179,761	30,000	149,761	0	0	3.0
HB 08-1038	173,182	0	173,182	0	0	2.2
HB 08-1054	27,394	0	27,394	0	0	0.3
HB 08-1100	143,657	0	143,657	0	0	1.5
HB 08-1234	(15,569)	0	(15,569)	0	0	(0.2)
SB 09-197	2,958,141	(247,480)	3,091,564	142,052	(27,995)	(0.3)
SB 09-210	(214,070)	0	(214,070)	0	0	0.0
FY 2009-10 Total Appropriation:	**$446,552,218**	**$28,232,074**	**$158,912,259**	**$34,469,429**	**$224,938,456**	**1,289.5**
Breakdown of Total Appropriation by Administrative Section						
Administration and Support	38,885,315	787,027	7,196,982	25,473,146	5,428,160	77.3
Center for Health and Environmental Information	7,411,178	0	2,912,108	3,132,092	1,366,978	78.9
Laboratory Services	11,326,742	1,078,621	7,158,238	324,532	2,765,351	84.0
Local Public Health Planning and Support	9,500,453	6,519,653	2,717,598	0	263,202	8.4
Air Quality Control Division	18,582,032	0	15,263,480	0	3,318,552	167.1
Water Quality Control Division	16,162,329	2,664,413	5,283,030	39,924	8,174,962	142.8
Hazardous Materials and Waste Management Division	19,141,786	0	11,202,412	231,848	7,707,526	134.2
Consumer Protection	2,671,017	1,167,491	1,052,344	96,602	354,580	29.6
Disease Control and Environmental Epidemiology Division	69,293,699	5,780,400	8,043,649	305,574	55,164,076	183.5
Prevention Services Division	211,020,187	7,659,779	83,965,254	327,880	119,067,274	187.9

	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Health Facilities and Emergency Medical Services Division	24,052,979	1,693,523	14,117,164	4,537,831	3,704,461	163.9
Emergency Preparedness and Response Division	18,504,501	881,167	0	0	17,623,334	31.9
Breakdown of Total Appropriation by Bill						
SB 09-259	446,325,693	28,232,074	158,765,734	34,469,429	224,858,456	1,281.4
SB 09-002	4,913,923	0	4,913,923	0	0	3.0
SB 09-003	97,112	0	97,112	0	0	1.5
SB 09-128	15,218	0	15,218	0	0	0.1
SB 09-223	115,157	0	115,157	0	0	0.9
SB 09-269	(1,161,158)	0	(1,161,158)	0	0	0.0
SB 09-271	(4,000,000)	0	(4,000,000)	0	0	0.0
HB 09-1111	133,647	0	53,647	0	80,000	1.5
HB 09-1275	18,979	0	18,979	0	0	0.4
HB 09-1282	28,643	0	28,643	0	0	0.4
HB 09-1320	25,151	0	25,151	0	0	0.3
HB 09-1330	39,853	0	39,853	0	0	0.0
Increase/(Decrease)	($23,413,781)	$1,645,717	($5,527,980)	($34,856,258)	$15,324,740	64.7
Percentage Change	(5.0)%	6.2%	(3.4)%	(50.3)%	7.3%	5.3%

/1 Includes $495,000 of General Fund Exempt in FY 2008-09 and $504,000 in FY 2009-10. See Division Detail for more information.
/2 Includes $495,000 in FY 2008-09 and $504,000 in FY 2009-10 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1, C.R.S. See Division Detail for more information.

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation includes $418,000 of reductions from a variety of fund sources due to the hiring freeze.

2. The appropriation reduces the amount of tobacco settlement moneys provided to local public health agencies and the Colorado HIV/AIDS Drug Assistance Program by $214,000 cash funds, pursuant to S.B. 09-210.

FY 2009-10 Appropriation Highlights:

1. The appropriation includes $17.6 million of federal funding for Emergency Preparedness and Response that was previously off-budget, along with 28.2 federally funded FTE that were also off-budget. The appropriation also adds $881,000 General Fund and 1.9 FTE for Emergency Preparedness and Response.

2. The appropriation adds $4.9 million cash funds and 3.0 FTE to help support the state's emergency medical and trauma network.

3. The appropriation adds $900,000 General Fund for enhanced disease surveillance and outbreak response capabilities at the state laboratory.

4. The appropriation adds $619,000 cash funds and 7.4 FTE for enhanced oversight of health facilities.

5. The appropriation adds $278,000 cash funds for the genetics counseling program.

6. The appropriation adds $267,000 cash funds for increased newborn screening costs and to provide for quicker delivery of newborn blood specimens to the state laboratory.

7. The appropriation adds $80,000 federal funds, $54,000 cash funds, and 1.5 FTE for the Primary Care Office, which administers the loan-repayment and visa-waiver programs for health-care professionals.

8. The appropriation adds $108,000 of reappropriated funds for a new accounts receivable system.

9. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $3.9 million, including $301,000 General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

10. The appropriation reduces double appropriations of Amendment 35 revenues by $35.4 million reappropriated funds.

11. The appropriation reduces the amount of tobacco-settlement revenue provided for tobacco education, prevention and cessation by $4.0 million.

12. The appropriation eliminates Short-term Grants for Innovative Health Programs, saving $3.0 million cash funds.

13. The appropriation reduces federal funds by $777,000 and 4.1 FTE for oversight related to the Rocky Flats clean-up.

14. The appropriation includes a decrease of 1.82 percent for all personal services line items with 20 or more FTE, for a total reduction of $740,000, comprised of $71,000 General Fund, $474,000 cash funds and $195,000 reappropriated funds.

15. The appropriation allocates an additional immunization moneys to the Department of Health Care Policy and Financing for cervical cancer vaccines by the Children's Basic Health Plan, thus reducing the amount available for appropriation to the Department of Public Health and Environment by $342,000.

16. The appropriation eliminates the Colorado Student Before-and-After-School Project, saving $300,000 General Fund and $300,000 reappropriated funds.

Detail of Appropriation by Administrative Section

Administration and Support

This division includes the Executive Director, the Chief Medical Officer, the Office of Policy and Public/Private Initiatives, the Office of Health Disparities, and several multi-area environmental programs. The division provides human resources services, business services, and support services to the Department, including accounting, budgeting, contracts, payroll, and purchasing, internal audit, management analysis, building operations, and telecommunications. The division's primary source of reappropriated funds is indirect cost recoveries. Cash funds derive from a variety of sources and include central administrative appropriations for the Department's many cash funded programs.

Administration and Support	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$38,503,159	$996,443	$8,211,099	$22,540,593	$6,755,024	74.8
SB 08-055	10,176	0	10,176	0	0	0.0
SB 08-102	0	0	0	0	0	1.0
SB 08-153	2,881	0	2,881	0	0	0.0
SB 09-197	129,260	(38,882)	182,116	(13,974)	0	0.0
TOTAL	**$38,645,476**	**$957,561**	**$8,406,272**	**$22,526,619**	**$6,755,024**	**75.8**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$38,645,476	$957,561	$8,406,272	$22,526,619	$6,755,024	75.8
Centrally-appropriated line items	1,873,464	129,726	657,379	320,536	765,823	0.0
Health disparities grants	1,084,233	0	0	1,084,233	0	0.0
Leased space	621,507	0	46,427	575,080	0	0.0
Annualize salary and benefits adjustments	219,628	788	3,795	215,045	0	0.0
New accounts receivable system	108,500	0	0	108,500	0	0.0
Indirect cost assessment	79,759	0	10,000	69,759	0	0.0
Human resources FTE	51,256	0	0	51,256	0	1.0
Operating adjustments	45,484	111	(814,824)	1,052,065	(191,868)	0.0
Annualize one-time FY 2008-09 adjustments	44,500	30,750	0	13,750	0	0.0
Annualize prior year funding	37,081	30,157	10,299	(3,375)	0	0.5
Health facilities licensing	10,469	0	10,469	0	0	0.0
Refinance S.B. 07-228	0	(61,096)	0	61,096	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Eliminate salary survey and performance-based pay	(3,858,863)	(300,970)	(1,141,285)	(515,789)	(1,900,819)	0.0
Personal services base reduction	(87,179)	0	(1,550)	(85,629)	0	0.0
SB 09-259	**$38,875,315**	**$787,027**	**$7,186,982**	**$25,473,146**	**$5,428,160**	**77.3**
HB 09-1330	10,000	0	10,000	0	0	0.0
TOTAL	**$38,885,315**	**$787,027**	**$7,196,982**	**$25,473,146**	**$5,428,160**	**77.3**
Increase/(Decrease)	$239,839	($170,534)	($1,209,290)	$2,946,527	($1,326,864)	1.5
Percentage Change	0.6%	(17.8)%	(14.4)%	13.1%	(19.6)%	2.0%

FY 2008-09 Appropriation Adjustments

Senate Bill 09-197 included $98,676 of extra cash funds and reappropriated funds for increased indirect cost assessments, $72,456 of extra cash funds and reappropriated funds for leased space and operating expenses, and $44,500 of one-time reductions from the hiring freeze ($30,750 General Fund), among other changes.

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Centrally-appropriated line items: The appropriation includes adjustments to centrally-appropriated line items for state contributions to health, life, and dental benefits, shift differential, and workers' compensation.

Health disparities grants: Amendment 35 tobacco-tax revenues, which support this program, are expected to decline modestly, but a large fund balance carried from the prior year has increased the amount available for appropriation.

Leased space: The appropriation includes additional funding for extra space to accommodate FTE added to the Department's budget during the 2007 and 2008 legislative session. The appropriation also includes funding for a new lease at the Denver Emissions Technical Center.

Annualize salary and benefits adjustments: The appropriation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration and Support division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

New accounts receivable system: The appropriation includes $108,500 to replace the Department's aging accounts receivable system with a more reliable and easily managed system.

Indirect cost assessment: The appropriation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and other administration-division costs.

Human resources FTE: The appropriation includes 1.0 FTE to provide additional human resources services to the Department.

Operating Adjustments: The appropriation adjusts central appropriations for legal services, administrative law judges, vehicle lease, payment to risk management and property funds, and capitol complex leased space. It also reflects an increase in mailing costs and an upgrade to mail services equipment in the Department of Personnel.

Annualize one-time FY 2008-09 adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are not available in FY 2009-10.

Annualize prior year funding: The appropriation reflects the second year impact of S.B. 07-228 (Monitor Contracts, $29,558 increase), S.B. 08-153 (License Home Health Care, $11,269 increase) and of FY 2008-09 budget initiatives that expanded the Colorado Immunization Information System ($371 decrease) and Internal Audit ($3,375 decrease).

Health facilities licensing: The appropriation expands the existing regulatory program for health facilities. See the Health Facilities and Emergency Medical Services Division for more details.

Refinance S.B. 07-228: The appropriation refinances funding for S.B. 07-228 (Monitor Contracts) with indirect cost recoveries.

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Center for Health and Environmental Information

The Center for Health and Environmental Information and Statistics is divided into two subdivisions: (A) Information Technology Services and (B) Health Statistics and Vital Records. The Information Technology Services subdivision is responsible for technology planning, networking, user support, applications development and maintenance, and Internet support. The section obtains most of its support from reappropriated funds that derive from indirect cost recoveries. The Health Statistics and Vital Records subdivision is comprised of (1) a registration section, which records births, deaths, marriages, divorces, fetal deaths, and abortions; (2) a certification section, which issues birth and death certificates, corrects and updates records, and administers the Voluntary Adoption Registry; and (3) a health statistics section, which analyzes vital records collected by the Department and provides information to internal and external users. The Health Statistics and Vital Records subdivision is primarily cash funded with most cash funds deriving from the Vital Statistics Records Cash Fund.

Center for Health and Environmental Information						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$7,118,775	$9,552	$2,765,788	$2,926,457	$1,416,978	79.6
SB 08-055	2,250	0	2,250	0	0	0.0
SB 08-155	0	0	0	0	0	(0.5)
SB 09-197	256,054	(9,552)	118,021	147,585	0	(0.2)
TOTAL	**$7,377,079**	**$0**	**$2,886,059**	**$3,074,042**	**$1,416,978**	**78.9**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$7,377,079	$0	$2,886,059	$3,074,042	$1,416,978	78.9
Annualize salary and benefits adjustments	157,831	157	79,984	77,690	0	0.0
Centrally-appropriated line items	5,541	0	0	5,541	0	0.0
Personal services base reduction	(75,466)	0	(40,285)	(35,181)	0	0.0
Indirect cost assessment	(31,000)	0	9,000	10,000	(50,000)	0.0
Annualize prior year funding	(22,650)	0	(22,650)	0	0	0.0
Other	(157)	(157)	0	0	0	0.0
SB 09-259	**$7,411,178**	**$0**	**$2,912,108**	**$3,132,092**	**$1,366,978**	**78.9**
TOTAL	**$7,411,178**	**$0**	**$2,912,108**	**$3,132,092**	**$1,366,978**	**78.9**
Increase/(Decrease)	$34,099	$0	$26,049	$58,050	($50,000)	0.0
Percentage Change	0.5%	n/a	0.9%	1.9%	(3.5)%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-197 included $153,699 of cash and reappropriated funds for increased indirect cost assessments, $111,907 of reappropriated funds for the Governor's Office of Information Technology, and a $9,552 General Fund reduction that cut funding for implementation of S.B. 07-196.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Annualize salary and benefits adjustments: The appropriation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration and Support division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

Centrally-appropriated line items: The appropriation increases funding for management and administration of the Office of Information Technology.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Indirect cost assessment: The appropriation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and other administration division costs.

Annualize prior year funding: The appropriation reflects the reduced second year costs of FY 2008-09 budget initiatives.

Other: The appropriation eliminates a scheduled increase for implementation of S.B. 07-228, Monitor Contracts.

Laboratory Services

This division conducts tests and provides analysis and advice for the Department's health and environmental programs and for outside clients. It provides scientific support for communicable disease outbreak and control, performs genetic screening tests for newborn babies, and certifies private medical laboratories, environmental laboratories, dairy on-site laboratories, DUI testing laboratories, and law enforcement breath alcohol-testing devices throughout the state. The division's cash funds derive from fees that it charges for its services, including newborn screening fees.

Laboratory Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$9,973,121	$174,981	$6,807,827	$306,962	$2,683,351	84.0
SB 09-197	205,416	0	208,569	(3,153)	0	0.0
TOTAL	**$10,178,537**	**$174,981**	**$7,016,396**	**$303,809**	**$2,683,351**	**84.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$10,178,537	$174,981	$7,016,396	$303,809	$2,683,351	84.0
Surveillance and public health outbreak response	900,451	900,451	0	0	0	0.0
Newborn screening	267,153	0	267,153	0	0	0.0
Annualize salary and benefits adjustments	177,517	6,252	171,265	0	0	0.0
Indirect cost assessment	(148,127)	0	(253,280)	23,153	82,000	0.0
Personal services base reduction	(48,789)	(3,063)	(43,296)	(2,430)	0	0.0
SB 09-259	**$11,326,742**	**$1,078,621**	**$7,158,238**	**$324,532**	**$2,765,351**	**84.0**
TOTAL	**$11,326,742**	**$1,078,621**	**$7,158,238**	**$324,532**	**$2,765,351**	**84.0**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Increase/(Decrease)	$1,148,205	$903,640	$141,842	$20,723	$82,000	0.0
Percentage Change	11.3%	516.4%	2.0%	6.8%	3.1%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-197 included $205,416 of cash and reappropriated funds adjustments for increased indirect cost assessments.

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Surveillance and public health outbreak response: The appropriation provides funding for increased disease surveillance and response efforts by the State Laboratory and by the Disease Control division. The FTE appropriation is unchanged because the lab has had a number of unfilled FTE slots since the last economic downturn, when its funding was cut substantially.

Newborn screening: The appropriation provides additional funding to cover increased costs of screening blood samples and to expand the courier service that delivers blood samples to the state laboratory.

Annualize salary and benefits adjustments: The appropriation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration and Support division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

Indirect cost assessment: The appropriation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration division costs.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Local Public Health Planning and Support

This division provides technical and financial support for health and environmental services that are provided by local public health agencies around the state. The division is supported by the General Fund, cash funds from tobacco-settlement revenues, and federal funds.

Local Public Health Planning and Support						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$9,441,634	$6,473,626	$2,706,245	$0	$261,763	5.4

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 08-194	179,761	30,000	149,761	0	0	3.0
SB 09-197	(170,977)	(44,214)	(128,202)	0	1,439	(0.4)
SB 09-210	(149,070)	0	(149,070)	0	0	0.0
TOTAL	**$9,301,348**	**$6,459,412**	**$2,578,734**	**$0**	**$263,202**	**8.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$9,301,348	$6,459,412	$2,578,734	$0	$263,202	8.0
Annualize one-time FY 2008-09 adjustments	321,486	44,214	277,272	0	0	0.4
Annualize salary and benefits adjustments	16,027	16,027	0	0	0	0.0
Amendment 35 and tobacco settlement revenues	(90,533)	0	(90,533)	0	0	0.0
Annualize S.B. 08-194	(10,365)	0	(10,365)	0	0	0.0
SB 09-259	**$9,537,963**	**$6,519,653**	**$2,755,108**	**$0**	**$263,202**	**8.4**
SB 09-269	(37,510)	0	(37,510)	0	0	0.0
TOTAL	**$9,500,453**	**$6,519,653**	**$2,717,598**	**$0**	**$263,202**	**8.4**
Increase/(Decrease)	$199,105	$60,241	$138,864	$0	$0	0.4
Percentage Change	2.1%	0.9%	5.4%	n/a	0.0%	5.0%

FY 2008-09 Appropriation Adjustments

Supplemental adjustments included in S.B. 09-197 reduced the cash funds appropriation for distributions to local public health agencies by $128,202, reflecting lower-than-anticipated tobacco settlement revenues, and reduced General Fund appropriations for environmental specialists and community nursing by $44,214 on a one time basis, among other adjustments. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Annualize one-time FY 2008-09 adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are not available in FY 2009-10.

Annualize salary and benefits adjustments: The appropriation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration and Support division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

Amendment 35 and tobacco settlement revenues: In the Disease Control and Environmental Epidemiology Division, Amendment 35 tobacco-tax revenue supports immunization work by Colorado's smaller public health agencies. Tobacco settlement revenues support immunization, AIDS/HIV prevention grants, and AIDS/HIV treatment. Both of these revenue sources are forecast to decline moderately for FY 2009-10. This reduction is compounded by reduced appropriations of fund balances carried from prior years for AIDS/HIV prevention grants. The appropriation reflects these decreases.

Annualize S.B. 08-194: The appropriation reflects the second year impact of S.B. 08-194, Public Health Reorganization.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Air Quality Control Division

This division is responsible for identifying the nature and impact of Colorado's air pollution, and for implementing measures to prevent, control, and abate air pollution, under the direction of the Air Quality Control Commission. The Division is divided into four programs: Administration, Technical Services, Mobile Sources, and Stationary Sources. The Administration subdivision provides policy and regulatory assistance to the Air Quality Control Commission, and coordinates all air programs. The Technical Services subdivision performs statewide air monitoring, pollutant analysis, and emission modeling, which forms the technical basis for state implementation plans and attainment redesignations. The Mobile Sources subdivision primarily conducts research relating to the causes and effects of pollution from mobile vehicles and investigates, implements, and evaluates strategies aimed at reducing vehicular emissions. The Stationary Sources subdivision permits, monitors, and inspects factories and power plants, and analyzes data to determine compliance with state implementation plans. The primary sources of cash funds are the Stationary Sources Control Fund and the Automobile Inspection and Readjustment Account of the Highway Users Tax Fund.

Air Quality Control Division

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$17,557,927	$0	$14,289,375	$0	$3,268,552	160.6
SB 08-055	725,503	0	725,503	0	0	5.0
SB 09-197	(85,398)	0	(85,398)	0	0	0.3
TOTAL	**$18,198,032**	**$0**	**$14,929,480**	**$0**	**$3,268,552**	**165.9**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$18,198,032	$0	$14,929,480	$0	$3,268,552	165.9
Annualize salary and benefits adjustments	375,932	0	375,932	0	0	0.0
Indirect cost assessment	94,062	0	44,062	0	50,000	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Resources related to oil and gas regulations	35,127	0	35,127	0	0	(0.3)
Personal services base reduction	(172,712)	0	(172,712)	0	0	0.0
Annualize FY 2008-09 supplemental appropriation	(28,246)	0	(28,246)	0	0	0.0
Annualize prior year funding	(17,275)	0	(17,275)	0	0	0.0
SB 09-259	**$18,484,920**	**$0**	**$15,166,368**	**$0**	**$3,318,552**	**165.6**
SB 09-003	97,112	0	97,112	0	0	1.5
TOTAL	**$18,582,032**	**$0**	**$15,263,480**	**$0**	**$3,318,552**	**167.1**
Increase/(Decrease)	$384,000	$0	$334,000	$0	$50,000	1.2
Percentage Change	2.1%	n/a	2.2%	n/a	1.5%	0.7%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-197 resulted in a net reduction to the Division's cash funds as a result of the hiring freeze. Reductions were partially offset by increases associated with implementation of oil and gas regulations.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Indirect cost assessment: The appropriation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration division costs.

Resources related to oil and gas regulations: The appropriation includes $35,127 cash funds for work related to the Department's consultation role in oil and gas regulations associated with H.B. 07-1341. The funding includes $17,400 to maintain a permit tracking software system added in the FY 2008-09 supplemental appropriation and $17,727 for personal services and operating expenses for consultation staff. The appropriation eliminates 0.3 FTE and associated funding added through the FY 2008-09 supplemental appropriation because of anticipated declines in the oil and gas permit workload. The source of funding for the consultation-related work is the Oil and Gas Conservation and Environmental Response Fund, which is managed by the Department of Natural Resources.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Annualize FY 2008-09 supplemental appropriation: The appropriation includes a decrease of $64,600 cash funds to eliminate one-time funding included in the FY 2008-09 supplemental appropriation. The decrease is partially offset by an increase of $36,354 cash funds to restore funding reduced in association with the hiring freeze in FY 2008-09.

Annualize prior year funding: The appropriation includes a decrease of $17,275 to eliminate one-time funding associated with S.B. 08-055.

Additional legislation: For information on S.B. 09-003, see the "Recent Legislation" section at the end of the Department of Revenue.

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. Its responsibilities include developing stream classifications and standards, issuing permits to ensure that discharges comply with water quality standards, and performing monitoring and enforcement activities. This division also oversees water quality management planning, manages state and federal construction grant assistance programs, and provides technical assistance to local governments. In the area of drinking water, it conducts surveillance of public and non-public drinking water consistent with minimum federal and state standards, and reviews designs and specifications of new or expanding treatment facilities. It also is responsible for enforcing water quality regulations at commercial hog facilities. Sources of cash funds include the Water Quality Control Fund, the Sludge Management Program Fund, and the Drinking Water Cash Fund. The source of reappropriated funds is an appropriation to the Department of Agriculture from the Groundwater Protection Fund that is transferred to this division.

Water Quality Control Division

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$15,922,107	$2,581,921	$5,174,592	$40,632	$8,124,962	142.8
SB 09-197	(334,037)	(84,647)	(146,766)	0	(102,624)	0.0
TOTAL	**$15,588,070**	**$2,497,274**	**$5,027,826**	**$40,632**	**$8,022,338**	**142.8**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$15,588,070	$2,497,274	$5,027,826	$40,632	$8,022,338	142.8
Annualize salary and benefits adjustments	248,996	108,345	140,651	0	0	0.0
Annualize one-time FY 2008-09 adjustments	217,233	84,647	132,586	0	0	0.0
Indirect cost assessment	172,804	0	20,180	0	152,624	0.0
Personal services base reduction	(94,627)	(25,853)	(68,066)	(708)	0	0.0
SB 09-259	**$16,132,476**	**$2,664,413**	**$5,253,177**	**$39,924**	**$8,174,962**	**142.8**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 09-1330	29,853	0	29,853	0	0	0.0
TOTAL	**$16,162,329**	**$2,664,413**	**$5,283,030**	**$39,924**	**$8,174,962**	**142.8**
Increase/(Decrease)	$574,259	$167,139	$255,204	($708)	$152,624	0.0
Percentage Change	3.7%	6.7%	5.1%	(1.7)%	1.9%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-197 reduced the Division's General Fund operating expenses appropriations, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Annualize one-time FY 2008-09 adjustments: The appropriation includes a total increase of $217,233, including $132,586 cash funds and $84,647 General Fund to reverse one-time funding reductions associated with the FY 2008-09 supplemental appropriation. The reversals include $70,355 General Fund in operating expenses reduced in FY 2008-09 as a budget balancing measure, as well as $132,586 cash funds and $14,312 General Fund associated with the hiring freeze in FY 2008-09.

Indirect cost assessment: The appropriation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Hazardous Materials and Waste Management Division

This division regulates the treatment, storage, and disposal of solid and hazardous wastes under the direction of the Hazardous Waste Commission. The Division is responsible for inspecting solid waste facilities; overseeing large- and small-quantity hazardous waste generators, transporters, and storage facilities; responding to public complaints about such facilities; reviewing corrective action plans for technical compliance with applicable state environmental regulations; and regulating commercial radioactive materials in Colorado (through both the Radiation Management Program and the Uranium Mill Tailings Remedial Action, or UMTRA, Program). Sources of cash funds include the Hazardous Waste Service Fund, the Hazardous

Substance Response Fund, the Hazardous Waste Commission Fund, the Radiation Control Fund, and the Solid Waste Management Fund. The source of reappropriated funds is an appropriation to the Department of Local Affairs from the Local Government Severance Tax Fund that is transferred to this division. Sources of federal funds include funds received from the U.S. Environmental Protection Agency and the U.S. Department of Defense.

Hazardous Materials and Waste Management Division						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$19,062,769	$0	$10,148,833	$234,449	$8,679,487	128.4
SB 09-197	(148,755)	0	(172,576)	(7,045)	30,866	0.0
TOTAL	**$18,914,014**	**$0**	**$9,976,257**	**$227,404**	**$8,710,353**	**128.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$18,914,014	$0	$9,976,257	$227,404	$8,710,353	128.4
Increased radiation control workload	169,044	0	169,044	0	0	2.0
Annualize salary and benefits adjustments	135,547	0	131,128	4,419	0	0.0
Indirect cost assessment	40,576	0	18,376	0	22,200	0.0
Solid waste program FTE	0	0	0	0	0	3.4
Argo Tunnel Water Treatment Plant operations	0	0	994,200	0	(994,200)	0.0
Personal services base reduction	(91,931)	0	(91,931)	0	0	0.0
Legal services adjustments	(29,107)	0	1,695	25	(30,827)	0.0
Transfer to the Department of Law	(25,000)	0	(25,000)	0	0	0.0
SB 09-259	**$19,113,143**	**$0**	**$11,173,769**	**$231,848**	**$7,707,526**	**133.8**
HB 09-1282	28,643	0	28,643	0	0	0.4
TOTAL	**$19,141,786**	**$0**	**$11,202,412**	**$231,848**	**$7,707,526**	**134.2**
Increase/(Decrease)	$227,772	$0	$1,226,155	$4,444	($1,002,827)	5.8
Percentage Change	1.2%	n/a	12.3%	2.0%	(11.5)%	4.5%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-197 adjusted the Division's appropriations for indirect costs, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Increased radiation control workload: The appropriation includes $145,044 cash funds and 2.0 FTE in anticipation of significant increases in the Division's uranium licensing and inspection workload associated with proposed uranium recovery and milling operations. The appropriation also includes $24,000 cash funds for training of radiation control program staff as a result of increased turnover in the program and need for additional training for replacement staff.

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

Indirect cost assessment: The appropriation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration division costs.

Solid waste program FTE: The appropriation includes an additional 3.4 FTE for the solid waste program, to be funded within the program's existing resources, as a result of increased program workload.

Argo Tunnel Water Treatment Plant operations: The appropriation includes an increase of $994,200 cash funds to offset a reduction in federal funds, as the Department assumes responsibility for the operations and maintenance of the Argo Tunnel Water Treatment Plant in the Clear Creek superfund site. The U.S. Environmental Protection Agency has paid 90 percent of operating costs for ten years under an agreement with the Department, but the federal responsibility for plant operations ends October 1, 2009.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Legal services adjustments: The appropriation includes a net decrease of $29,107 for the Division's legal services costs. The adjustment includes increases of $1,695 cash funds and $25 reappropriated funds for the Administration legal services line item as a result of annual adjustments to the statewide legal services rate. The increases are offset by a reduction of $30,827 federal funds to eliminate one-time funding for legal services related to Rocky Flats.

Transfer to the Department of Law: The appropriation reduces transfers to the Department of Law for Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) related legal work by $25,000, which reverses a one-time $25,000 increase.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Consumer Protection

This division is responsible for enforcing sanitation standards to prevent and control diseases transmitted by food and insects; eliminating unsanitary conditions in public accommodations; and preventing injuries to persons using potentially dangerous consumer products. Sources of cash funds include the Food Protection

Cash Fund and the Artificial Tanning Device Education Fund. Sources of reappropriated funds include transfers from the Departments of Corrections and Human Services.

Consumer Protection						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$2,471,864	$1,150,445	$871,244	$95,595	$354,580	28.1
HB 08-1054	27,394	0	27,394	0	0	0.3
SB 09-197	(51,479)	(16,259)	(35,220)	0	0	0.0
TOTAL	**$2,447,779**	**$1,134,186**	**$863,418**	**$95,595**	**$354,580**	**28.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$2,447,779	$1,134,186	$863,418	$95,595	$354,580	28.4
Annualize salary and benefits adjustments	69,290	38,108	28,696	2,486	0	0.0
Annualize one-time FY 2008-09 adjustments	37,021	16,259	20,762	0	0	0.0
Indirect cost assessment	14,458	0	14,458	0	0	0.0
Personal services base reduction	(35,379)	(21,062)	(12,838)	(1,479)	0	0.0
Annualize prior year funding	(2,460)	0	(2,460)	0	0	0.0
SB 09-259	**$2,530,709**	**$1,167,491**	**$912,036**	**$96,602**	**$354,580**	**28.4**
SB 09-223	115,157	0	115,157	0	0	0.9
HB 09-1320	25,151	0	25,151	0	0	0.3
TOTAL	**$2,671,017**	**$1,167,491**	**$1,052,344**	**$96,602**	**$354,580**	**29.6**
Increase/(Decrease)	$223,238	$33,305	$188,926	$1,007	$0	1.2
Percentage Change	9.1%	2.9%	21.9%	1.1%	0.0%	4.2%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-197 reduced appropriations associated with the hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Annualize one-time FY 2008-09 adjustments: The appropriation includes a total increase of $37,021, including $20,762 cash funds and $16,259 General Fund to restore funding reduced as a result of the hiring freeze in FY 2008-09.

Indirect cost assessment: The appropriation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration division costs.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Annualize prior year funding. The appropriation includes a reduction of $2,460 cash funds to eliminate one-time funding associated with H.B. 08-1054.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Disease Control and Environmental Epidemiology Division

This division works to track, control and prevent the spread of communicable diseases with a special emphasis on hepatitis, tuberculosis, sexually transmitted diseases, and HIV/AIDS. It also runs an immunization program and collects birth defects data. The birth defect data helps to reduce the incidence of such defects and helps to prevent secondary disabilities by connecting children and their families with available services. Staff members also assess risks from environmental contaminants that pose a threat to human health and to the environment. The bulk of the division's cash funds derive from tobacco-settlement payments.

Disease Control and Environmental Epidemiology Division

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$70,269,316	$5,706,361	$8,823,516	$305,574	$55,433,865	183.1
SB 08-155	0	0	0	0	0	(1.0)
HB 08-1100	143,657	0	143,657	0	0	1.5
SB 09-197	(178,488)	0	(145,727)	0	(32,761)	0.0
SB 09-210	(65,000)	0	(65,000)	0	0	0.0
TOTAL	**$70,169,485**	**$5,706,361**	**$8,756,446**	**$305,574**	**$55,401,104**	**183.6**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$70,169,485	$5,706,361	$8,756,446	$305,574	$55,401,104	183.6
Annualize one-time FY 2008-09 adjustments	97,761	0	65,000	0	32,761	0.0

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Surveillance and public health outbreak response	51,074	51,074	0	0	0	0.8
Annualize salary and benefits adjustments	32,231	32,231	0	0	0	0.0
Amendment 35 and tobacco settlement revenues	(431,721)	9,000	(440,721)	0	0	0.0
Increased Colorado Immunization Fund transfer to HCPF	(342,209)	0	(342,209)	0	0	0.0
Move funding and FTE to new division	(182,701)	0	0	0	(182,701)	(1.8)
Management and administration of OIT	(37,088)	0	0	0	(37,088)	0.0
Indirect cost adjustments	(35,000)	0	15,000	0	(50,000)	0.0
Personal services base reduction	(17,167)	(15,749)	(1,418)	0	0	0.0
Annualize 2008 session budget initiatives	(2,517)	(2,517)	0	0	0	0.9
SB 09-259	**$69,302,148**	**$5,780,400**	**$8,052,098**	**$305,574**	**$55,164,076**	**183.5**
SB 09-269	(8,449)	0	(8,449)	0	0	0.0
TOTAL	**$69,293,699**	**$5,780,400**	**$8,043,649**	**$305,574**	**$55,164,076**	**183.5**
Increase/(Decrease)	($875,786)	$74,039	($712,797)	$0	($237,028)	(0.1)
Percentage Change	(1.2)%	1.3%	(8.1)%	0.0%	(0.4)%	(0.1)%

/1 The following table includes General Fund Exempt and amounts exempt from the statutory limit on state General Fund appropriations of Section 24-75-201.1, C.R.S.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt /1
FY 2008-09 Appropriation	**$5,706,361**	**$5,211,361**	**$495,000**
Disease Control and Environmental Epidemiology Division	74,039	65,039	9,000
FY 2009-10 Appropriation	**$5,780,400**	**5,276,400**	**$504,000**

/1 This amount is also exempt from the statutory limit on state General Fund appropriations of Section 24-75-201.1, C.R.S.

General Fund Exempt: In November 2004, voters passed Amendment 35 to the Colorado Constitution, which imposed new taxes on tobacco products. The amendment required that a portion of the tax revenue be appropriated to the General Fund and be reappropriated for health-related purposes. The implementing legislation for the Amendment (H.B. 05-1262) directed 0.3 percent of revenues, starting in FY 2006-07, to immunizations performed by county public health nursing services. Because Amendment 35 moneys are not subject to the limitation on state fiscal year spending imposed by the Taxpayer's Bill of Rights (TABOR), these General Fund appropriations are reflected in the General Fund Exempt column.

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-197 included $33,000 of cash funds for increased indirect cost assessments, a $105,468 cash funds reduction to the AIDS Drug Assistance program and a $73,259 cash funds reduction to the Immunization program to reflect lower than anticipated tobacco-settlement revenues, and a $32,761 federal funds reduction related to consolidation of the Governor's Office of Information and Technology. Senate Bill 09-210 contained another $65,000 of cash funds reductions for the AIDS drug assistance program, which reflected cost cutting. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Annualize one-time FY 2008-09 adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are not available in FY 2009-10.

Surveillance and public health outbreak response: The appropriation provides funding for increased disease surveillance and response work by the Laboratory Services Division and the Disease Control and Environmental Epidemiology Division.

Annualize salary and benefits adjustments: The appropriation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration and Support division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

Amendment 35 and tobacco settlement revenues: In the Disease Control and Environmental Epidemiology Division, Amendment 35 tobacco-tax revenue supports immunization work by the smaller public health agencies around the state. Tobacco settlement revenues support immunization, AIDS/HIV prevention grants, and AIDS/HIV treatment. Both of these revenue sources were forecast to decline moderately for FY 2009-10. This reduction is compounded by reduced appropriations of fund balances carried from prior years for AIDS/HIV prevention grants. The appropriation reflects these decreases.

Increased Colorado Immunization Fund transfer to HCPF: The appropriation increases the amount of tobacco settlement money allocated to the Department of Health Care Policy and Financing (HCPF) from the Colorado Immunization Fund for cervical cancer immunizations, thus reducing the amount available for appropriation to the Department of Public Health and Environment.

Move funding and FTE to new division: The appropriation moves this appropriation to the new Emergency Preparedness and Response Division.

Management and administration of OIT: The appropriation shifts resources to the Center for Health and Environmental Information and Statistics for management and administration of the Office of Information Technology.

Indirect cost assessment: The appropriation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Annualize 2008 session budget initiatives: The appropriation reduces the appropriation for the Ryan White AIDS drug assistance program due to lower receipts from the tobacco Master Settlement Agreement.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Prevention Services Division

This division is comprised of: (A) Prevention Programs, which includes the state's cancer registry, chronic disease and cancer prevention grants, suicide prevention, the cancer, cardiovascular and pulmonary disease grant program, and the tobacco cessation, education and prevention program; (B) Women's Health - Family Planning, which includes the breast and cervical cancer screening program; (C) Rural - Primary Care, which includes dental programs and federal grants for rural health care; (D) Prevention Partnerships, which includes the Tony Grampsas Youth Services Grant Program and the Colorado Children's Trust; (E) Family and Community Health, which includes maternal and child health, the Nurse Home Visitor Program, and the Health Care Program for Children with Special Needs, and Genetics Counseling; (F) Nutrition Services, which includes the Women, Infants and Children Supplemental Food Grant (WIC) program and the Child and Adult Food Care program; and (G) Federal Grants, which includes federally funded programs that do not fit elsewhere. The division's cash funds derive from Amendment 35 tobacco taxes, tobacco settlement moneys, the Colorado Children's Trust, and newborn screening fees.

Prevention Services Division

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$258,281,021	$8,024,637	$92,938,307	$38,290,050	$119,028,027	189.6
SB 08-155	0	0	0	0	0	(1.0)
SB 09-197	3,395,589	(53,926)	3,457,276	25,000	(32,761)	0.0
TOTAL	**$261,676,610**	**$7,970,711**	**$96,395,583**	**$38,315,050**	**$118,995,266**	**188.6**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$261,676,610	$7,970,711	$96,395,583	$38,315,050	$118,995,266	188.6
Disease management	2,000,000	0	2,000,000	0	0	0.0
Genetics counseling	278,075	0	278,075	0	0	0.0
Annualize salary and benefits adjustments	110,461	69,629	19,404	21,428	0	0.0
Annualize one-time FY 2008-09 adjustments	57,761	25,000	0	0	32,761	0.0
Indirect cost assessment	56,053	0	448,003	(375,000)	(16,950)	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Reduce double appropriations of Amendment 35 revenues	(37,413,000)	0	(7,332,505)	(30,080,495)	0	0.0
Amendment 35 and tobacco settlement revenues	(7,062,996)	0	190,107	(7,253,103)	0	0.0
Eliminate short-term grants for innovative health programs	(2,959,390)	0	(2,959,390)	0	0	(1.0)
Eliminate the Colorado Student Before-and-After-School Project	(600,000)	(300,000)	0	(300,000)	0	0.0
Reduce interagency coordination program and support for prevention programs	(89,972)	(103,256)	0	0	13,284	(1.2)
Management and administration of OIT	(37,087)	0	0	0	(37,087)	0.0
Personal services base reduction	(14,776)	(2,305)	(12,471)	0	0	0.0
SB 09-259	**$216,001,739**	**$7,659,779**	**$89,026,806**	**$327,880**	**$118,987,274**	**186.4**
SB 09-269	(1,115,199)	0	(1,115,199)	0	0	0.0
SB 09-271	(4,000,000)	0	(4,000,000)	0	0	0.0
HB 09-1111	133,647	0	53,647	0	80,000	1.5
TOTAL	**$211,020,187**	**$7,659,779**	**$83,965,254**	**$327,880**	**$119,067,274**	**187.9**
Increase/(Decrease)	($50,656,423)	($310,932)	($12,430,329)	($37,987,170)	$72,008	(0.7)
Percentage Change	(19.4)%	(3.9)%	(12.9)%	(99.1)%	0.1%	(0.4)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-197 included $3,959,550 of extra cash funds to fix a technical error in the appropriation of Amendment 35 tobacco funds, $35,000 of cash funds for increased indirect cost assessments, a $512,274 cash funds reduction to the Nurse Home Visitor Program and the Tony Grampsas Youth Services Program to reflect lower than anticipated tobacco-settlement revenues, and $53,926 of budget-balancing reductions, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Disease management: Senate Bill 08-118 requires an annual appropriation of $2.0 million of Amendment 35 money to the Department of Health Care Policy and Financing (HCPF) for disease management programs for FY 2008-09 through FY 2012-13. The bill's appropriation clause directly appropriated these moneys to HCPF for FY 2008-09. The FY 2009-10 Long Bill replaces this direct funding with a two-step appropriation that is in closer accord with constitutional requirements. Step one is a cash fund appropriation within the Department of Public Health and Environment that transfers the funds to HCPF; step two is an appropriation within HCPF of reappropriated funds to the program. The net amount of money flowing to the disease management program is unchanged when compared with FY 2008-09.

Genetics counseling: The appropriation increases the appropriation for the genetics counseling program, which holds clinics in Denver and in certain locations around the state, to respond to an increasing caseload and increasing cost per patient. The funding source is cash funds from fees paid to screen newborns for genetics disorders.

Annualize salary and benefits adjustments: The appropriation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration and Support division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

Annualize one-time FY 2008-09 adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are not available in FY 2009-10.

Indirect cost assessment: The appropriation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration division costs.

Reduce double appropriations of Amendment 35 revenues: Due to constitutional requirements, the Long Bill contains several double appropriations of Amendment 35 tobacco-tax revenues: the moneys are first appropriated to one division and then are reappropriated to another, resulting in a double appropriation. The appropriation reduces the amount that is appropriated twice, thus making the flow of Amendment 35 moneys in the Long Bill clearer while still satisfying the constitutional requirements.

Amendment 35 and tobacco settlement revenues: In the Prevention Services Division, Amendment 35 tobacco-tax revenue supports Cancer, Cardiovascular Disease and Pulmonary Disease Grants, Tobacco Education, Prevention, and Cessation Grants, and Breast and Cervical Cancer Screening. Tobacco settlement revenues support Short-term Grants for Innovative Health Programs, the Dental Loan Program, the Tony Grampsas Youth Services Program, and the Nurse Home Visitor Program. Both of these revenue sources are forecast to decline moderately for FY 2009-10. This reduction is compounded by reduced appropriations of fund balances carried from prior years for the two Amendment 35 grant programs. The appropriation reflects these decreases.

Eliminate short-term grants for innovative health programs: The appropriation reduces funding for the program, freeing the grant money for transfer to the General Fund.

Eliminate the Colorado Student Before-and-After-School Project: The appropriation eliminates the General Fund supported Before-and-After-School-Project, which is a Tony Grampsas Youth Services Program.

Reduce interagency coordination program and support for prevention programs: The appropriation reduces by half funding for the Interagency Coordination Program, which provides support and coordination services for youth prevention programs across state government.

Management and administration of OIT: The appropriation shifts resources to the Center for Health and Environmental Information and Statistics for management and administration of the Office of Information Technology

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Health Facilities and Emergency Medical Services Division

This division establishes and enforces standards for the operation of health care facilities and the provision of emergency medical and trauma services. The Division licenses hospitals and other health care facilities; certifies health care facilities for Medicaid and Medicare; trains individuals to administer medications in residential and non-residential care facilities; trains and certifies emergency medical personnel; provides technical assistance and grants to local emergency medical service providers; and oversees the state's trauma care system. The division's cash funds derive from fees paid by licensees and from the Highway Users Tax Fund, while reappropriated funds come from the Department of Health Care Policy and Financing.

Health Facilities and Emergency Medical Services Division						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$17,185,463	$1,685,871	$7,421,147	$4,443,323	$3,635,122	135.5
SB 08-153	181,508	0	181,508	0	0	2.9
SB 08-154	4,029	0	4,029	0	0	0.0
HB 08-1038	173,182	0	173,182	0	0	2.2
HB 08-1234	(15,569)	0	(15,569)	0	0	(0.2)
SB 09-197	(59,044)	0	(160,529)	(6,361)	107,846	0.0
TOTAL	**$17,469,569**	**$1,685,871**	**$7,603,768**	**$4,436,962**	**$3,742,968**	**140.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$17,469,569	$1,685,871	$7,603,768	$4,436,962	$3,742,968	140.4
Annualize special bills and decision items	824,413	0	824,413	0	0	12.6
Health facilities licensing	619,313	0	619,313	0	0	7.4
Annualize salary and benefits adjustments	291,663	10,492	117,222	163,949	0	0.0
Annualize one-time FY 2008-09 adjustments	148,452	0	130,598	6,361	11,493	0.0
Indirect cost assessment	(146,785)	0	(96,785)	0	(50,000)	0.0
Personal services base reduction	(101,766)	(2,840)	(29,485)	(69,441)	0	0.0
SB 09-259	**$19,104,859**	**$1,693,523**	**$9,169,044**	**$4,537,831**	**$3,704,461**	**160.4**
SB 09-002	4,913,923	0	4,913,923	0	0	3.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-128	15,218	0	15,218	0	0	0.1
HB 09-1275	18,979	0	18,979	0	0	0.4
TOTAL	**$24,052,979**	**$1,693,523**	**$14,117,164**	**$4,537,831**	**$3,704,461**	**163.9**
Increase/(Decrease)	$6,583,410	$7,652	$6,513,396	$100,869	($38,507)	23.5
Percentage Change	37.7%	0.5%	85.7%	2.3%	(1.0)%	16.7%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-197 included $89,408 of additional cash and federal funds for increased indirect cost assessments and $148,452 of one-time cash and federal funds reductions resulting from the hiring freeze.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Annualize special bills and decision items: The appropriation reflects the second year impact of S.B. 08-153 (License Home Health Care, $718,215 increase), S.B. 08-154 (Requirements for an Occupancy Contiguous To an Acute Treatment Unit, $1,385 decrease), H.B. 08-1038 (Assisted Living Fees, $113,978 increase), and the Emergency Medical and Trauma Services Data Collection and Grants Decision Item approved during the 2008 session ($6,395 decrease).

Health facilities licensing: The appropriation expands the existing regulatory program for dialysis treatment clinics, hospices, community clinics, community clinics with emergency care centers, convalescent centers, mental health centers, group homes for the developmentally disabled, intermediate care facilities for the mentally retarded, nursing homes, and birth centers. The Department will now be able to conduct on-site inspection for initial licensure, periodic on-site inspections thereafter, review plans of correction for deficiencies found on inspection, investigate complaints, review building plans and buildings for life safety code compliance, and review applicant fitness.

Annualize salary and benefits adjustments: The appropriation includes increases for salary survey that were awarded in FY 2008-09. Salary survey increases are funded through centrally-appropriated line items in the Administration and Support division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

Annualize one-time FY 2008-09 adjustments: The Department's supplemental bill included several one-time adjustments to save General Fund in FY 2008-09 that are not available in FY 2009-10.

Indirect cost assessment: The appropriation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration division costs.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Emergency Preparedness and Response Division

This division helps the state prepare for a variety of natural and man-made disasters, including floods, wildfires, tornados, epidemics, food and water borne disease outbreaks, and terrorist attacks. The Division was first reflected in the budget in FY 2009-10; the programs were previously off-budget.

Emergency Preparedness and Response Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$0	$0	$0	$0	$0	0.0
Emergency preparedness and response program	18,504,501	881,167	0	0	17,623,334	31.9
SB 09-259	**$18,504,501**	**$881,167**	**$0**	**$0**	**$17,623,334**	**31.9**
TOTAL	**$18,504,501**	**$881,167**	**$0**	**$0**	**$17,623,334**	**31.9**
Increase/(Decrease)	$18,504,501	$881,167	$0	$0	$17,623,334	31.9
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Emergency preparedness and response program: This division has existed within the Department of Public Health and Environment since the late 1990's, but the Department omitted most of the Division's budget, which was exclusively federally funded, from previous budget requests. As a consequence, only a small portion of the Division's budget has been shown in prior Long Bills, where it was shown as a part of the budgets for other divisions. Beginning in FY 2009-10, the federal government requires Colorado to provide a 5.0 percent match for the Division's federal moneys. In subsequent years, the matching percentage will equal 10.0 percent. Since the program now requires matching state dollars, the entire appropriation for the program, including the federal dollars, is now shown in the Long Bill. The General Fund portion of this appropriation is new, but the federal funds are not. Of the 31.9 FTE for this program, 1.9 are new General Fund-supported FTE, and the remainder are federally funded FTE who are already working for the State. Only 1.8 of these federally funded FTE were previously reflected in the Long Bill, where they were appropriated to the Disease Control and Environmental Epidemiology Division.

Recent Legislation

2008 Session Bills

S.B. 08-055: Increases air quality fees assessed by the Department of Public Health and Environment for: registration of refrigeration systems and other appliances that contain ozone-depleting compounds; filing air pollutant emission notices; regulated air pollutants; hazardous air pollutants, including ozone-depleting compounds; and processing applications for prescribed fires. For FY 2008-09, appropriates to the Department $737,929 cash funds from the Automobile Inspection and Readjustment account of the Highway Users Tax Fund and the Stationary Sources Control Fund, and 5.0 FTE.

S.B. 08-102: Clarifies that revenue generated by solid waste user fees and credited to the Recycling Resources Economic Opportunity Fund may be used for oversight activities for the Recycling Resources Economic Opportunity Program. For FY 2008-09, appropriates 1.0 FTE to the Department for the program.

S.B. 08-118: Requires an annual transfer of $2 million from the Department's Prevention, Early Detection, and Treatment Fund to the Department of Health Care Policy and Financing for Medicaid disease management and treatment programs.

S.B. 08-153: Establishes licensing requirements for home health agencies that provide both skilled and personal care services. For FY 2008-09, appropriates $184,389 from the Health Facilities General Licensure Cash Fund and 2.9 FTE to the Department. Allocates $181,508 of this appropriation to the Health Facilities and Emergency Services Division and reappropriates the remaining $2,881 to the Department of Law for legal services. Appropriates $18,170 cash funds to the Colorado Bureau of Investigation for fingerprint processing. For more information see the corresponding bill descriptions for the Department of Public Safety and for the Department of Law.

S.B. 08-154: Authorizes the State Board of Health to establish life safety and physical plant requirements for facilities that are connected to acute treatment units. For FY 2008-09, appropriates $4,029 cash funds from the Health Facilities and General Licensure Cash Fund to the Health Facilities and Emergency Services Division.

S.B. 08-155: Centralizes the management of state agency information technology resources in the Office of Information Technology. For FY 2008-09, reduces the Department's FTE appropriation by 2.5 FTE. For more information see the corresponding bill description for the Governor's Office.

S.B. 08-194: Significantly updates Colorado's public health laws. Requires the Department to develop and the State Board of Health to approve a comprehensive statewide public health plan. Directs each county to establish a county public health agency or join other counties to establish a district public health agency. For FY 2008-09 appropriates $30,000 General Fund, $149,761 cash funds and 3.0 FTE to the Department's Local Health Services Division. The cash funds appropriation is from the Comprehensive Public Health Plan Cash Fund. Reduces the FY 2008-09 General Fund appropriation in the Long Bill to the Controlled Maintenance Trust Fund by $30,000.

H.B. 08-1038: Authorizes the State Board of Health to set the licensure fees paid by assisted living residences, which are licensed by the Department. These fees were previously set in statute. Increases funding for the

licensure program. For FY 2008-09 appropriates $173,182 cash funds from the Assisted Living Residence Cash Fund and 2.2 FTE to the Department's Health Facilities and Emergency Medical Services Division.

H.B. 08-1054: Increases annual registration fees for wholesale food manufacturers and storage facilities. For FY 2008-09, appropriates to the Department $27,394 cash funds from the Wholesale Food Manufacturing and Storage Protection Cash Fund, and 0.3 FTE.

H.B. 08-1100: Increases funding for the Children with Special Needs Program (the Birth Defects Registry) in the Disease Control and Environmental Epidemiology Division by allowing the Office of the State Registrar to increase birth certificate fees to account for the direct and indirect costs of the program. For FY 2008-09 appropriates $143,657 cash funds from the Vital Statistics Records Cash Fund and 1.5 FTE to the Department's Disease Control and Environmental Epidemiology Division.

H.B. 08-1199: Aligns statutory tuberculosis control provisions with current public health practices and specifies that state funding provided to local public health agencies for tuberculosis treatment and control is to be distributed based on active caseload.

H.B. 08-1234: Allows ambulatory surgical centers to use accreditation by certain professional organizations in lieu of licensing inspections by the Department for license renewals only. Reduces the licensing fee for ambulatory surgical centers that choose this option. For FY 2008-09 reduces the appropriation to the Health Facilities and Emergency Services Division from the Health Facilities General Licensure Cash Fund by $15,569 cash funds and 0.2 FTE.

H.B. 08-1373: Continues the Breast and Cervical Cancer Prevention and Treatment Program through July 1, 2014.

H.B. 08-1375: General appropriations act for FY 2008-09.

H.B. 08-1396: Allows money in the Hazardous Substance Response Fund to be used by the Department to conduct a study to determine whether water from the Canterbury Tunnel is contributing to an increase in the mine pool that feeds into the Leadville Mine Drainage Tunnel and to compare the short- and long-term impacts of drilling a vertical well as opposed to a horizontal well. Requires the Department to report its findings and recommendations to the General Assembly by November 1, 2008. For FY 2007-08, appropriates$325,000 cash funds from the Hazardous Substance Response Fund to the Department. Reappropriates $25,000 of this amount to the Department of Law for legal services. These appropriations will remain available until the purposes of the act have been accomplished. For more information see the corresponding bill description for the Department of Law.

2009 Session Bills

S.B. 09-002: Increases motor vehicle registration fees from $1 to $2, crediting the increase to the Emergency Medical Services Account within the Highway Users Tax Fund. Appropriates $4,913,923 cash funds from that account and 3.0 FTE to the Department of Public Health and Environment for FY 2009-10.

S.B. 09-003: Removes Weld and Larimer counties from the basic motor vehicle emissions program, and expands the enhanced emissions program to include most of Weld and Larimer counties, effective January 1, 2010. Requires the the Air Quality Control Commission to review the boundaries of the program area by

December 31, 2010. Specifies that vehicles registered in Larimer and Weld counties are not required to pass emission testing for license registration until July 1, 2010 and clarifies that the diesel inspection program area remains unaltered. Requires the Department of Public Health and Environment to cooperate with the Legislative Audit Committee's review of the Department's remote sensing program and to delay deployment of the program until validity and viability of the program is determined. Changes the definition of collector's item for the purposes of motor vehicle registration and emission testing to a model year 1975 or earlier, or a vehicle that was registered as a collector's item prior to September 1, 2009. For FY 2009-10 appropriates $97,112 cash funds to the Department of Public Health and Environment Subaccount of the Automobile Inspection and Readjustment Account of the Highway Users Tax Fund. Also appropriates 1.5 FTE to the Department of Public Health and Environment.

S.J.R. 09-035: Declares a State Fiscal Emergency for FY 2009-10, which allows Amendment 35 tobacco-tax revenues to be used in that year for any health-related purpose. See the description for S.B. 09-271.

S.B. 09-079: Requires the registrar of vital statistics to maintain a confidential list of former foster children who are searching for a birth sibling and have given consent regarding the release of personal information.

S.B. 09-128: Continues the Qualified Medication Administration Persons Program in the Department of Public Health and Environment indefinitely. Appropriates $15,218 cash funds from the Medication Administration Cash Fund and 0.1 FTE to the Department of Public Health and Environment for FY 2009-10.

S.B. 09-179: Updates statutes governing tuberculosis, sexually transmitted diseases and HIV.

S.B. 09-197: Supplemental appropriation to the Department of Public Health and Environment to modify FY 2008-09 appropriations.

S.B. 09-208: Transfers the following amounts to the General Fund in FY 2008-09:

Source	Amount
Hazardous Substance Response Fund	$17,468,517
Short-term Innovative Health Program Grant Fund	4,352,319
Recycling Resources Economic Opportunity Fund	1,500,000
Water Quality Improvement Fund	700,000
Medical Marijuana Program Cash Fund	258,735
Tobacco Program Cash Fund	240,619
Youth Mentoring Services Cash Fund	11,842
Student Dropout Prevention and Intervention Cash Fund	11,152
Stroke Prevention and Treatment Cash Fund	4,045
Cathode Ray Tube Recycling Fund	2,333
Streptococcus Cash Fund	9
Total	**$24,549,571**

For more information on this bill see "Recent Legislation" at the end of the Department of Labor and Employment section of this document.

S.B. 09-210: Beginning in FY 2009-10, merges the uses of the Tier 1 and Tier 2 transfers of tobacco settlement moneys to the Children's Basic Health Plan. Starting in FY 2009-10, replaces the annual transfer that provided up to $1 million of tobacco settlement moneys to the Colorado Autism Treatment Fund with a transfer that provides exactly $1 million annually. Makes the following transfers to the General Fund:

Transfers to the General Fund in FY 2008-09 to increase FY 2008-09 General Fund revenues	
From Public Health Services Support Fund	$149,070
From Tobacco Litigation Settlement Cash Fund	65,000
From Supplemental Tobacco Litigation Settlement Moneys Account of the Comprehensive Primary and Preventative Grant Fund	977,356
Total FY 2008-09 transfers to the General Fund	**$1,191,426**
Transfers to the General Fund in FY 2009-10 to increase FY 2009-10 General Fund revenues	
From Supplemental Tobacco Litigation Settlement Moneys Account of the Comprehensive Primary and Preventative Grant Fund	2,400,000
Total FY 2009-10 transfers to the General Fund	**$2,400,000**

Adjusts the following FY 2008-09 Long Bill appropriations:

FY 2008-09 Appropriation Adjustments	**Total**	**CF**	**FF**
Department of Public Health and Environment			
Support for local public health agencies	($149,070)	($149,070)	$0
Colorado HIV/AIDS Drug Assistance Program	(65,000)	(65,000)	0
Subtotal - Department of Public Health and Environment	**($214,070)**	**($214,070)**	**$0**
Department of Health Care Policy and Financing - Comprehensive primary and preventative care payments to hospitals	(1,954,712)	(977,356)	(977,356)
Total	**($2,168,782)**	**($1,191,426)**	**($977,356)**

S.B. 09-223: Establishes new fees for establishments offering food to workers at temporary living quarters in the oil and gas development industry (oil and gas camps) and increases fees paid by other retail food establishments. Makes the following changes to the Food Protection Act: provides for the uniform statewide administration of food safety; requires follow-up activities by the Department of Public Health and Environment or county or district board of health if critical violations are found during an inspection; and establishes a grievance process for retail food establishments that believe that a county or district public health agency is taking inappropriate action. Specifies that no General Fund moneys shall be used to match increased fee revenues in FY 2009-10 and FY 2010-11. Directs the Department to request General Fund through the FY 2011-12 budget process to support the program. Appropriates $115,157 cash funds and 0.9 FTE to the Department of Public Health and Environment for FY 2009-10.

S.B. 09-259: General appropriations act for FY 2009-10.

S.B. 09-269: Transfers the following amounts of tobacco-settlement moneys to and from the General Fund:

Source of Transfer to (from) the General Fund	Fiscal Year of Transfer: 2008-09	2009-10
$100.0 million ceiling on the amount of revenue allocated among settlement-supported programs in FY 2009-10, with excess transferred to the General Fund	$5,419,647	$0
A disputed payment received in February 2009 that would otherwise have been allocated among settlement-supported programs in FY 2009-10	7,411,531	0
A portion of the April 2009 settlement payment that would otherwise have been allocated to the Short-term Innovative Health Program Grant Fund in FY 2009-10	1,100,000	0
Transfer from the General Fund to the Children's Basic Health Plan Trust	(1,000,000)	0
Transfer from the General Fund to the Nurse Home Visitor Cash Fund	(478,000)	0
Settlement revenue expected to be received in April 2010	0	65,000,000
Net transfers to General Fund	**$12,453,178**	**$65,000,000**

Transfers any other disputed payments received prior to July 1, 2011 to the General Fund. Suspends for FY 2009-10 the statutory one-percent-per-year increase of the share of tobacco-settlement revenues allocated to the Nurse Home Visitor Program. For FY 2009-10, allows appropriations from the AIDS and HIV Prevention Cash Fund to the AIDS Drug Assistance Program and allows appropriations from the Read-to-achieve Cash Fund in support of summer school programs. Makes the following adjustments to cash fund appropriations in the FY 2009-10 Long Bill:

Changes to FY 2009-10 Long Bill Department / Program	Change to CF Appropriations
Department of Education	
Read-to-achieve Grant Program	($1,165,296)
Summer School Grant Program (replaces the Long Bill's $1.0 million cash funds appropriation from the State Education Fund with a $1 million cash funds appropriation from the Read-to-achieve Cash Fund.)	0
Subtotal - Department of Education	**(1,165,296)**
Department of Health Care Policy and Financing	
Comprehensive Primary and Preventive Care Grants Program	(99,177)
Medicaid shortfalls at Children's Hospital	(5,359)
Subtotal - Department of Health Care Policy and Financing	**(104,536)**
Department of Higher Education	
University of Colorado, Health Sciences Center	**(262,571)**
Department of Human Services	
Offender Mental Health Services	(64,303)
Alcohol and Drug Abuse Community Prevention and Treatment	(16,076)
Subtotal - Department of Human Services	**(80,379)**
Department of Public Health and Environment	
Nurse Home Visitor Program	(982,962)
Ryan White AIDS Drug Assistance Program	12,985

Changes to FY 2009-10 Long Bill Department / Program	Change to CF Appropriations
Tony Grampsas Youth Services Program	(132,237)
Colorado Immunization Program	(21,434)
Distributions to Local Public Health Agencies	(37,510)
Subtotal - Department of Public Health and Environment	**(1,161,158)**
Total	**($2,773,940)**

See Appendix G for more information on tobacco-settlement supported programs.

S.B. 09-270: Credits interest and income earned by various cash funds that are supported by Amendment 35's tobacco tax to the General Fund for FY 2008-09 through FY 2011-12. The estimated revenue to the General Fund is as follows:

Estimated Interest and Income from	FY 2008-09	FY 2009-10
Health Care Expansion Fund	$4,497,179	$2,923,166
Prevention, Detection and Early Treatment Fund*	997,075	572,000
Primary Care Fund*	223,897	147,000
Tobacco Education Programs Fund*	287,419	122,000
Health Disparities Grant Program Fund	144,986	94,241
Tobacco Tax Cash Fund	67,400	43,810
Total	**$6,217,956**	**$3,902,217**

* Due to changes to S.B. 09-271, the estimated earnings for these cash funds for FY 2009-10 differs from that shown in the Legislative Council Staff Fiscal Note for S.B. 09-270.

S.B. 09-271: Utilizes the State Fiscal Emergency declared by S.J.R. 09-035 to appropriate $27.4 million of Amendment 35 tobacco-tax moneys to the Department of Health Care Policy and Financing for Medical Services Premiums. Makes the following adjustments to FY 2009-10 Long Bill appropriations:

Department / Program / Appropriation Source	Total	GF	CF
Department of Health Care Policy and Financing			
Medical Services Premiums	$0	($27,400,000)	$27,400,000
Cash fund sources for this appropriation: ● $8,000,000 from the Tobacco Education Programs Fund, which normally supports grants for tobacco education, prevention and cessation ● $12,000,000 from the Prevention, Early Detection and Treatment Fund, which normally supports grants for cancer, cardiovascular and pulmonary disease ● $7,400,000 from the Primary Care Fund, which normally provides funding to clinics and hospitals that provide health care services to the uninsured or medically indigent			
Primary Care Fund Program, from the Primary Care Fund	(7,400,000)	0	(7,400,000)

Department / Program / Appropriation Source	Total	GF	CF
Subtotal - Department of Health Care Policy and Financing	**($7,400,000)**	**($27,400,000)**	**$20,000,000**
Department of Public Health and Environment			
Tobacco Education, Prevention, and Cessation Grants, from the Tobacco Education Programs Fund	**($4,000,000)**	**$0**	**($4,000,000)**
Total adjustments to FY 2009-10 Long Bill Appropriations	**($11,400,000)**	**($27,400,000)**	**$16,000,000**

S.B. 09-279: Transfers $12.5 million in FY 2008-09 and $2.5 million in FY 2009-10 from the Hazardous Substance Response Fund to the General Fund. Authorizes a one-day transfer on June 30, 2009 of up to $84.6 million from the Tobacco Litigation Settlement Cash Fund to the General Fund to increase the FY 2008-09 ending General Fund balance, if necessary. Any transfer is to be repaid to the Tobacco Litigation Settlement Cash Fund on July 1, 2009. For more information see the corresponding bill description for the Department of Labor and Employment.

H.B. 09-1111: Creates the Primary Care Office within the Department of Public Health and Environment to assess and address the state's unmet health care needs and to provide technical assistance to health care professionals who participate in federal visa waiver programs. Transfers operation of the Health Care Professional Loan Repayment Program from CollegeInvest in the Department of Higher Education to this new office. Increases the annual transfer from the Short-term Innovative Health Program Grant Fund to the Health Care Professional Loan Repayment Fund from $60,000 to $90,070 for FY 2009-10 through FY 2011-12, at which time the transfer ceases. Transfers $120,000 from the AIDS and HIV Prevention Fund to the Health Care Professional Loan Repayment Fund (which is continuously appropriated) and $67,294 to the Visa Waiver Program Fund. For FY 2009-10 appropriates $53,647 cash funds from the Visa Waiver Program Fund, $80,000 federal funds, and 1.5 FTE to the Department of Public Health and Environment.

H.B. 09-1025: Expands the national certification exemption to those persons who collect infection reporting data at ambulatory surgery centers with the stipulation that the Department may define alternative qualification requirements for data collectors.

H.B. 09-1196: Allows the use of moneys in the Nursing Home Penalty Cash Fund for measures that improve the quality of life for residents in nursing facilities. For more information see the corresponding bill description for the Department of Health Care Policy and Financing.

H.B. 09-1199: Directs the Air Quality Control Division to collaborate with state and federal land management agencies and other entities to: (1) evaluate the Department's existing prescribed fire permitting process and means of increasing the use of prescribed fire, as appropriate; (2) consider the balance between the benefits of increased use of prescribed fire and impacts on air quality; and (3) provide a report to the Air Quality Control Commission by June 30, 2010 with findings and recommendations. The Department's duties under the bill are contingent on the receipt of sufficient cash funds from the Healthy Forests and Vibrant Communities Fund, which is created in the bill. The bill does not include an appropriation for the Department because resources in the Healthy Forests and Vibrant Communities Fund are continously appropriated.

H.B. 09-1275: Allows the Department of Public Health and Environment to issue provisional 90-day emergency-medical-technician certification to qualified applicants. For FY 2009-10 appropriates $18,979 cash funds from the Emergency Medical Services Account of the Highway Users Tax Fund and 0.4 FTE to the Department of Public Health and Environment.

H.B. 09-1282: Creates a task force to make recommendations regarding the implementation of an electronic device recycling program. Appropriates $28,643 cash funds from the Electronic Device Recycling Cash Fund and 0.4 FTE to the Department of Public Health and Environment for FY 2009-10.

H.B. 09-1320: Changes annual fees for dairy licenses and permits as follows: increases the fee from $3 to $50 for a license to sample or test dairy products; increases the fee from $10 to up to $1,600, based on the daily amount of production, for an annual permit to operate a dairy plant; and establishes a $300 fee for transfer or receiving stations. Uses resulting revenues to support the Consumer Protection Division's Dairy Program. Appropriates $25,151 cash funds from the Dairy Protection Cash Fund and 0.3 FTE to the Department of Public Health and Environment for FY 2009-10.

H.B. 09-1330: Increases fees for concentrated animal feeding operations (CAFOs) and housed commercial swine feeding operations (HCSFOs) collected by the Department of Public Health and Environment, Water Quality Division for the period from July 1, 2009, to July 1, 2012 and deposits funds into the Animal Feeding Operations Fund created by the bill. Uses resulting revenues for permitting and oversight of such operations and requires the division to report program information to the General Assembly on an annual basis. For FY 2009-10 appropriates to the Department of Public Health and Environment $325,613 cash funds from the Animal Feeding Operations Fund and 0.3 FTE while reducing the Department's FY 2009-10 Long Bill cash funds appropriation from the Water Quality Control Fund by $285,760 cash funds and 0.3 FTE. The 0.3 FTE that were reduced were supported by federal funds.

DEPARTMENT OF PUBLIC SAFETY

The Department consists of five divisions: the Executive Director's Office; the Colorado State Patrol; the Office of Preparedness, Security, and Fire Safety; the Division of Criminal Justice; and the Colorado Bureau of Investigation. The Department operates the law enforcement training academy for the State Patrol and administers the Colorado Integrated Criminal Justice Information System.

The Colorado State Patrol promotes safety and protects human life by enforcing traffic laws on state highways. In support of its highway safety plan, the State Patrol coordinates the "Alive at 25" defensive driving training program for students ages 15 to 24. In further support of the highway safety plan, the Communications Program operates the *CSP and *DUI toll free hotlines for motorists to report aggressive drivers, drunk drivers, and other hazards.

The Office of Preparedness, Security and Fire Safety coordinates the State's response to the threat of terrorism; the Division of Fire Safety also assists in solving fire safety problems, administers a statewide fire reporting system, and trains firefighters and first responders. (The Department of Local Affairs administers federal homeland security funds and manages emergency preparedness and response.)

The Division of Criminal Justice assists with policy formation, conducts criminal justice research, administers grants for law enforcement and community crime control programs, addresses the needs of crime victims, manages community corrections programs, and sets standards for the treatment of juvenile and adult sex and domestic violence offenders.

The Colorado Bureau of Investigation assists state and local law enforcement in investigating crime and in enforcing criminal laws; investigates organized crime; maintains more than 2.2 million fingerprint records and over 105,000 DNA profiles; operates the statewide crime reporting program; and arranges for scientific laboratory services and facilities.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$68,158,776	$73,311,297	$79,735,441	$83,212,852
Cash Funds/1	12,259,049	13,869,163	117,842,353	118,861,504
Cash Funds Exempt/1	106,745,824	113,814,201	n/a	n/a
Reappropriated Funds/1	n/a	n/a	21,669,859	21,216,916
Federal Funds	35,214,951	23,571,050	26,487,831	26,639,101
TOTAL	**$222,378,600**	**$224,565,711**	**$245,735,484**	**$249,930,373**
Full Time Equiv. Staff	1,285.8	1,319.6	1,350.9	1,363.4

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

The Department budget is driven largely by state highway supervision needs, which are funded from the Highway Users Tax Fund (HUTF); by community corrections caseload; and by statutory requirements for DNA and fingerprint identification data. The Department's FY 2009-10 budget is composed of 33.3 percent General Fund; 47.6 percent cash funds from various sources, primarily from the HUTF; 8.5 percent reappropriated funds, primarily from indirect cost recoveries; and 10.7 percent federal funds, primarily from criminal justice grants.

Colorado State Patrol

Highway supervision needs, and hence the State Patrol's budget, depend largely on highway usage. The State Patrol enforces traffic laws on approximately 9,000 miles of state and federal highways and 57,000 miles of county roads, and has special safety programs for hazardous materials transport and for commercial vehicles.

The Highway Users Tax Fund (HUTF) provides more than 37.1 percent of the Department budget and 74.1 percent of the State Patrol budget. HUTF revenue sources include gas and special-fuel taxes, driver's license fees, motor vehicle title and registration fees, fines, license plate fees, and passenger-mile taxes. The State Patrol, along with the Ports of Entry, receives a portion of HUTF revenues for supervision of the highways, before any other distributions are made. The distribution to the State Patrol and the Ports of Entry is taken "off-the-top," before the formula allocation of HUTF to the state highway fund, counties, and cities. State statute limits the off-the-top HUTF appropriations for highway supervision to a maximum 6.0 percent annual growth, regardless of any increase or decrease in overall highway-related revenues.

Community Corrections – Residential Placements

The primary factor driving the Division of Criminal Justice's budget is the need for, availability of, and cost of community corrections beds. There are two types of residential placements: diversion and transition. Diversion placements are for offenders sentenced directly to community corrections by the Judicial Department. These offenders are placed in a residential community corrections facility rather than being sentenced to the Department of Corrections. Transition placements are for inmates who have served the majority of their sentence in the Department of Corrections and are nearing parole. These inmates are released to a residential community corrections bed in preparation for parole.

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Approp.
Residential Diversion Beds Funded	1,231	1,231	1,297	1,475	1,631
Residential Transition Beds Funded	1,384	1,523	1,597	1,559	1,563
Residential Daily Rates per Bed	$35.39	$36.63	$37.18	$37.74	$37.74
Percent Change in Reimbursement Rate	n/a	3.5%	1.5%	1.5%	0.0%
Total General Fund Expenditures (residential and non-residential programs)	$40,157,590	$43,877,386	$46,731,879	$50,930,801	$52,179,575
Growth of General Fund Expenditures	n/a	9.3%	6.5%	9.0%	2.5%

Office of Preparedness, Security, and Fire Safety

The statutory mandate of the Office of Preparedness, Security and Fire Safety is to coordinate the state's response to the threat of terrorism. The budget has been driven primarily by the availability of federal homeland security funds. Through the Division of Fire Safety, the Office also has responsibilities for fire safety, including inspections of public school construction projects.

Colorado Bureau of Investigation (CBI)

The CBI provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. The budget is driven in part by the Bureau's statewide expansion plan. In FY 2007-08, the General Assembly approved additional funding for the remainder of the architectural and design costs, in addition to move-in costs and operating costs, associated with the Bureau's agreement to build and lease a new forensic crime laboratory in Grand Junction. The Bureau occupied the new building in April 2008.

The Colorado Crime Information Center (CCIC) provides information around the clock to law enforcement agencies on warrants, case status, stolen property, vehicle registration, known offenders, and drivers licenses. The CCIC maintains system hardware and software, including a statewide telecommunications network connecting more than 350 client law enforcement agencies to the CCIC. The CCIC provides criminal identification checks online, criminal background checks, and fingerprint-based criminal background checks and also operates the state's "instacheck" criminal background check program for the firearms industry. The budget is driven primarily by information technology enhancement needs and by the expansion of statutory requirements.

The CBI laboratory analyzes DNA, fingerprint, firearms and toolmarks, physiological fluids, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence. In addition, the Investigative Services subdivision investigates crime scenes, upon the request of local, state, and federal law enforcement agencies. Three of the 15 investigators are assigned to perform pre-employment and other polygraph tests for the Department and for other agencies, in addition to other duties.

Colorado Integrated Criminal Justice Information System (CICJIS)

CICJIS is a collaborative effort to transfer data among agencies electronically and to match arrest information with case dispositions. The budget is driven largely by technological advances, which can enhance system capabilities.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Public Safety	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$245,735,484**	**$79,735,441**	**$117,842,353**	**$21,669,859**	**$26,487,831**	**1,350.9**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	28,463,260	4,476,297	13,165,262	9,854,230	967,471	42.4
Colorado State Patrol	108,765,661	4,370,568	93,246,966	7,078,993	4,069,134	996.0
Office of Preparedness, Security and Fire Safety	2,078,133	332,400	1,057,352	180,641	507,740	19.1
Division of Criminal Justice	78,774,482	54,151,401	3,736,531	774,702	20,111,848	62.1
Colorado Bureau of Investigation	27,653,948	16,404,775	6,636,242	3,781,293	831,638	231.3
Breakdown of Total Appropriation by Bill						
HB 08-1375	242,734,704	81,912,282	112,871,940	21,462,651	26,487,831	1,347.1
SB 08-001	466,336	466,336	0	0	0	6.0
SB 08-026	30,532	0	30,532	0	0	0.3
SB 08-039	12,400	0	12,400	0	0	0.0
SB 08-060	4,262,667	0	4,262,667	0	0	3.0
SB 08-153	18,170	0	18,170	0	0	0.0
SB 08-155	0	0	0	0	0	(2.0)
SB 08-219	243,768	0	0	243,768	0	1.2
HB 08-1027	246	0	243,436	(243,190)	0	(0.2)
HB 08-1082	36,893	0	36,893	0	0	0.9
HB 08-1232	26,450	0	26,450	0	0	0.6
HB 08-1267	150,000	0	0	150,000	0	0.0
HB 08-1335	23,773	0	0	23,773	0	0.3
SB 09-198	(2,270,455)	(2,643,177)	339,865	32,857	0	(6.3)
SB 09-259	0	0	0	0	0	0.0
FY 2009-10 Total Appropriation:	**$249,930,373**	**$83,212,852**	**$118,861,504**	**$21,216,916**	**$26,639,101**	**1,363.4**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	26,054,491	5,698,879	10,159,488	9,227,252	968,872	45.7
Colorado State Patrol	112,552,490	4,518,267	96,360,834	7,429,730	4,243,659	995.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Office of Preparedness, Security and Fire Safety	2,805,425	352,738	1,791,539	200,494	460,654	28.0
Division of Criminal Justice	80,351,493	55,613,335	3,824,668	789,036	20,124,454	64.4
Colorado Bureau of Investigation	28,166,474	17,029,633	6,724,975	3,570,404	841,462	230.3
Breakdown of Total Appropriation by Bill						
SB 09-259	249,170,172	83,212,852	118,101,303	21,216,916	26,639,101	1,355.4
SB 09-241	75,000	0	75,000	0	0	0.0
HB 09-1151	635,201	0	635,201	0	0	8.0
HB 09-1199	50,000	0	50,000	0	0	0.0
Increase/(Decrease)	$4,194,889	$3,477,411	$1,019,151	($452,943)	$151,270	12.5
Percentage Change	1.7%	4.4%	0.9%	(2.1)%	0.6%	0.9%

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation is reduced by $1.1 million General Fund based on caseload for community corrections beds.

2. The appropriation is reduced by $389,000 General Fund due to a lack of demand for outpatient therapeutic community beds in southern Colorado.

3. The appropriation is reduced by $250,000 General Fund for underutilization of recidivism reduction contract analysis funding.

4. The appropriation is reduced by $213,000 General Fund and 4.3 FTE to reflect vacancy savings and unutilized FTE resulting from a delayed startup of the School Safety Resource Center.

FY 2009-10 Appropriation Highlights:

1. The appropriation provides $862,000 General Fund for additional inpatient therapeutic community beds for southern Colorado.

2. The appropriation provides $684,000 General Fund for additional residential community corrections transition placements based on the Legislative Council Staff December 2008 projected inmate population and for additional residential community corrections diversion placements.

3. The appropriation provides $221,000 General Fund for higher-than-expected operating and maintenance costs at the CBI's new Grand Junction laboratory facility.

4. The appropriation provides $197,000 General Fund for an accelerated non-residential community corrections diversion pilot project.

5. The appropriation provides $160,000 General Fund for community corrections discharge planners.

6. The appropriation provides $116,000 General Fund to restore reductions for outpatient therapeutic communities taken during the FY 2008-09 supplemental process.

7. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $5.8 million, including $1.1 million General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

8. The appropriation includes a reduction of $467,000 General Fund to eliminate the funding for day reporting services within the Department.

9. The appropriation includes a reduction of $159,000 General Fund and 2.0 FTE to curtail operations of the Colorado State Patrol Rubicon Team.

10. The appropriation includes a reduction of $145,000 General Fund to reduce the appropriation for the John Eachon Re-entry Center.

Detail of Appropriation by Administrative Section

Executive Director's Office

This Office manages the administrative and fiscal affairs of the Department. It also administers the Witness Protection Program and houses the Colorado Integrated Criminal Justice Information System (CICJIS). The primary cash funds and reappropriated funds sources include the Highway Users Tax Fund, limited gaming funds transferred from the Department of Revenue, the Hazardous Materials Safety Fund, and indirect cost recoveries.

Executive Director's Office

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$27,989,496	$4,302,481	$13,048,398	$9,671,146	$967,471	41.7
SB 08-001	466,336	466,336	0	0	0	6.0
SB 08-155	0	0	0	0	0	(1.0)
HB 08-1267	150,000	0	0	150,000	0	0.0
SB 09-198	(142,572)	(292,520)	116,864	33,084	0	(4.3)
TOTAL	**$28,463,260**	**$4,476,297**	**$13,165,262**	**$9,854,230**	**$967,471**	**42.4**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$28,463,260	$4,476,297	$13,165,262	$9,854,230	$967,471	42.4
Centrally-appropriated line items	2,952,664	1,894,428	1,237,469	(346,170)	166,937	0.0
Annualize FY 2008-09 supplemental appropriation	432,962	432,962	0	0	0	3.3
Annualize salary and benefits adjustments	186,816	186,816	0	0	0	0.0
Postage increase and mail equipment upgrade	1,771	0	0	1,771	0	0.0
Fund mix adjustment	0	(186,816)	0	186,816	0	0.0
Eliminate salary survey and performance-based pay	(5,752,462)	(1,087,578)	(4,219,803)	(279,545)	(165,536)	0.0
Annualize prior year funding	(171,230)	(21,230)	0	(150,000)	0	0.0
Personal services base reduction	(44,398)	0	(548)	(43,850)	0	0.0
Witness protection program	(15,444)	4,000	(23,444)	4,000	0	0.0
SB 09-259	**$26,053,939**	**$5,698,879**	**$10,158,936**	**$9,227,252**	**$968,872**	**45.7**
HB 09-1151	552	0	552	0	0	0.0
TOTAL	**$26,054,491**	**$5,698,879**	**$10,159,488**	**$9,227,252**	**$968,872**	**45.7**
Increase/(Decrease)	($2,408,769)	$1,222,582	($3,005,774)	($626,978)	$1,401	3.3
Percentage Change	(8.5)%	27.3%	(22.8)%	(6.4)%	0.1%	7.8%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-198 reduced funding for leased space to reflect a one-year reduction in lease costs at the Colorado Bureau of Investigation's Grand Junction laboratory facility and reduced funding and FTE to reflect vacancy savings and unutilized FTE resulting from the delayed startup of the School Safety Resource Center created by S.B. 08-001.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Annualize FY 2008-09 supplemental appropriation: The appropriation restores one-time changes taken as budget balancing measures in the FY 2008-09 supplemental. Restorations include $213,703 General Fund and

3.3 FTE in the School Safety Resource Center that were reduced because of the slow startup of the Center in FY 2008-09; $184,548 that was transferred from the Leased Space line item to the Colorado Bureau of Investigation to cover higher-than-expected operating costs at the Grand Junction laboratory facility in FY 2008-09; and $34,711 General Fund to annualize the FY 2008-09 hiring freeze.

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

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

Fund mix adjustment: The appropriation reflects an adjustment related to salary survey and performance-based pay awarded in FY 2008-09.

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

Annualize prior year funding: The appropriation includes reductions of $21,230 General Fund and $150,000 reappropriated funds to eliminate one-time funding associated with S.B. 08-001 and H.B. 08-1267, respectively.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Witness protection program: The appropriation includes adjustments to the FY 2008-09 Witness Protection Program budget as adjusted by the FY 2008-09 supplemental appropriation.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Colorado State Patrol

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.

For 2008, the State Patrol reported a 1.1 percent decrease from the previous year in traffic fatalities on patrol-supervised roads, while the total number of crashes on patrol-supervised roads decreased by 3.7 percent from 2007 to 2008. In support of its highway safety plan, the State Patrol coordinates the "Alive at 25" defensive driving training program for students ages 15 to 24. Of the more than 91,000 students who have completed the Alive at 25 course in Colorado since it started ten years ago, only 34 have died in car accidents. This is an

estimated 58 fewer traffic deaths than would otherwise be expected, using national traffic fatality rates. In further support of the highway safety plan, the Communications Program operates the *CSP and *DUI toll free hotlines for motorists to report aggressive drivers, drunk drivers, and other hazards.

The primary cash funds and reappropriated funds sources include: the Highway Users Tax Fund, limited gaming funds that are transferred from the Department of Revenue, the Vehicle Identification Number Inspection Fund, the Auto Theft Prevention Fund, and user fees from state and non-state agencies.

Colorado State Patrol						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$104,801,586	$4,639,220	$89,014,239	$7,078,993	$4,069,134	995.0
SB 08-060	4,262,667	0	4,262,667	0	0	3.0
SB 09-198	(298,592)	(268,652)	(29,940)	0	0	(2.0)
SB 09-259	0	0	0	0	0	0.0
TOTAL	**$108,765,661**	**$4,370,568**	**$93,246,966**	**$7,078,993**	**$4,069,134**	**996.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$108,765,661	$4,370,568	$93,246,966	$7,078,993	$4,069,134	996.0
Annualize salary and benefits adjustments	4,476,184	253,714	3,914,446	194,466	113,558	0.0
Operating adjustments	699,732	0	602,728	28,373	68,631	0.0
Annualize FY 2008-09 supplemental appropriation	158,192	128,252	29,940	0	0	0.0
CSP Garage Operations	145,224	0	0	145,224	0	1.0
Postage increase and mail equipment upgrade	5,359	0	5,359	0	0	0.0
Fund mix adjustment	0	0	(49,946)	49,946	0	0.0
Personal services base reduction	(1,272,511)	(75,387)	(1,137,932)	(59,006)	(186)	0.0
CSP homeland security reduction	(158,880)	(158,880)	0	0	0	(2.0)
Indirect cost adjustment	(158,106)	0	(142,362)	(8,266)	(7,478)	0.0
Annualize prior year funding	(108,365)	0	(108,365)	0	0	0.0
SB 09-259	**$112,552,490**	**$4,518,267**	**$96,360,834**	**$7,429,730**	**$4,243,659**	**995.0**
TOTAL	**$112,552,490**	**$4,518,267**	**$96,360,834**	**$7,429,730**	**$4,243,659**	**995.0**
Increase/(Decrease)	$3,786,829	$147,699	$3,113,868	$350,737	$174,525	(1.0)
Percentage Change	3.5%	3.4%	3.3%	5.0%	4.3%	(0.1)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-198 reduced $140,400 General Fund and 2.0 FTE from the Sergeants, Technicians, and Troopers line item; reduced $92,622 cash funds as part of the consolidation of the Governor's Office of Information Technology; reduced $65,570 General Fund associated with reimbursement for costs associated with the Democratic National Convention; and refinanced $62,682 in vehicle lease costs from General Fund to cash funds.

Supplemental appropriations in S.B. 09-259 transferred $664,252 cash funds (Highway Users Tax Fund) from the Sergeants, Technicians, and Troopers line item to the Operating Expenses line item as a result of reimbursement of expenses related to the Democratic National Convention.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Operating adjustments: The appropriation includes increases associated with vehicle lease payments. The increases are partially offset by a reduction associated with the consolidation of the Office of Information Technology.

Annualize FY 2008-09 supplemental appropriation: The appropriation restores one-time reductions taken as budget balancing measures in the FY 2008-09 supplemental.

CSP garage operations: The appropriation includes an increase of $145,224 reappropriated funds and 1.0 mechanic FTE associated with operations at the CSP garage at Camp George West.

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

Fund mix adjustment: The appropriation reflects an adjustment to replace $49,946 cash funds in the Sergeants, Technicians, and Troopers line item with reappropriated funds.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

CSP homeland security reduction: The appropriation includes a reduction of $158,880 General Fund and 2.0 FTE to effectively curtail operations of the CSP Critical Infrastructure Assessment (Rubicon) Team. The 2.0 FTE will be reduced through attrition and the affected troopers will transfer to open positions elsewhere within the State Patrol.

Indirect cost adjustment: The appropriation reflects a decrease related to indirect cost recoveries.

Annualize prior year funding: The appropriation reflects an elimination of one-time funding associated with an FY 2008-09 decision item related to the Patrol's Traffic Safety Improvement Plan.

Office of Preparedness, Security, and Fire Safety

House Bill 02-1315 created the Office of Preparedness, Security, and Fire Safety (OPSFS) as a division within the Department of Public Safety. The OPSFS consists of the Division of Fire Safety and the Office of Anti-terrorism Planning and Training.

The Division of Fire Safety 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, conducts fire safety inspections of public school construction projects, and oversees fireworks regulation. The primary sources of cash funds and reappropriated funds for this Division include: the Fire Service Education and Training Fund, the Hazardous Materials Responder Voluntary Certification Fund, the Fire Suppression Cash Fund, and limited gaming funds transferred from the Department of Revenue.

The Office of Anti-terrorism Planning and Training creates and implements terrorist preparedness plans and develops protocols for the State's response to terrorism. It includes an information and analysis center and a critical infrastructure protection team. This office is funded primarily from federal homeland security grants administered through the Department of Local Affairs.

Office of Preparedness, Security, and Fire Safety

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$2,012,320	$332,513	$771,782	$400,285	$507,740	18.7
SB 08-026	30,532	0	30,532	0	0	0.3
SB 08-039	12,400	0	12,400	0	0	0.0
HB 08-1027	246	0	243,436	(243,190)	0	(0.2)
HB 08-1335	23,773	0	0	23,773	0	0.3
SB 09-198	(1,138)	(113)	(798)	(227)	0	0.0
TOTAL	**$2,078,133**	**$332,400**	**$1,057,352**	**$180,641**	**$507,740**	**19.1**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$2,078,133	$332,400	$1,057,352	$180,641	$507,740	19.1
Annualize salary and benefits adjustments	56,529	5,060	14,057	6,253	31,159	0.0
Annualize prior year funding	32,043	14,909	5,535	11,599	0	0.9
Indirect cost adjustment	28,086	0	28,819	2,001	(2,734)	0.0
Postage increase and mail equipment upgrade	1,785	369	1,127	0	289	0.0
CSP homeland security reduction	(75,800)	0	0	0	(75,800)	0.0
SB 09-259	**$2,120,776**	**$352,738**	**$1,106,890**	**$200,494**	**$460,654**	**20.0**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 09-1151	634,649	0	634,649	0	0	8.0
HB 09-1199	50,000	0	50,000	0	0	0.0
TOTAL	**$2,805,425**	**$352,738**	**$1,791,539**	**$200,494**	**$460,654**	**28.0**
Increase/(Decrease)	$727,292	$20,338	$734,187	$19,853	($47,086)	8.9
Percentage Change	35.0%	6.1%	69.4%	11.0%	(9.3)%	46.6%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-198 reduced the Division's funding as part of the consolidation of the Governor's Office of Information Technology.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Annualize prior year funding: The appropriation includes funding to annualize bills or decision items approved for FY 2008-09.

Indirect cost adjustment: The appropriation reflects an increase related to indirect cost recoveries.

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

CSP homeland security reduction: The appropriation reflects a reduction of $75,800 federal funds associated with the curtailment of the CSP Critical Infrastructure Assessment (Rubicon) Team in FY 2009-10.

Additional legislation: For information on H.B. 09-1151, see the "Recent Legislation" section at the end of the Department of Labor and Employment. For information on H.B. 09-1199, see the "Recent Legislation" section at the end of the Department of Natural Resources.

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 reappropriated funds is the Victims Assistance and Law Enforcement Fund. The primary sources of federal funds include State and Local Crime Control and System Improvement Grants, Federal Victim Assistance and Compensation Grants, and Juvenile Justice Disbursement Grants.

Division of Criminal Justice						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$80,523,138	$55,970,246	$3,666,342	$774,702	$20,111,848	61.5
HB 08-1232	26,450	0	26,450	0	0	0.6
SB 09-198	(1,775,106)	(1,818,845)	43,739	0	0	0.0
TOTAL	**$78,774,482**	**$54,151,401**	**$3,736,531**	**$774,702**	**$20,111,848**	**62.1**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$78,774,482	$54,151,401	$3,736,531	$774,702	$20,111,848	62.1
Increase of 44 inpatient therapeutic community beds for southern Colorado	862,576	862,576	0	0	0	0.0
Caseload increase for base community corrections beds	688,262	683,996	4,266	0	0	0.0
Accelerated non-residential community corrections diversion pilot	197,392	197,392	0	0	0	0.0
90-day intensive residential treatment pilot project	194,076	0	194,076	0	0	0.0
Community corrections discharge planners	160,381	160,381	0	0	0	1.8
Annualize salary and benefits adjustments	123,303	71,414	27,171	21,308	3,410	0.0
Restore outpatient therapeutic community beds	116,667	116,667	0	0	0	0.0
Annualize prior year funding	8,358	8,358	0	0	0	0.1
Change in indirect costs	6,083	0	(3,656)	0	9,739	0.0
Postage increase and mail equipment upgrade	1,636	694	0	0	942	0.0
Consolidate funding of Governor's Office of IT	1,383	0	1,383	0	0	0.0
FTE for Criminal Justice Training Fund	0	0	0	0	0	0.5
Eliminate day reporting services funding within this department	(467,317)	(467,317)	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Reduction for the John Eachon Re-entry Center	(144,540)	(144,540)	0	0	0	0.0
Reduction for Lifesaver Cash Fund lack of revenue	(125,000)	0	(125,000)	0	0	(0.1)
Personal services base reduction	(46,249)	(27,687)	(10,103)	(6,974)	(1,485)	0.0
SB 09-259	**$80,351,493**	**$55,613,335**	**$3,824,668**	**$789,036**	**$20,124,454**	**64.4**
TOTAL	**$80,351,493**	**$55,613,335**	**$3,824,668**	**$789,036**	**$20,124,454**	**64.4**
Increase/(Decrease)	$1,577,011	$1,461,934	$88,137	$14,334	$12,606	2.3
Percentage Change	2.0%	2.7%	2.4%	1.9%	0.1%	3.7%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-198 reduced $1,104,325 General Fund based on caseload for community corrections beds, reduced $388,960 General Fund due to a lack of demand for outpatient therapeutic community beds in southern Colorado, reduced $250,000 General Fund for recidivism reduction contract analysis, reduced $69,872 General Fund to eliminate 23 day reporting slots, reduced $5,688 General Fund for consolidation of the Governor's Office of IT, and increased $43,739 cash funds due to a technical error in providing spending authority, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Increase of 44 inpatient therapeutic community beds for southern Colorado: The appropriation includes funding for additional inpatient therapeutic community beds for southern Colorado. These residential community corrections beds are intended for offenders with severe substance abuse needs.

Caseload increase for base community corrections beds: The appropriation includes funding for residential community corrections transition placements based on the anticipated increase in the prison population using the December 2008 Legislative Council Staff inmate population projections. The appropriation assumes 7.0 percent of the inmate population will be placed in a community corrections program. The appropriation also includes funding for additional residential community corrections diversion placements.

Accelerated non-residential community corrections diversion pilot: The appropriation includes funding for a pilot project to accelerate the movement of 40 selected offenders from residential community corrections into non-residential community corrections placements. The pilot project is funded through savings in the Department of Corrections associated with opening up residential community corrections beds more quickly.

90-day intensive residential treatment pilot project: The appropriation includes funding for a 90-day intensive residential treatment pilot project. The pilot project is being funded through the Drug Offender Surcharge Cash Fund.

Community corrections discharge planners: The appropriation includes funding for 2.0 FTE community corrections discharge planners. These discharge planners will facilitate the proper selection and transfer of offenders with mental health and substance abuse needs from prison into community corrections residential placements.

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

Restore outpatient therapeutic community beds: The appropriation includes funding to restore the outpatient therapeutic community beds that were reduced during the FY 2008-09 supplemental process.

Annualize prior year funding: The appropriation includes funding to annualize bills or decision items approved for FY 2008-09.

Change in indirect costs: The appropriation includes an adjustment for indirect cost assessments.

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

Consolidate funding of Governor's Office of IT: The appropriation includes funding to consolidate the Governor's Office of Information Technology.

FTE for Criminal Justice Training Fund: The appropriation includes 0.5 FTE, to be funded out of current appropriations, for coordination of training courses offered under the Colorado Regional Community Policing Institute (CRCPI) Training Unit.

Eliminate day reporting services funding within this department: The appropriation includes a reduction associated with eliminating the funding for day reporting services within this department.

Reduction for the John Eachon Re-entry Center: The appropriation includes a reduction associated with a decrease in funding for the John Eachon Re-entry Center.

Reduction for Lifesaver Cash Fund lack of revenue: The appropriation includes a reduction associated with a lack of cash fund revenue for lifesaver programs.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Colorado Bureau of Investigation

The Colorado Bureau of Investigation (CBI) provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. Primary cash funds and reappropriated funds sources include: fingerprint and name check fees collected from other state and non-state agencies and limited gaming funds transferred from the Department of Revenue.

Colorado Bureau of Investigation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$27,408,164	$16,667,822	$6,371,179	$3,537,525	$831,638	230.2
SB 08-153	18,170	0	18,170	0	0	0.0
SB 08-155	0	0	0	0	0	(1.0)
SB 08-219	243,768	0	0	243,768	0	1.2
HB 08-1082	36,893	0	36,893	0	0	0.9
SB 09-198	(53,047)	(263,047)	210,000	0	0	0.0
TOTAL	**$27,653,948**	**$16,404,775**	**$6,636,242**	**$3,781,293**	**$831,638**	**231.3**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$27,653,948	$16,404,775	$6,636,242	$3,781,293	$831,638	231.3
Annualize salary and benefits adjustments	647,080	510,722	84,131	42,607	9,620	0.0
CBI Grand Junction laboratory facility operating costs	221,239	221,239	0	0	0	0.0
Annualize FY 2008-09 supplemental appropriation	31,755	66,755	(35,000)	0	0	0.0
Operating adjustments	15,049	9,832	0	5,013	204	0.0
Postage increase and mail equipment upgrade	5,441	3,919	1,522	0	0	0.0
Personal services base reduction	(239,444)	(186,555)	(36,696)	(16,193)	0	0.0
Annualize prior year funding	(236,704)	(1,054)	555	(236,205)	0	(1.0)
Indirect cost adjustment	(6,890)	0	(779)	(6,111)	0	0.0
SB 09-259	**$28,091,474**	**$17,029,633**	**$6,649,975**	**$3,570,404**	**$841,462**	**230.3**
SB 09-241	75,000	0	75,000	0	0	0.0
TOTAL	**$28,166,474**	**$17,029,633**	**$6,724,975**	**$3,570,404**	**$841,462**	**230.3**
Increase/(Decrease)	$512,526	$624,858	$88,733	($210,889)	$9,824	(1.0)
Percentage Change	1.9%	3.8%	1.3%	(5.6)%	1.2%	(0.4)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-198 reduced operating expenses and personal services appropriations associated with the hiring freeze, among other changes. Reductions were partially offset by an increase associated with higher-than-expected operating expenses at the Grand Junction laboratory facility and refinances of General Fund with cash funds.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

CBI Grand Junction laboratory facility operating costs: The appropriation includes funding to cover higher-than-expected operating and maintenance costs at the CBI's Grand Junction laboratory facility.

Annualize FY 2008-09 supplemental appropriation: The appropriation includes adjustments to reverse one-time changes made in the FY 2008-09 supplemental.

Operating adjustments: The appropriation includes funding for increased vehicle lease costs.

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Annualize prior year funding: The appropriation includes funding to annualize bills or decision items approved for FY 2008-09.

Indirect cost adjustment: The appropriation reflects a decrease related to indirect cost recoveries.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Recent Legislation

2008 Session Bills

S.B. 08-001: Establishes the School Safety Resource Center and the School Safety Resource Center Advisory Board in the Department of Public Safety. The center is to assist schools in the following: developing safety and preparedness plans; establishing emergency response practices and strategies; and ensuring safe and secure schools through prevention and intervention efforts. Appropriates $466,336 General Fund and 6.0 FTE to the Department of Public Safety in FY 2008-09 for this purpose.

S.B. 08-026: Establishes the Reduced Cigarette Ignition Propensity Standards and Firefighter Protection Act. Beginning July 31, 2009, requires cigarette manufacturers to test and certify that their cigarettes meet certain fire safety standards, to be administered and enforced by the Department of Public Safety, Division of Fire Safety. Outlines specific cigarette testing, certification, and labeling procedures and establishes a $1,000 fee for each brand family of cigarettes certified. Gives additional enforcement authority to the Attorney General and the Department of Revenue. Appropriates $30,532 cash funds from the Reduced Cigarette Ignition

Propensity Standards and Firefighter Protection Act Enforcement Fund, and 0.3 FTE, to the Department of Public Safety, Division of Fire Safety, for this purpose.

S.B. 08-039: Directs the Department of Public Safety, subject to the receipt of gifts, grants, or donations, to establish a pilot program offering training courses to directors of fire protection districts whose territory includes wild land-urban interface areas. Creates the Wild Land-Urban Interface Training Fund. Creates the 5 member Wild Land-Urban Interface Training Advisory Board to advise the Division of Fire Safety on course content and implementation of the pilot program. Appropriates $12,400 cash funds from the Wild Land-Urban Interface Training Fund (subject to the receipt of gifts grants and donations) to the Department of Public Safety, Division of Fire Safety, for this purpose.

S.B. 08-060: Extends authority for the Colorado Auto Theft Prevention Authority from July 2008 to July 2018, and adds 2 members to serve on the Automobile Theft Prevention Board. Creates a mandatory biannual fee of $.50 for each vehicle insured by automobile insurers to fund the program. Requires the State Auditor to audit the Colorado Auto Theft Prevention Cash Fund in FY 2008-09 and every two years thereafter. Appropriates $4,262,667 cash funds from the Colorado Auto Theft Prevention Cash Fund, and 3.0 FTE, to the Department of Public Safety. Out of this amount, appropriates $6,500 to the Office of the State Auditor to conduct an audit of the program.

S.B. 08-153: Establishes licensing requirements for home health agencies providing both skilled and personal care services. Appropriates $18,170 cash funds, from fingerprint processing fees, to the Department of Public Safety, Colorado Bureau of Investigation, for fingerprint processing services related to the bill. Of this amount, $7,935 is for transmittal to the Federal Bureau of Investigation. For additional information on this bill, see the "Recent Legislation" section at the end of the Department of Public Health and Environment section of this document.

S.B. 08-155: Transfers 1.0 FTE from the Department of Public Safety, Executive Director's Office, and 1.0 FTE from the Colorado Bureau of Investigation to the Governor's Office as part of a statewide information technology consolidation effort. For additional information on this bill, see the "Recent Legislation" section of the Governor section of this document.

S.B. 08-219: Creates the Massage Therapy Practice Act which requires the licensure of massage therapists by the Division of Registrations in the Department of Regulatory Agencies. Appropriates $243,768 in reappropriated funds from the Department of Regulatory Agencies and 1.2 FTE to the Department of Public Safety, Colorado Bureau of Investigation for fingerprint background checks related to the bill. Of this amount, $131,643 and 1.2 FTE is for background checks conducted by the Colorado Bureau of Investigation, and $112,125 is for pass through to the Federal Bureau of Investigation for fingerprint-based national criminal history background checks. For additional information on this bill, see the "Recent Legislation" section at the end of the Department of Regulatory Agencies section of this document.

H.B. 08-1027: Addresses deficiencies in the Public School Construction Program of the Department of Labor and Employment, Division of Oil and Public Safety (DOPS), as identified in a 2007 performance audit. Requires the Department of Public Safety, Division of Fire Safety to assist the DOPS in tracking building plans that have been referred to fire departments for review or to conduct the reviews when the appropriate fire department is unwilling or unable to do so. Authorizes the Division of Fire Safety to pursue enforcement actions for fire code violations and to charge fees set by rule, to cover the costs for fire inspections of buildings. For FY 2008-09, the bill appropriates : (1) $243,436 cash funds from the Fire Safety Inspection Cash Fund, and

3.3 FTE, to the Department of Public Safety, Office of Preparedness, Security, and Fire Safety, and (2) $70,986 cash funds from the Public Safety Inspection Fund, and 0.9 FTE, to the Department of Labor and Employment. Reduces the Department of Public Safety's FY 2008-09 Long Bill appropriation by $243,190 cash funds and 3.5 FTE.

H.B. 08-1082: Appropriates $36,893 cash funds and 0.9 FTE to the Colorado Bureau of Investigation to cover the cost of sealing arrest and criminal records information. Funds are from payments collected by the Bureau from defendants for costs related to sealing criminal conviction records. For additional information on this bill, see the "Recent Legislation" section of the Judicial Department section of this document.

H.B. 08-1085: Creates the Colorado Bureau of Investigation (C.B.I.) Identification Unit Fund which consists of fees collected by the C.B.I. for criminal history records checks. Excludes the new cash fund from statutory limits on uncommitted reserves. The fund may also receive additional appropriations from the General Assembly. Makes all moneys in the fund subject to annual appropriation by the General Assembly.

H.B. 08-1232: Continues the Domestic Violence Offender Management Board (Board) until July 1, 2017 and appropriates $26,450 cash funds from the Domestic Violence Offender Treatment Provider Fund and 0.6 FTE to the Division of Criminal Justice in FY 2008-09. Makes the following changes with regard to the Board: (1) requires domestic violence treatment providers to complete mandatory continuing education courses related to domestic violence; (2) allows the Board to remove a treatment provider from the list of approved domestic violence treatment providers; (3) requires the Board to develop a renewal process for providers to remain on the list of approved providers; and (4) allows the Board to increase the fee assessed to providers submitting new or renewal applications for placement on the list of approved providers from $125 to up to $300 per application.

H.B. 08-1267: Authorizes the School Safety Resource Center (created by S.B. 08-1) in the Department of Public Safety to require pilot program school districts to create a school mapping system for first responders. In the event of an emergency, the system will provide first responders with access to electronic maps and information about school buildings. Appropriates $150,000 reappropriated funds from the Department of Education (State Education Fund) to the Department of Public Safety to fund mapping of up to 3 schools in each of the five pilot sites. Pilot sites may contract with public or private entities with experience in first responder school mapping systems. Contracts must be submitted to the School Safety Resource Center for approval and, if approved, for reimbursement of direct and indirect costs of creating the mapping system.

H.B. 08-1335: Appropriates $23,773 reappropriated funds (from the Department of Labor and Employment) and 0.3 FTE to the Department of Public Safety, Office of Preparedness, Security, and Fire Safety, for additional public school building and fire safety inspections. For additional information on this bill, see the "Recent Legislation" section of the Department of Education section of this document.

H.B. 08-1375: General appropriations act for FY 2008-09. Also includes supplemental adjustments to modify appropriations to the Department of Public Safety included in the FY 2007-08 Long Bill (S.B. 07-239).

2009 Session Bills

S.B. 09-021: Creates a program to provide volunteer firefighters with college tuition vouchers. Requires each eligible firefighter to be a full- or part-time student, complete at least 36 hours of training each year, and agree to serve as a volunteer firefighter for at least 4 years after completing their education. Directs the Division of Fire Safety to work with the State Board for Community Colleges and Occupational Education and the board

of trustees for each local community college to establish the tuition voucher program for up to three credits per academic year. Creates the Volunteer Firefighter Tuition Voucher Fund, to be funded with gifts, grants, and donations, and continuously appropriates any resources in the new fund to the Department. Allows the Department to fund vouchers from existing appropriations if sufficient gifts, grants, and donations are not available and the Department elects to do so.

S.B. 09-198: Supplemental appropriation for the Department of Public Safety for FY 2008-09.

S.B. 09-231: Extends the repeal of the Colorado Methamphetamine Task Force from January 1, 2010 to January 1, 2014.

S.B. 09-241: Requires every individual arrested for or charged with a felony after September 30, 2010 to provide a DNA sample to the local law enforcement agency as part of the booking process. Makes the Department of Public Safety, Colorado Bureau of Investigation responsible for providing all sampling materials to local law enforcement agencies and for all testing and storage of acquired samples. Allows individuals not eventually convicted of a felony to petition for the expungement of DNA evidence. Creates a surcharge of $2.50 for every offense, including traffic offenses, and deposits resulting revenues into the Offender Identification Fund to fund the activities required by the bill. For FY 2009-10, the bill appropriates $75,000 cash funds from the Offender Identification Fund to the Department of Public Safety, Colorado Bureau of Investigation for information technology work in preparation for the bill going into effect.

S.B. 09-259: General appropriations act for FY 2008-09. Also includes supplemental adjustments to modify appropriations to the Department of Public Safety in the FY 2008-09 Long Bill (H.B. 08-1375).

H.B. 09-1022: Creates a recidivism reduction grant program within the Division of Criminal Justice. Specifies that the grant program is to provide three-year implementation grants for programs to reduce recidivism for individuals with mental illness who have been involved in the criminal justice system. Allows a county government or a collaboration among a group of counties to apply for the grants by filling out an application with information on the strategies, goals, and outcomes of the program as well as information on costs and how the grant funding will be used. Specifies that funding for the program shall not exceed $600,000 over three years and individual grants will not exceed $100,000 per applicant in a year or $200,000 per applicant over three years. The grant program is funded through gifts, grants, and donations.

H.B. 09-1151: Transfers responsibility for the review and approval of public school and junior college construction projects from the Department of Labor and Employment, Division of Oil and Public Safety, to the Department of Public Safety, Office of Preparedness, Security, and Fire Safety, effective January 1, 2010. For FY 2009-10, the bill appropriates $635,201 cash funds from the Public School Construction and Inspection Cash Fund and 8.0 FTE to the Department of Public Safety, Office of Preparedness, Security, and Fire Safety and reduces the FY 2009-10 Long Bill appropriation to the Department of Labor and Employment by a like amount. Funds are anticipated to provide for inspection and review activities for the second half of FY 2009-10. For additional information on H.B. 09-1151, see the "Recent Legislation" section at the end of the Department of Labor and Employment.

H.B. 09-1181: Authorizes a victim to make a statement at the community corrections board hearing concerning an offender's placement in community corrections. Removes the community corrections board's discretion as to whether the victim may make a statement or not.

H.B. 09-1199: Makes several changes regarding the care, protection, and use of Colorado's forests. For FY 2009-10, the bill appropriates $50,000 cash funds from the Wildland-urban Interface Training Fund to the Department of Public Safety, Division of Fire Safety to support wildland fire training. For additional information on H.B. 09-1199, see the "Recent Legislation" section at the end of the Department of Natural Resources.

DEPARTMENT OF REGULATORY AGENCIES

The Department of Regulatory Agencies consists of ten divisions that work to protect the citizens of Colorado from fraudulent or dangerous businesses and professionals by regulating the banks and credit unions, insurance providers and agents, public utilities, over forty various professions, securities, real estate agents and mortgage brokers, and enforcing Colorado's equal rights laws.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$1,297,219	$1,416,831	$1,465,862	$1,666,729
Cash Funds/1	54,044,598	61,289,916	66,343,403	69,304,782
Cash Funds Exempt/1	9,305,868	8,486,488	n/a	n/a
Reappropriated Funds/1	n/a	n/a	8,595,150	8,453,406
Federal Funds	1,152,262	1,154,822	1,318,334	1,349,679
Total Funds	**$65,799,947**	**$72,348,057**	**$77,722,749**	**$80,774,596**
Full Time Equiv. Staff	536.7	556.7	576.1	596.4

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

For FY 2009-10, funding for the Department consists of 2.0 percent General Fund, 85.8 percent cash funds, 10.5 percent reappropriated funds, and 1.7 percent federal funds. Some of the most important factors driving the budget are reviewed below.

Legal Services

The Department purchases more legal services from the Department of Law than any other state agency, because of the stakes involved in many of the Department's regulatory decisions. The following table shows that DORA has accounted for nearly thirty percent of the State's legal services over the past five years.

State Agency	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Approp.	FY 09-10 Approp.
Regulatory Agencies	$5,310,731	$5,761,082	$6,544,571	$7,121,534	$7,684,991
Number of Hours	82,401	85,009	90,859	94,827	101,950
Percent of Department Approp.	8.9%	9.0%	9.3%	9.0%	9.6%

State Agency	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Actual	FY 08-09 Approp.	FY 09-10 Approp.
Percent of State Total	27.5%	28.4%	29.2%	30.2%	34.5%
State Total Legal Services	**$19,293,281**	**$20,253,769**	**$22,378,413**	**$23,597,678**	**$22,294,568**

Industry Growth

Due to the growing industries of banking, financial services, registrations and securities, the FY 2009-10 Long Bill includes funding for increased FTE and operating costs to account for the industry's growth. The following table outlines the increased funding and FTE appropriated to these divisions for FY 2009-10 to continue to effectively regulate specific industries.

Impact of Industry Growth on Division's Appropriations			
Division	Increased FTE	Increased Appropriation	Percent of FY 09-10 Division Approp.
Banking	6.0	$593,262	13.7%
Financial Services	2.0	199,874	13.3%
Registrations	1.0	58,340	0.3%
Securities	2.0	141,482	5.2%
Department Total	**11.0**	**$992,958**	**1.2%**

Legislation

During the 2009 legislative session eleven bills were passed and signed into law, that appropriated approximately $945,000 total funds and 8.1 FTE to the Department for FY 2009-10. During the 2008 legislative session, the General Assembly passed 18 bills appropriating $2.1 million and 18.6 FTE to the Department for FY 2008-09. During the 2007 session the General Assembly passed 22 bills appropriating $3.0 million to the Department for FY 2007-08.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$77,722,749**	**$1,465,862**	**$66,343,403**	**$8,595,150**	**$1,318,334**	**576.1**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office and Administrative Services	22,244,027	528,285	15,373,135	5,996,928	345,679	52.3
Division of Banking	3,487,095	0	3,487,095	0	0	38.5
Civil Rights Division	1,732,747	870,177	0	418,653	443,917	31.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Office of Consumer Counsel	914,096	0	914,096	0	0	7.0
Division of Financial Services	1,242,456	0	1,242,456	0	0	13.0
Division of Insurance	8,745,619	0	8,223,373	0	522,246	84.8
Public Utilities Commission	15,333,919	0	15,333,919	0	0	101.1
Division of Real Estate	4,191,633	0	4,191,633	0	0	50.1
Division of Registrations	17,310,877	67,400	15,057,416	2,179,569	6,492	178.3
Division of Securities	2,520,280	0	2,520,280	0	0	20.0
Breakdown of Total Appropriation by Bill						
HB 08-1375	76,400,842	1,429,422	65,062,442	8,590,895	1,318,083	562.3
SB 08-011	10,848	0	10,848	0	0	0.2
SB 08-029	44,534	0	44,534	0	0	0.5
SB 08-135	12,928	0	12,928	0	0	0.0
SB 08-152	107,116	0	107,116	0	0	1.2
SB 08-155	0	0	0	0	0	(1.7)
SB 08-188	67,400	67,400	0	0	0	0.0
SB 08-200	81,805	81,805	0	0	0	0.4
SB 08-217	29,500	0	29,500	0	0	0.0
SB 08-219	516,359	0	516,359	0	0	3.5
HB 08-1058	56,749	0	56,749	0	0	0.6
HB 08-1216	200,000	0	200,000	0	0	0.0
HB 08-1226	3,602	0	3,602	0	0	0.0
HB 08-1227	397,473	0	397,473	0	0	4.0
HB 08-1353	473,874	0	473,874	0	0	3.6
HB 08-1383	34,688	0	34,688	0	0	0.5
HB 08-1385	8,774	0	8,774	0	0	0.0
HB 08-1389	309,985	0	309,985	0	0	4.5
HB 08-1393	14,705	0	14,705	0	0	0.0
SB 09-199	(1,060,714)	(112,765)	(952,455)	4,255	251	(3.5)
HB 09-1188	12,281	0	12,281	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Total Appropriation:	**$80,774,596**	**$1,666,729**	**$69,304,782**	**$8,453,406**	**$1,349,679**	**596.4**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office and Administrative Services	21,847,556	474,719	15,040,952	5,963,893	367,992	52.3
Division of Banking	4,263,551	0	4,263,551	0	0	44.0
Civil Rights Division	1,921,613	1,192,010	0	272,752	456,851	32.4
Office of Consumer Counsel	942,153	0	942,153	0	0	7.0
Division of Financial Services	1,497,894	0	1,497,894	0	0	15.0
Division of Insurance	8,930,279	0	8,411,817	0	518,462	86.7
Public Utilities Commission	16,007,942	0	16,007,942	0	0	100.5
Division of Real Estate	4,344,032	0	4,344,032	0	0	50.1
Division of Registrations	18,275,615	0	16,052,480	2,216,761	6,374	186.4
Division of Securities	2,743,961	0	2,743,961	0	0	22.0
Breakdown of Total Appropriation by Bill						
SB 09-259	79,827,291	1,666,729	68,357,477	8,453,406	1,349,679	588.9
SB 09-026	130,740	0	130,740	0	0	1.3
SB 09-138	17,055	0	17,055	0	0	0.0
SB 09-167	14,057	0	14,057	0	0	0.0
SB 09-239	259,881	0	259,881	0	0	2.7
HB 09-1053	(55,728)	0	(55,728)	0	0	(0.5)
HB 09-1085	202,636	0	202,636	0	0	1.0
HB 09-1086	134,123	0	134,123	0	0	1.0
HB 09-1136	99,894	0	99,894	0	0	1.0
HB 09-1202	158,614	0	158,614	0	0	1.4
HB 09-1244	(13,967)	0	(13,967)	0	0	(0.4)
Increase/(Decrease)	$3,051,847	$200,867	$2,961,379	($141,744)	$31,345	20.3
Percentage Change	3.9%	13.7%	4.5%	(1.6)%	2.4%	3.5%

FY 2008-09 Appropriation Highlights:

1. The appropriation consolidates funds for the Management and Administration of the Office of Information Technology within the Executive Director's Office, and transfers a total of $67,016 from the various divisions to this new line item.

2. The appropriation is reduced by $237,735 cash funds due to the FY 2008-09 hiring freeze.

3. The appropriation is reduced by $113,398 General Fund and 1.4 FTE to reflect vacant positions.

FY 2009-10 Appropriation Highlights:

1. The appropriation provides $593,262 cash funds and 6.0 FTE for the Division of Banking to account for the growth in the banking industry and current economic banking climate.

2. The appropriation adds $199,874 cash funds and 2.0 FTE to the Division of Financial Services to account for the growth in the financial services industry and current economic climate.

3. The appropriation provides $199,159 cash funds to the Public Utilities Commission to add 2.0 FTE who will represent Colorado at national and regional electric transmission planning meetings and conferences.

4. The appropriation provides $141,482 cash funds to the Division of Securities to add 2.0 FTE to examine investment advisory firms.

5. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $1.9 million, including $86,146 General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

Detail of Appropriation by Administrative Section

Executive Director's Office and Administrative Services

The Executive Director's Office performs Department-wide administrative functions, including accounting, budgeting, data processing, personnel, purchasing, facilities planning, and management reporting. The Office of Policy and Research is located here and is responsible for conducting sunrise and sunset studies for state agencies, programs, and boards.

The Division's cash funds derive from a variety of cash funds within the Department. The majority of reappropriated funds come from indirect cost recoveries, and the Department of Health Care Policy and Financing. Federal funds come from indirect cost recoveries from the Civil Rights and Insurance Divisions.

Executive Director's Office and Administrative Services

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$21,571,881	$466,709	$14,769,586	$5,990,513	$345,073	54.0
SB 08-029	9,004	0	9,004	0	0	0.0
SB 08-152	22,725	0	22,725	0	0	0.0
SB 08-155	0	0	0	0	0	(1.7)
SB 08-200	60,073	60,073	0	0	0	0.0
SB 08-219	18,008	0	18,008	0	0	0.0
HB 08-1058	10,084	0	10,084	0	0	0.0
HB 08-1216	200,000	0	200,000	0	0	0.0
HB 08-1226	3,602	0	3,602	0	0	0.0
HB 08-1227	43,218	0	43,218	0	0	0.0
HB 08-1353	258,029	0	258,029	0	0	0.0
HB 08-1383	720	0	720	0	0	0.0
SB 09-199	45,556	1,503	37,032	6,415	606	0.0
HB 09-1188	1,127	0	1,127	0	0	0.0
TOTAL	**$22,244,027**	**$528,285**	**$15,373,135**	**$5,996,928**	**$345,679**	**52.3**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$22,244,027	$528,285	$15,373,135	$5,996,928	$345,679	52.3
Centrally-appropriated line items	1,186,297	41,875	1,011,746	110,363	22,313	0.0
Annualize salary and benefit adjustments	202,415	0	0	202,415	0	0.0
Eliminate salary survey and performance-based pay	(1,856,044)	(86,146)	(1,474,104)	(295,794)	0	0.0
Operating adjustments	(208,803)	0	(211,150)	2,347	0	0.0
Personal services base reduction	(71,917)	(453)	(659)	(70,805)	0	0.0
Other	(518)	(8,842)	(10,115)	18,439	0	0.0
SB 09-259	**$21,495,457**	**$474,719**	**$14,688,853**	**$5,963,893**	**$367,992**	**52.3**
SB 09-026	33,699	0	33,699	0	0	0.0
SB 09-138	3,755	0	3,755	0	0	0.0
SB 09-167	4,882	0	4,882	0	0	0.0
SB 09-239	40,795	0	40,795	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 09-1085	162,000	0	162,000	0	0	0.0
0HB 09-1086	30,000	0	30,000	0	0	0.0
HB 09-1136	40,265	0	40,265	0	0	0.0
HB 09-1202	36,703	0	36,703	0	0	0.0
TOTAL	**$21,847,556**	**$474,719**	**$15,040,952**	**$5,963,893**	**$367,992**	**52.3**
Increase/(Decrease)	($396,471)	($53,566)	($332,183)	($33,035)	$22,313	0.0
Percentage Change	(1.8)%	(10.1)%	(2.2)%	(0.6)%	6.5%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-199 added $67,106 for the Office of Information Technology, among other changes. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

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

Operating adjustments: The appropriation eliminates $211,150 to annualize a hardware/software appropriation made in FY 2008-09, as well as adding $2,347 reappropriated funds for mail equipment and an increase in postage costs.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Other: The appropriation includes small changes to various division line items, including a fund split adjustment for the annualization of sunset reviews.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Banking

The Division of Banking regulates state-charted commercial and industrial banks, trust companies, debt adjusters, and money order companies. Division staff conduct examinations of institutions and ensure compliance with the Public Deposit Protection Act. All Division funding is from the Division of Banking Cash Fund, pursuant to Section 11-102-403, C.R.S.

Division of Banking	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$3,587,186	$0	$3,587,186	$0	$0	38.5
SB 09-199	(100,091)	0	(100,091)	0	0	0.0
TOTAL	**$3,487,095**	**$0**	**$3,487,095**	**$0**	**$0**	**38.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$3,487,095	$0	$3,487,095	$0	$0	38.5
Increase banking FTE	593,262	0	593,262	0	0	6.0
Annualize salary and benefit adjustments	146,279	0	146,279	0	0	0.0
Annualize FY 2008-09 hiring freeze	97,315	0	97,315	0	0	0.0
Indirect cost assessment adjustment	40,463	0	40,463	0	0	0.0
Personal services base reduction	(49,260)	0	(49,260)	0	0	0.0
Other	4,125	0	4,125	0	0	0.0
SB 09-259	**$4,319,279**	**$0**	**$4,319,279**	**$0**	**$0**	**44.5**
HB 09-1053	(55,728)	0	(55,728)	0	0	(0.5)
TOTAL	**$4,263,551**	**$0**	**$4,263,551**	**$0**	**$0**	**44.0**
Increase/(Decrease)	$776,456	$0	$776,456	$0	$0	5.5
Percentage Change	22.3%	n/a	22.3%	n/a	n/a	14.3%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-199 reduced $97,315 for the FY 2008-09 hiring freeze and $2,776 for the consolidation of the Governor's Office of Information Technology.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Increase banking FTE: The appropriation increases the Division's cash fund appropriation by $593,262 and 6.0 FTE for new examiners to enhance the Division's regulatory efforts.

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

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

Indirect cost assessment adjustment: The appropriation includes an increase to accommodate costs incurred by the Executive Director's Office.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Other: The appropriation includes small changes to various division line items.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this Department.

Civil Rights Division

The Civil Rights Division is the enforcement arm of the Colorado Civil Rights Commission, and is responsible for the enforcement of state laws that prohibit discrimination in employment, housing, and public accommodations on the basis of race, gender, national origin, ancestry, a physical or mental disability, religion, color, marital status, or sexual orientation.

The Division is primarily funded with General Fund, then from federal funds from the Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development. Reappropriated funds are from excess statewide indirect cost collections.

Civil Rights Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$1,826,052	$962,713	$0	$419,067	$444,272	32.0
SB 08-200	21,732	21,732	0	0	0	0.4
SB 09-199	(115,037)	(114,268)	0	(414)	(355)	(1.4)
TOTAL	**$1,732,747**	**$870,177**	**$0**	**$418,653**	**$443,917**	**31.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$1,732,747	$870,177	$0	$418,653	$443,917	31.0
Annualize FY 2008-09 hiring freeze	113,398	113,398	0	0	0	1.4
Annualize salary and benefit adjustments	81,752	81,752	0	0	0	0.0
Fund mix adjustment	0	138,237	0	(138,237)	0	0.0
Personal services base reduction	(28,424)	(14,296)	0	(7,609)	(6,519)	0.0
Other	22,140	2,742	0	(55)	19,453	0.0
SB 09-259	**$1,921,613**	**$1,192,010**	**$0**	**$272,752**	**$456,851**	**32.4**
TOTAL	**$1,921,613**	**$1,192,010**	**$0**	**$272,752**	**$456,851**	**32.4**
Increase/(Decrease)	$188,866	$321,833	$0	($145,901)	$12,934	1.4
Percentage Change	10.9%	37.0%	n/a	(34.9)%	2.9%	4.5%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-199 reduced $113,398 General Fund associated with the FY 2008-09 hiring freeze and $1,639 for the consolidation of the Governor's Office of Information Technology.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Fund mix adjustment: The appropriation includes a funding mix adjustment that decreases reappropriated funds and increases General Fund.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Other: The appropriation includes small changes to various division line items, including an increase of $19,499 federal funds for the indirect cost assessment.

Office of Consumer Counsel

The Office of Consumer Counsel represents the interests of residential, agricultural and small business consumers at electric, gas and telecommunications rate and service proceedings before the Public Utility Commission. All funding for this Division is from the Public Utilities Commission Fixed Utility Fund, pursuant to Section 40-2-114, C.R.S.

Office of Consumer Counsel	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$914,860	$0	$914,860	$0	$0	7.0
SB 09-199	(764)	0	(764)	0	0	0.0
TOTAL	**$914,096**	**$0**	**$914,096**	**$0**	**$0**	**7.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$914,096	$0	$914,096	$0	$0	7.0
Annualize salary and benefit adjustments	32,644	0	32,644	0	0	0.0
Other	(4,587)	0	(4,587)	0	0	0.0
SB 09-259	**$942,153**	**$0**	**$942,153**	**$0**	**$0**	**7.0**
TOTAL	**$942,153**	**$0**	**$942,153**	**$0**	**$0**	**7.0**
Increase/(Decrease)	$28,057	$0	$28,057	$0	$0	0.0
Percentage Change	3.1%	n/a	3.1%	n/a	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations in S.B. 09-199 reduced $764 for the consolidation of the Governor's Office of Information Technology.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Other: The appropriation includes small changes to various division line items.

Division of Financial Services

This Division regulates state-charted credit unions, life care institutions, and savings and loan associations. Division staff conduct examinations of institutions to ensure continued compliance with regulatory standards. All funding for this Division is from the Division of Financial Services Cash Fund, pursuant to Section 11-40-106 (2), C.R.S.

Division of Financial Services	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$1,197,809	$0	$1,197,809	$0	$0	13.0
SB 09-199	44,647	0	44,647	0	0	0.0
TOTAL	**$1,242,456**	**$0**	**$1,242,456**	**$0**	**$0**	**13.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$1,242,456	$0	$1,242,456	$0	$0	13.0
Additional examiners	199,874	0	199,874	0	0	2.0
Annualize salary and benefit adjustments	40,951	0	40,951	0	0	0.0
Other	14,613	0	14,613	0	0	0.0
SB 09-259	**$1,497,894**	**$0**	**$1,497,894**	**$0**	**$0**	**15.0**
TOTAL	**$1,497,894**	**$0**	**$1,497,894**	**$0**	**$0**	**15.0**
Increase/(Decrease)	$255,438	$0	$255,438	$0	$0	2.0
Percentage Change	20.6%	n/a	20.6%	n/a	n/a	15.4%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-199 reduced $945 for the consolidation of the Governor's Office of Information Technology, and added $45,592 for increased examiner travel.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Additional examiners: The appropriation increases the Division's cash fund appropriation by $199,874 and 2.0 FTE to enhance the Division's regulatory efforts.

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

Other: The appropriation includes small changes to various division line items.

Division of Insurance

This Division is responsible for the licensing of insurance agents and adjusters, regulating insurance companies, non-profit hospitals, prepaid dental plans, health maintenance organizations, workers' compensation self-insurance pools, bail bondsmen, and pre-need funeral contracts. The Division of Insurance Cash Fund is the primary source of cash funds, and federal funds support the Senior Health Counseling Program.

Division of Insurance	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$8,541,957	$0	$8,019,711	$0	$522,246	82.2
SB 08-011	10,848	0	10,848	0	0	0.2
SB 08-135	12,928	0	12,928	0	0	0.0
SB 08-217	29,500	0	29,500	0	0	0.0
HB 08-1385	8,774	0	8,774	0	0	0.0
HB 08-1389	309,985	0	309,985	0	0	4.5
HB 08-1393	14,705	0	14,705	0	0	0.0
SB 09-199	(183,078)	0	(183,078)	0	0	(2.1)
TOTAL	**$8,745,619**	**$0**	**$8,223,373**	**$0**	**$522,246**	**84.8**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$8,745,619	$0	$8,223,373	$0	$522,246	84.8
Annualize salary and benefit adjustments	254,452	0	254,452	0	0	0.0
Annualize FY 2008-09 hiring freeze	104,890	0	104,890	0	0	0.0
Personal services base reduction	(107,339)	0	(107,339)	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	(73,277)	0	(73,277)	0	0	1.9
Other	5,934	0	9,718	0	(3,784)	0.0
SB 09-259	**$8,930,279**	**$0**	**$8,411,817**	**$0**	**$518,462**	**86.7**
TOTAL	**$8,930,279**	**$0**	**$8,411,817**	**$0**	**$518,462**	**86.7**
Increase/(Decrease)	$184,660	$0	$188,444	$0	($3,784)	1.9
Percentage Change	2.1%	n/a	2.3%	n/a	(0.7)%	2.2%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-199 reduced $104,890 cash funds for the FY 2008-09 hiring freeze, and added $91,930 cash funds for the funding of the CAPCO Administration in the Governor's Office, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Annualize prior year funding: The appropriation annualizes legislation passed during the 2008 legislative session, and the FY 2008-09 supplemental.

Other: The appropriation includes small changes to various division line items.

Public Utilities Commission

The Public Utilities Commission (PUC) regulates the rates and services of fixed utilities and transportation utilities located in the state and administers the Colorado Telecommunications High Cost Program, the Low-Income Telephone Assistance Program, and the Disabled Telephone Users Program. The PUC is primarily funded with cash funds from assessments and licensing fees paid by regulated entities.

Public Utilities Commission						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$15,375,229	$0	$15,375,229	$0	$0	97.1
HB 08-1227	354,255	0	354,255	0	0	4.0
SB 09-199	(395,565)	0	(395,565)	0	0	0.0
TOTAL	**$15,333,919**	**$0**	**$15,333,919**	**$0**	**$0**	**101.1**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$15,333,919	$0	$15,333,919	$0	$0	101.1
Annualize FY 2008-09 hiring freeze	437,527	0	437,527	0	0	0.0
Annualize salary and benefit adjustments	354,940	0	354,940	0	0	0.0
Electric Transmission Planning FTE	199,159	0	199,159	0	0	2.0
Personal services base reduction	(145,939)	0	(145,939)	0	0	0.0
Eliminate vacant FTE and salaries	(122,628)	0	(122,628)	0	0	(2.0)
Annualize prior year funding	(19,084)	0	(19,084)	0	0	(0.2)
Other	(15,985)	0	(15,985)	0	0	0.0
SB 09-259	**$16,021,909**	**$0**	**$16,021,909**	**$0**	**$0**	**100.9**
HB 09-1244	(13,967)	0	(13,967)	0	0	(0.4)
TOTAL	**$16,007,942**	**$0**	**$16,007,942**	**$0**	**$0**	**100.5**
Increase/(Decrease)	$674,023	$0	$674,023	$0	$0	(0.6)
Percentage Change	4.4%	n/a	4.4%	n/a	n/a	(0.6)%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-199 reduced $437,527 cash funds for the FY 2008-09 hiring freeze ad $8,038 cash funds for the consolidation of the Office of Information Technology, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Electric Transmission Planning FTE: The appropriation increases the Commission's appropriation by $199,159 cash funds and 2.0 FTE so the Division can participate in transmission planning conferences.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Eliminate vacant FTE and salaries: The appropriation includes a reduction of $122,628 cash funds and 2.0 FTE due to long-term vacant positions.

Annualize prior year funding: The appropriation annualizes H.B. 08-1227, and the FY 2008-09 budget action regarding Public Utilities Commission use of finger print information.

Other: The appropriation includes small changes to various division line items.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this Department.

Division of Real Estate

The Division of Real Estate licenses real estate brokers and appraisal professionals, analyzes subdivision offerings on undeveloped land, and administers an enforcement program that is responsive to the needs of the industry and the consumer. Additional protection is offered to the public through the Real Estate Recovery Fund and errors and omissions insurance for all real estate licensees. The Division is funded entirely with cash funds from fees and assessments paid by regulated entities.

Division of Real Estate	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$4,089,472	$0	$4,089,472	$0	$0	46.5
HB 08-1353	215,845	0	215,845	0	0	3.6
SB 09-199	(113,684)	0	(113,684)	0	0	0.0
TOTAL	**$4,191,633**	**$0**	**$4,191,633**	**$0**	**$0**	**50.1**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$4,191,633	$0	$4,191,633	$0	$0	50.1

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize salary and benefit adjustments	118,531	0	118,531	0	0	0.0
Annualize FY 2008-09 hiring freeze	110,736	0	110,736	0	0	0.0
Annualize prior year funding	(62,345)	0	(62,345)	0	0	(1.0)
Personal services base reduction	(55,579)	0	(55,579)	0	0	0.0
Other	420	0	420	0	0	0.0
SB 09-259	**$4,303,396**	**$0**	**$4,303,396**	**$0**	**$0**	**49.1**
09-1085	40,636	0	40,636	0	0	1.0
TOTAL	**$4,344,032**	**$0**	**$4,344,032**	**$0**	**$0**	**50.1**
Increase/(Decrease)	$152,399	$0	$152,399	$0	$0	0.0
Percentage Change	3.6%	n/a	3.6%	n/a	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-199 reduced $2,948 cash funds for the consolidation of the Office of Information Technology and reduced $110,736 cash funds for the FY 2008-09 hiring freeze.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Annualize prior year funding: The appropriation reflects a reduction of 1.0 FTE and $62,345 cash funds pursuant to H.B. 08-1353 (Conservation Easement Oversight).

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Other: The appropriation includes small changes to various division line items.

Additional legislation: For information on H.B. 09-1085, see the "Recent Legislation" section at the end of this Department.

Division of Registrations

This Division regulates over 300,000 licensees in more than forty professions and occupations. Boards and commissions establish regulatory standards to ensure a minimal level of competency and rules to ensure a safe environment for professionals and customers.

The Division is primarily funded with cash funds from fees paid by those it licenses. The reappropriated funds are Medicaid and Medicare funds transferred from the Department of Health Care Policy and Financing and the Department of Public Health and Environment, respectively, for the nurse aide certification program.

Division of Registrations	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$16,774,406	$0	$14,586,599	$2,181,315	$6,492	172.0
SB 08-029	35,530	0	35,530	0	0	0.5
SB 08-152	84,391	0	84,391	0	0	1.2
SB 08-188	67,400	67,400	0	0	0	0.0
SB 08-219	498,351	0	498,351	0	0	3.5
HB 08-1058	46,665	0	46,665	0	0	0.6
HB 08-1383	33,968	0	33,968	0	0	0.5
SB 09-199	(240,988)	0	(239,242)	(1,746)	0	0.0
HB 09-1188	11,154	0	11,154	0	0	0.0
TOTAL	**$17,310,877**	**$67,400**	**$15,057,416**	**$2,179,569**	**$6,492**	**178.3**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$17,310,877	$67,400	$15,057,416	$2,179,569	$6,492	178.3
Annualize salary and benefit adjustments	441,453	0	364,419	77,034	0	0.0
Indirect cost assessment adjustment	269,120	0	269,120	0	0	0.0
Annualize FY 2008-09 hiring freeze	230,160	0	230,160	0	0	0.0
Office of Expedited Settlement	58,340	0	58,340	0	0	1.0
Annualize prior year funding	(479,744)	(67,400)	(412,344)	0	0	(0.3)
Personal services base reduction	(202,150)	0	(162,420)	(39,612)	(118)	0.0
Other	23,294	0	23,524	(230)	0	0.0
SB 09-259	**$17,651,350**	**$0**	**$15,428,215**	**$2,216,761**	**$6,374**	**179.0**
SB 09-026	97,041	0	97,041	0	0	1.3
SB 09-138	13,300	0	13,300	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-167	9,175	0	9,175	0	0	0.0
SB 09-239	219,086	0	219,086	0	0	2.7
SB 09-1086	104,123	0	104,123	0	0	1.0
SB 09-1136	59,629	0	59,629	0	0	1.0
SB 09-1202	121,911	0	121,911	0	0	1.4
TOTAL	**$18,275,615**	**$0**	**$16,052,480**	**$2,216,761**	**$6,374**	**186.4**
Increase/(Decrease)	$964,738	($67,400)	$995,064	$37,192	($118)	8.1
Percentage Change	5.6%	(100.0)%	6.6%	1.7%	(1.8)%	4.5%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-199 reduced $230,160 cash funds for the FY 2008-09 hiring freeze, and reduced $9,082 cash funds and $1,746 reappropriated funds for the consolidation of the Office of Information Technology. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Indirect cost assessment adjustment: The appropriation includes an increase to accommodate costs incurred by the Executive Director's Office.

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

Office of Expedited Settlement: The appropriation adds $58,430 cash funds and 1.0 FTE to the Office of Expedited Settlement to handle the increased workload.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Annualize prior year funding: The appropriation annualizes funding received through prior year legislation and budget actions.

Other: The appropriation includes small changes to various division line items.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Securities

This division monitors the conduct of securities broker-dealers and sales representatives throughout Colorado. It also investigates citizen complaints and other indications of investment fraud. In addition to license application screening, Division personnel perform on-site examinations of broker-dealer offices. The Division is funded entirely with cash funds from fees and assessments paid by regulated entities.

Division of Securities	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$2,521,990	$0	$2,521,990	$0	$0	20.0
SB 09-199	(1,710)	0	(1,710)	0	0	0.0
TOTAL	**$2,520,280**	**$0**	**$2,520,280**	**$0**	**$0**	**20.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$2,520,280	$0	$2,520,280	$0	$0	20.0
Additional examiners	141,482	0	141,482	0	0	2.0
Annualize salary and benefit adjustments	76,599	0	76,599	0	0	0.0
Personal services base reduction	(31,433)	0	(31,433)	0	0	0.0
Other	37,033	0	37,033	0	0	0.0
SB 09-259	**$2,743,961**	**$0**	**$2,743,961**	**$0**	**$0**	**22.0**
TOTAL	**$2,743,961**	**$0**	**$2,743,961**	**$0**	**$0**	**22.0**
Increase/(Decrease)	$223,681	$0	$223,681	$0	$0	2.0
Percentage Change	8.9%	n/a	8.9%	n/a	n/a	10.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-199 reduced $1,710 cash funds for the consolidation of the Office of Information Technology.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Additional examiners: The appropriation adds $141,482 cash funds and 2.0 FTE to the Division, so the Division is able to maintain regulatory standards on investment advisory firms by hiring additional examiners.

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Other: The appropriation includes small changes to various division line items.

Recent Legislation

2008 Session Bills

S.B. 08-011: Requires insurance companies to include medical payments coverage of at least $5,000 on motor vehicle policies beginning January 1, 2009. Appropriates $10,848 cash funds and 0.2 FTE to the Division of Insurance for FY 2008-09.

S.B. 08-029: Requires architects to complete continuing education and to participate in a continuing competency program in order to renew their licenses. Appropriates $44,534 cash funds to the Department, of which $35,530 and 0.5 FTE is appropriated to the Division of Registrations and $9,004 is appropriated to the Executive Director's Office, for legal services, for FY 2008-09. Appropriates $9,004 reappropriated funds to the Department of Law for the provision of legal services.

S.B. 08-135: Requires state regulated health insurance carriers to issue to their new and renewing members, a standardized, printed card containing benefit information by July 1, 2009, and by July 1, 2010, for all plan members. Private health plans covered by the Employee Retirement Security Act are not subject to S.B. 08-135. Appropriates $12,928 cash funds to the Division of Insurance for FY 2008-09.

S.B. 08-152: Requires occupational therapists to be registered and establishes a registration program in the Division of Registrations. Appropriates $107,116 cash funds to the Department, of which $96,311 and 1.2 FTE is appropriated to the Division of Registrations and $10,805 is appropriated to the Executive Director's Office, for legal services, for FY 2008-09. Appropriates $10,805 reappropriated funds to the Department of Law for the provision of legal services.

S.B. 08-155: Consolidates the responsibility for information technology oversight of most of the State's executive branch in the Governor's Office of Information Technology. Reduces appropriations to the Department of Regulatory Agencies by 1.7 FTE. For additional information on this bill, see the "Recent Legislation" section for the Governor - Lieutenant Governor - State Planning and Budgeting.

S.B. 08-188: Establishes a 14-member committee to develop and implement a pilot program to model the effective participation of direct care nurses in decision-making processes in hospitals in the Division of Registrations. Appropriates $67,400 General Fund to the Division of Registrations. Provides an associated

reduction of $67,400 General Fund to the FY 2008-09 Long Bill appropriation to the Controlled Maintenance Trust Fund.

S.B. 08-200: This bill adds the prohibition of discrimination based on sexual orientation to non-discrimination statutes affecting housing, employment not covered by H.B. 07-25, education, public accommodations and health care. Appropriates $81,805 General Fund to the Department, of which $21,732 and 0.4 FTE is appropriated to the Division of Civil Rights and $60,073 is appropriated to the Executive Director's Office, for legal services, for FY 2008-09. Appropriates $60,073 reappropriated funds and 0.5 FTE to the Department of Law for the provision of legal services. Provides an associated reduction of $81,805 General Fund to the FY 2008-09 Long Bill appropriation to the Controlled Maintenance Trust Fund.

S.B. 08-217: Requires the Department of Health Care Policy and Financing, in coordination with the Division of Insurance and a panel of experts, to prepare a request for information from health insurance carriers and other interested parties. Appropriates $29,500 cash funds to the Division of Insurance to provide approximately 700 hours of health insurance and actuarial expertise. For additional information on this bill, see the "Recent Legislation" section for the Department of Health Care Policy and Financing.

S.B. 08-219: Requires massage therapists to be registered and establishes a registration program in the Division of Registrations. Appropriates $516,359 cash funds to the Department of Regulatory Agencies. Of this amount, $254,583 and 3.5 FTE is appropriated to the Division of Registrations, $243,768 is for pass-through to the Department of Public Safety for background checks, and $18,008 is appropriated to the Executive Director's Office, for legal services, for FY 2008-09. Appropriates $243,768 reappropriated funds to the Department of Public Safety. Of this amount, $131,643 and 1.2 FTE is appropriated to the Colorado Bureau of Investigation and $112,125 is for pass-through to the Federal Bureau of Investigation to perform criminal history background checks. Appropriates $10,805 reappropriated funds to the Department of Law for the provision of legal services.

H.B. 08-1058: Requires athlete agents to register with the Division of Registrations if they intend to represent a college athlete in the pursuit of commercial or professional interests. Appropriates $56,749 cash funds to the Department, of which $46,665 and 0.6 FTE is appropriated to the Division of Registrations and $10,084 is appropriated to the Executive Director's Office, for legal services and leased space, for FY 2008-09. Appropriates $7,564 reappropriated funds to the Department of Law for the provision of legal services.

H.B. 08-1216: Creates the Consumer Outreach and Education Program and requires the Division of Insurance to present a plan to the Joint Budget Committee regarding the establishment of an Office of Insurance Ombudsman by September 15, 2008. Creates the Consumer Outreach and Education Cash Fund comprised of surcharges on fines collected by the Department related to professions and occupations, up to $200,000 per year. Appropriates $200,000 cash funds to the Executive Director's Office for FY 2008-09.

H.B. 08-1226: Permits a certified public accountant (CPA) or registered public accountant from another state or foreign country to practice in Colorado without registering with the Department of Regulatory Agencies, State Board of Public Accountancy. Appropriates $3,602 to the Executive Director's Office, for legal services, to update its rules related to non-resident CPAs. Appropriates $3,602 reappropriated funds to the Department of Law for the provision of legal services.

H.B. 08-1227: Continues the Public Utilities Commission (PUC) until 2019 and permits basic residential telephone service providers to apply to the PUC for permission to increase the price of service. Appropriates $397,473 cash funds to the Department, of which $354,255 and 4.0 FTE is appropriated to the Public Utilities Commission and $43,218 is appropriated to the Executive Director's Office, for legal services, for FY 2008-09. Appropriates $43,218 reappropriated funds and 0.3 FTE to the Department of Law for the provision of legal services. Appropriates $15,578 cash funds and 0.2 FTE to the Department of Human Services to harmonize eligibility for the Low-Income Energy Assistance Program and the Low-Income Telephone Assistance Programs at 185 percent of the federal poverty level.

H.B. 08-1353: Adds requirements to verify the validity of a state income tax credit claimed by a taxpayer for donating a conservation easement. Appropriates $473,874 to the Department, of which $256,326 and 3.6 FTE is appropriated to the Division of Real Estate to review conservation easement appraisals and establish a conservation easement holder certification program; and $217,548 is allocated to the Executive Director's Office for information technology costs and leased space. Appropriates $92,818 General Fund and 2.0 FTE to the Department of Revenue for the review of gross conservation easements. Provides an associated reduction of $92,818 General Fund to the FY 2008-09 Long Bill appropriation to the Controlled Maintenance Trust Fund.

H.B. 08-1375: General appropriations act for FY 2008-09. Also includes supplemental adjustments to further modify appropriations to the Division of Real Estate included in the FY 2007-08 Long Bill.

H.B. 08-1383: Creates an inactive status for professional and practical nursing licenses and requires that a nurse demonstrate continued competency as part of the reactivation process. Appropriates $34,688 cash funds and 0.5 FTE to the Division of Registrations for FY 2008-09.

H.B. 08-1385: Requires the Insurance Commissioner to implement and maintain a consumer guide to health benefits coverage on the Division of Insurance website. Appropriates $8,774 cash funds to the Division of Insurance for FY 2008-09.

H.B. 08-1389: Creates the Fair Accountable Insurance Rates Act for health insurance rates that take effect on or after January 1, 2009. Requires insurance companies to seek preapproval for rate increases and to file complete and detailed descriptions of their rating and renewal underwriting practices with the Commissioner of Insurance. Appropriates $309,985 cash funds and 4.5 FTE to the Division of Insurance for FY 2008-09.

H.B. 08-1393: Requires health insurance carriers to submit certain information to the Division of Insurance, including a list of the average reimbursement rates for the 25 most common inpatient procedures and producer compensation schedules; the Commissioner may post this information on the division's website. Directs the Health Care Task Force to study the feasibility of ambulatory surgical centers reporting information on their charges for inclusion on the Colorado Hospital Association website. Appropriates $14,705 cash funds to the Division of Insurance for FY 2008-09.

2009 Session Bills

S.B. 09-026: Requires athletic trainers to be registered and establishes a registration program in the Division of Registrations. Makes an appropriation of $130,740 cash funds and 1.3 FTE to the Division of Registrations, and reappropriates $21,779 along with 0.2 FTE to the Department of Law for the provision of legal services.

S.B. 09-138: The bill continues the regulation of certified nurse aides (CNAs) through September 1, 2020, and makes adjustments to the regulation program and advisory committees. Makes an appropriation of 17,055 cash funds to the Division of Registrations and reappropriates $3,755 to the Department of Law for the provision of legal services.

S.B. 09-167: Continues the regulation of chiropractors by the Division of Insurance until July 1, 2020, and implements the recommendations made in the 2008 sunset review. Makes an appropriation of $14,057 cash funds to the Division of Registrations and reappropriates $4,882 to the Department of Law for the provision of legal services.

S.B. 09-199: Supplemental for the Department's FY 2008-09 appropriation.

S.B. 09-239: Continues the state board of nursing through July 1, 2020, and makes changes to implement the recommendations made in the 2008 sunset review. Establishes the requirements an advance practice nurse must satisfy in order to receive provisional prescriptive authority. Makes an appropriation of $259,881 cash funds and 2.7 FTE to the Division of Registrations. Reappropriates $33,795 along with 0.2 FTE to the Department of Law for the provision of legal services.

S.B. 09-259: General appropriations act for FY 2009-10.

S.B. 09-272: Transfers $15 million from the Colorado High Cost Support Mechanism to the High Cost Administrative Fund. The transfer is contingent on the passage of S.B. 09-279.

S.B. 09-279: Transfers $15 million from the High Cost Administrative Fund to the General Fund. For information on S.B. 09-279, see the "Recent Legislation" section at the end of the Department of Labor and Employment.

H.B. 09-1053: Repeals the "Colorado Foreign Capital Depository Act" which regulated how a financial institution can conduct business in Colorado as a foreign capital depository. Modifies banking board membership by replacing the executive officer of an industrial bank with the executive officer of a licensed money transmitter on the banking board. Reduces the FY 2009-10 appropriation to the Division of Banking by $55,728 cash funds and 0.5 FTE.

H.B. 09-1085: Modifies and renames the Mortgage Broker Licensing Act, as well as defines the term "mortgage loan originator" and states that on and after July 31, 2010, mortgage loan originators must be registered with the Nationwide Mortgage Licensing System and Registry. Makes an appropriation of $202,636 cash funds and 1.0 FTE to the Division of Real Estate.

H.B. 09-1086: Sets forth requirements for the renewal of licenses or certifications for social workers, marriage and family therapists, professional counselors, and addiction counselors. Each of these professions are regulated by the Division of Registrations and the applicable state board of examiners. Makes an appropriation of $134,123 cash funds and 1.0 FTE to the Division of Registrations, and reappropriates $30,000 along with 0.2 FTE to the Department of Law for the provision of legal services.

H.B. 09-1136: Sets forth renewal requirements for professional electrician licenses which is regulated by the State Electrical Board. Additionally the Board is responsible for establishing standards and adopting rules for

a program to ensure the continued competency of electricians. Makes an appropriation of $99,894 cash funds and 1.0 FTE to the Division of Registrations, and reappropriates $11,265 along with 0.1 FTE to the Department of Law for the provision of legal services.

H.B. 09-1188: Modifies the Michael Skolnik Medical Transparency Act by requiring physicians to disclose ownership interest and employment contracts that are health care related, involuntary limitations or reduction in medical staff membership or privileges at a health facility that occurred after January 1, 1988, and criminal convictions or plea bargains that occurred after a practitioner received a license to practice medicine in any state or country. Makes an appropriation in FY 2008-09 to the Division of Registrations of $12,281 cash funds, and reappropriates $1,127 to the Department of Law for the provision of legal services.

H.B. 09-1202: Requires funeral establishments and crematories to be registered and establishes a registration program in the Division of Registrations. Makes an appropriation of $158,614 cash funds and 1.4 FTE to the Division of Registrations, and reappropriates $24,783 along with 0.2 FTE to the Department of Law for the provision of legal services.

H.B. 09-1244: Exempts property carriers by motor vehicle from regulation by the Public Utilities Commission. Grants authority for the enforcement of financial responsibility and insurance requirements of such carriers, in addition to existing driver and vehicle standards, to the Department of Public Safety. Makes an appropriation that decreases the Public Utilities Commission FY 2009-10 appropriation by $13,967 cash funds and 0.4 FTE.

DEPARTMENT OF REVENUE

The Department of Revenue is organized into three functional groups: Taxation, Motor Vehicles, and Enforcement. The Taxation group collects revenues for the operation of state government and for local governments, and includes the taxpayer service division and the tax conferee. The Division of Motor Vehicles regulates motor vehicle safety, issues personal identification documents, issues titles and registration documents for motor vehicles, enforces vehicle emission standards, operates the Motorist Insurance Identification Database program, and regulates commercial vehicles in a separate division. The Enforcement group regulates limited stakes gambling, alcohol, tobacco, racing events, and motor vehicle dealers, and operates the hearings division. The three functional areas are supported by the Executive Director's Office and the Central Department Operations and Information Technology divisions.

The Department is statutorily authorized to contract with cities and counties for collecting any tax which it also collects for state government. The Central Department Operations Division currently receives and distributes sales and use taxes on behalf of more than 246 local governments and special districts.

The Department also operates the State Lottery, which accounts for approximately 70 percent of the Department's annual budget. Lottery proceeds are distributed to the Conservation Trust Fund, Great Outdoors Colorado, Parks and Outdoors Recreation, and public school construction projects.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$93,811,579	$95,291,960	$100,649,490	$75,719,920
Cash Funds	45,263,855	53,730,841	583,661,442	607,205,180
Cash Funds Exempt/1	442,883,386	453,907,053	n/a	n/a
Reappropriated Funds/1	n/a	n/a	1,392,448	1,409,966
Federal Funds	1,561,754	1,546,214	1,471,598	1,525,374
Total Funds	**$583,520,574**	**$604,476,068**	**$687,174,978**	**$685,860,440**
Full Time Equiv. Staff (FTE)	1,422.1	1,480.0	1,496.8	1,512.7

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

The Department's primary budget driver's are the state tax structure, population levels, business activity in regulated industries, and technological capabilities. In addition, increases in mineral severance activity and legislative changes related to identification document requirements have increased demands on department staff and systems in recent years. The Department's funding for FY 2009-10 consists of 11.0 percent General Fund, 88.5 percent cash funds, 0.2 percent reappropriated funds, and 0.2 percent federal funds.

Taxation

Last year, the Department collected $9.0 billion in state taxes consisting primarily of income taxes and sales, use and excise taxes. The complexity of the Colorado's tax structure affects the resources required by the Taxation Business Group and the Central Department Operations and Information Technology divisions. Colorado's sales and use tax structure is particularly complex, relative to other states. In addition to state taxes, the Department collects local taxes for most counties, cities and special districts in Colorado, and tracks and distributes the collections monthly to the local governments. Last year the Department collected $1.2 billion in local taxes. Local sales taxes collected include: county lodging, local marketing, regional transportation, football stadium, scientific and cultural, local improvement, mass transit, and short term rental tax.

Recent legislation has increased both the number and complexity of special tax districts. In the last five years, the General Assembly has created a new Republican River Water Conservation District, authorized a mental health care service district, authorized regional library authorities, and allowed additional regional transportation authorities. It also authorized several changes to the Regional Transportation District (RTD), the Denver Metropolitan Scientific and Cultural Facilities District (SCFD), and the Metropolitan Football Stadium District, and it authorized multi-jurisdictional housing authorities to levy sales and use taxes.

Colorado's severance tax structure is also particularly complex, relative to other states. One significant reason for the complexity of Colorado's severance tax is that it is applied at the mineral interest owner level. This means that producers, working interest owners, royalty interest owners, and those with any other interest in oil and gas produced in Colorado, must pay severance taxes on their respective ownership percentage. Because each owner is only responsible for reporting a percentage of the gross income, it is difficult for the Department to verify that the total oil and gas production of a well has been reported.

However, the most confusing aspect of Colorado's severance tax for both tax collectors and taxpayers is the ad valorem (property) tax credit. The complexity of local property tax rates contributes to the complexity of the ad valorem tax credit and severance tax collection. There are currently more than 2,600 mill levies in Colorado, and one mineral lease can be subject to several different mill levies if it cuts across jurisdictions or if it is located in overlapping jurisdictions. The ever-changing nature of local government mill levies compounds the confusion.

Motor Vehicles

There are more than 3.2 million licensed drivers in Colorado. Driver's license offices issue driver's licenses and State identification (ID) cards, as well as vehicle titles and registrations, dealer licenses, and other official State documents. The number of driver's licenses issued dropped in FY 2006-07 as the first drivers who were issued ten-year licenses did not have to renew their licenses. The State will return to five-year renewals as a result of subsequent legislation. Starting with the second half of FY 2009-10, the first driver's licenses that were issued with the five year expiration dates are due for renewal, resulting in an increase in the number of documents issued.

Number of Documents Issued by Driver's License Offices						
FY 2003-04 Actual	FY 2004-05 Actual	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Estimated	FY 2009-10 Projected
Documents Issued	1,322,344	1,056,727	629,888	899,194	874,459	1,074,250
Percentage Change	20.1%	(20.1)%	(40.4)%	42.8%	(2.8)%	22.8%

At the same time, recent changes in state and federal law have increased transaction times for driver's licenses and ID cards, because the Department has had to institute new policies and procedures to insure that those documents are secure and verifiable.

New legislation on both the state and federal levels is a significant budget driver for this division. In the past, the purpose and function of the driver's license was to certify that a driver is competent to operate a motor vehicle. Today, the driver's license serves not only as proof of the ability and permission to use state roads, but also as proof of identity and of lawful presence for other essential needs, such as public benefits and voting. It also serves as proof of age for tobacco and liquor enforcement, and other purposes.

More specifically, under Colorado's "Restrictions on Public Benefits" law (H.B. 06S-1023), citizen-applicants for federal, state, or local public benefits must present a Colorado driver's license or ID (or tribal or military ID) in order to receive public benefits. In addition, under Colorado's "Help America Vote Act" (H.B. 03-1356), a person must provide a driver's license or ID number (or be issued a voter registration ID number by the Secretary of State) in order to register to vote. The Act also requires the Department of Revenue to match information in the voter registration database with information in the motor vehicle database and to verify applicable information with the federal social security database.

Senate Bill 07-241 refinanced the Driver and Vehicle Services unit, lowering General Fund appropriations by $5.8 million and increasing cash fund appropriations from the Licensing Services Cash Fund by a like amount. The act authorized the opening of three new driver's license offices in the front range and 53.0 FTE to staff the new offices and increasing staff at other offices. For FY 2009-10, the General Assembly refinanced, for one fiscal year, $17 million of General Fund with cash funds from the Licensing Services Cash Fund (to which all driver's license fees are diverted), and the Highway Users Tax Fund "Off-the-top" appropriation.

The table below shows the recent budget history for the Division's Driver and Vehicles Services Unit:

Motor Vehicle Division: Driver and Vehicle Services Expenditures/Appropriations History						
	FY 2004-05 Actual	**FY 2005-06 Actual**	**FY 2006-07 Actual**	**FY 2007-08 Actual**	**FY 2008-09 Approp.**	**FY 2009-10 Approp.**
Total	**$22,468,442**	**$23,336,702**	**$23,631,889**	**$27,146,209**	**$25,800,544**	**$28,539,032**
FTE	**338.0**	**309.8**	**374.2**	**374.2**	**377.8**	**383.2**
General Fund	8,379,409	7,759,680	17,066,680	14,791,280	12,251,614	808,719
HUTF	8,441,863	8,948,375	0	0	649,381	4,064,839
Cash Funds /1	4,231,740	4,909,538	5,046,911	10,907,121	12,899,549	23,665,474
Cash Funds Exempt /1	1,415,430	1,719,109	1,518,298	1,447,808	0	0
Federal Funds	0	0	0	0	0	0

/1 For FY 2008-09 and subsequent years, these "cash funds exempt" are categorized as "cash funds."

Information Technology

In April 2007, the Department discovered the theft, through fraudulent refunds, of approximately $10 million in state tax revenues. A new tax information system, the $45 million Colorado Integrated Tax Architecture (CITA) system, is expected to reduce the risk of such thefts in the future. The General Assembly appropriated $8.1 million capital construction funds for FY 2006-07 for the first phase of the project, which was to include

the project plan, issuing a request for proposal, contract negotiation, and deployment of system components for three tax types. Subsequently, the General Assembly appropriated $9.5 million capital construction funds for FY 2007-08, $7.8 million capital construction funds for FY 2008-09, and $7.5 million capital construction funds for FY 2009-10. In addition, starting in FY 2008-09, the Department's internal audit program was increased to further deter and detect employee fraud.

Motor Carrier Services

The Motor Carrier Services Division (Ports of Entry) receives a portion of Highway Users Tax Fund (HUTF) revenues for supervision of the highways before any other distributions are made. The distributions to the Ports of Entry and to the State Patrol are taken "off-the-top" before the formula allocation of HUTF to the State Highway Fund, counties, and cities. State law limits off-the-top HUTF appropriations for highway supervision to six percent annual growth over the previous fiscal year's off-the-top appropriation, regardless of any increase or decrease in overall highway-related revenues. The off-the-top limit is calculated on the previous fiscal year's base; it is not a proportion of revenues going to HUTF, nor is there a specific monetary cap.

Enforcement

The Enforcement Business Group regulates the liquor, tobacco, racing, gambling (except games of chance operated for charity, which are regulated by the Secretary of State), and automobile sales industries. The Limited Gaming Control Commission approves the Limited Gaming Division budget. For FY 2006-07, gaming revenues were $112.1 million. The Division of Racing Events collected approximately $2.8 million in pari-mutual taxes FY 2007-08, a reduction of $400,000 from FY 2006-07. State pari-mutuel taxes collected have fallen from $4.5 million in FY 2002-03 to $2.8 million in FY 2007-08.

Lottery

The State Lottery recorded sales of $505.8 million in FY 2007-08 and net proceeds of $122.3 million. The distribution of net proceeds from the lottery for the last four fiscal years are shown in the table below:

Lottery Proceed Distributions ($ millions)

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
Conservation Trust Fund	$41.5	$50.2	$47.6	$48.9
Great Outdoors Colorado	50.1	50.2	51.3	53.1
Parks & Outdoor Recreation	10.4	12.6	11.9	12.2
Lottery Proceeds Contingency Reserve Fund *	1.7	12.6	8.2	8.1
Total Distribution	**$103.7**	**$125.6**	**$119.0**	**$122.3**

* Per H.B. 08-1335, effective in FY 2008-09, the proceeds from the Lottery that would have been credited to the Lottery Proceeds Contingency Reserve Fund are now credited the Public School Capital Construction Assistance Fund.

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Revenue

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$687,174,978**	**$100,649,490**	**$583,661,442**	**$1,392,448**	**$1,471,598**	**1,496.8**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	31,643,135	19,127,660	12,089,596	425,879	0	48.7
Central Department Operations Division	11,570,244	10,759,519	706,255	104,470	0	109.9
Information Technology Division	12,621,384	4,895,849	7,251,683	473,852	0	113.6
Taxation Business Group	55,483,574	52,117,868	2,438,050	201,828	725,828	326.4
Division of Motor Vehicles	30,900,970	12,921,600	17,979,370	0	0	444.3
Motor Carrier Services Division	8,390,301	661,634	6,908,651	74,246	745,770	144.2
Enforcement Business Group	42,323,010	165,360	42,045,477	112,173	0	183.7
State Lottery Division	494,242,360	0	494,242,360	0	0	126.0
Breakdown of Total Appropriation by Bill						
HB 08-1375	621,136,308	101,482,374	516,789,888	1,392,448	1,471,598	1,493.4
SB 08-101	75,900	0	75,900	0	0	0.0
SB 08-155	0	0	0	0	0	(4.5)
SB 08-178	91,080	0	91,080	0	0	0.0
SB 08-186	60,720	0	60,720	0	0	0.0
HB 08-1105	1,953	0	1,953	0	0	0.0
HB 08-1175	30,360	0	30,360	0	0	0.0
HB 08-1194	614,500	0	614,500	0	0	4.5
HB 08-1353	92,818	92,818	0	0	0	2.0
SB 09-200	64,697,885	(1,428,538)	66,126,423	0	0	0.0
SB 09-212	140,207	139,898	309	0	0	1.2
SB 09-274	(130,000)	0	(130,000)	0	0	0.0
SB 09-275	185,432	185,123	309	0	0	0.1
HB 09-1342	177,815	177,815	0	0	0	0.1
FY 2009-10 Total Appropriation:	**$685,860,440**	**$75,719,920**	**$607,205,180**	**$1,409,966**	**$1,525,374**	**1,512.7**
Breakdown of Total Appropriation by Administrative Section						
Executive Director's Office	29,195,241	13,706,097	14,931,358	557,786	0	48.8
Central Department Operations Division	12,097,957	11,305,122	725,100	67,735	0	109.9

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Information Technology Division	13,113,549	5,351,692	7,362,610	399,247	0	113.6
Taxation Business Group	46,748,286	43,409,559	2,407,709	168,594	762,424	336.2
Division of Motor Vehicles	33,719,190	1,090,045	32,607,596	21,549	0	447.0
Motor Carrier Services Division	8,760,909	670,670	7,243,445	83,844	762,950	144.2
Enforcement Business Group	43,151,745	186,735	42,853,799	111,211	0	187.0
State Lottery Division	499,073,563	0	499,073,563	0	0	126.0
Breakdown of Total Appropriation by Bill						
SB 09-259	683,955,771	92,108,733	588,970,877	1,388,417	1,487,744	1,509.0
SB 09-003	106,331	0	106,331	0	0	0.5
SB 09-006	186,160	0	186,160	0	0	1.2
SB 09-025	0	(292,807)	292,807	0	0	0.0
SB 09-098	37,630	0	0	0	37,630	0.0
SB 09-161	16,080	0	16,080	0	0	0.0
SB 09-274	808,719	(16,177,258)	16,985,977	0	0	0.0
SB 09-275	68,412	68,412	0	0	0	0.8
HB 09-1100	16,080	0	16,080	0	0	0.0
HB 09-1133	528,000	0	528,000	0	0	0.0
HB 09-1160	21,549	0	0	21,549	0	0.0
HB 09-1173	75,043	0	75,043	0	0	0.8
HB 09-1246	29,170	0	29,170	0	0	0.5
HB 09-1266	(17,425)	0	(17,425)	0	0	(0.4)
HB 09-1342	12,840	12,840	0	0	0	0.3
HB 09-1347	16,080	0	16,080	0	0	0.0
Increase/(Decrease)	($1,314,538)	($24,929,570)	$23,543,738	$17,518	$53,776	15.9
Percentage Change	(0.2)%	(24.8)%	4.0%	1.3%	3.7%	1.1%

/1 Includes amounts ($30,600,000 in FY 2008-09 and $20,800,000 in FY 2009-10) that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S.

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation includes an increase of $68.3 million cash funds in the Lottery Division to reflect the latest sales forecast in variable costs that are directly related to sales.

2. The appropriation includes an increase of $514,000 cash funds to provide funding for increased demand for license plates.

3. The appropriation includes a total of $326,000, including $325,000 General Fund, to provide funding for the Department to notify vendors who collect sales taxes of the changes related to the vendor fee that were passed in S.B. 09-212 and S.B. 09-275.

4. The appropriation includes an increase of $178,000 General Fund to implement H.B. 09-1342, which eliminates for two years, the State sales tax exemption for cigarette sales.

5. The appropriation includes an increase of $123,000 cash funds to provide funding for increased demand for driver's licenses and other identification documents.

6. The appropriation includes refinancing $1.0 million of General Fund expenses in the Driver Control Section of the Division of Motor Vehicles, Driver and Vehicle Services, with funding from the Driver's License Administrative Revocation Account.

7. The appropriation includes refinancing $605,000 of General Fund expenses in the Division of Motor Vehicles, Driver and Vehicle Services, with funding from the Licensing Services Cash Fund.

8. The appropriation includes an a decrease of $3.4 million cash funds in the Lottery Division from an initiative to keep warehousing functions for Lottery tickets in-house.

9. The appropriation includes a decrease of $624,000 in Driver and Vehicle Services operating expenses. Reduction was used to fund a capital construction supplemental that updated driver's license equipment.

10. The appropriation includes a decrease of $604,000 to reflect savings from the FY 2008-09 hiring freeze.

11. The appropriation includes a decrease of $130,000 cash funds in expenses in the Motor Carrier Services Division as part of S.B. 09-274. The bill also refinanced $1.4 million of expenses between appropriations to help finance a $2.6 million cash fund transfer to the General Fund in FY 2009-10.

FY 2009-10 Appropriation Highlights:

1. The appropriation includes an increase of $3.0 million cash funds to provide to enhance marketing for the State Lottery.

2. The appropriation includes $957,000 General Fund and 10.1 FTE to expand the State's out-of-state tax compliance and enforcement program.

3. The appropriation includes $291,000 cash funds from the Colorado State Titling and Registration Account for an upgrade to the computer module that handles the State's titling data warehouse application.

4. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $4,085,835, including $2,490,390 General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

5. The appropriation refinances, for FY 2009-10 only, $17.0 million of General Fund expenses related to driver's license offices in the Executive Director's Office and the Division of Motor Vehicles with various cash funds.

6. The appropriation refinances $2.0 million of General Fund expenses from the Driver's License Administrative Revocation Account in the Driver Control Section of Driver and Vehicle Services in the Division of Motor Vehicles. Because of the pay-date shift, General Fund savings in FY 2009-10 are only $1.9 million.

7. The appropriation reflects a reduction of $8.7 million General Fund for the Old Age Heat and Fuel and Property Tax Assistance grants.

8. The appropriation reflects a reduction of $1.1 million General Fund in the Cigarette Tax Rebate to local governments.

Detail of Appropriation by Administrative Section

Executive Director's Office

The Executive Director's Office includes a citizens' advocate, a public information officer, and the following units: Central Budget Office, Accounting and Financial Services, Internal Audit, Office of Human Resources, and Office of Research and Analysis. The Executive Director's Office section of the Long Bill includes centrally appropriated direct and indirect costs. Major sources of cash funds include the Auto Dealers License Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Racing Cash Fund, the Aviation Fund, the Highway Users Tax Fund, the Colorado State Titling and Registration Account, the Limited Gaming Fund, the Driver's License Administrative Revocation Account, and the AIR Account. The sources of reappropriated funds are the State Lottery Fund and the Limited Gaming Fund.

Executive Director's Office						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$31,254,025	$18,738,550	$12,089,596	$425,879	$0	48.7
SB 09-200	389,110	389,110	0	0	0	0.0
TOTAL	**$31,643,135**	**$19,127,660**	**$12,089,596**	**$425,879**	**$0**	**48.7**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$31,643,135	$19,127,660	$12,089,596	$425,879	$0	48.7
Centrally appropriated line items	1,386,094	854,348	531,746	0	0	0.0
Annualize salary and benefits adjustments	170,357	(32,431)	60,088	142,700	0	0.0
Expanded out-of-state tax compliance and enforcement	80,000	80,000	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Variable vehicle expenses-Limited Gaming Division	67,167	0	67,167	0	0	0.0
Annualize FY 2008-09 hiring freeze	34,711	34,711	0	0	0	0.0
Annualize prior year funding	5,862	5,862	0	0	0	0.1
Indirect costs adjustments	0	141,579	(141,579)	0	0	0.0
Eliminate salary survey and performance-based pay awards	(4,121,835)	(2,490,390)	(1,631,445)	0	0	0.0
Personal services base reduction	(77,160)	(41,301)	(25,066)	(10,793)	0	0.0
Other	6,910	6,910	0	0	0	0.0
SB 09-259	**$29,195,241**	**$17,686,948**	**$10,950,507**	**$557,786**	**$0**	**48.8**
SB 09-274	0	(3,980,851)	3,980,851	0	0	0.0
TOTAL	**$29,195,241**	**$13,706,097**	**$14,931,358**	**$557,786**	**$0**	**48.8**
Increase/(Decrease)	($2,447,894)	($5,421,563)	$2,841,762	$131,907	$0	0.1
Percentage Change	(7.7)%	(28.3)%	23.5%	31.0%	n/a	0.2%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-200 reduced personal services by $34,711 General Fund to account for the savings from the FY 2008-09 hiring freeze and increased and reallocated $423,821 General Fund from the Information Technology Division for the Department's contribution to the management and administration of the Office of Information Technology.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Centrally appropriated line items: The appropriation includes adjustments to centrally-appropriated line items, including: state contributions to health, life, and dental benefits; shift differential; state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services; administrative law judge services; purchases of services from the state's computer center; multi-use network payments; management and administration of the Office of Information Technology; payments to risk management and property funds; vehicle leases; capitol complex leased space; and communication services.

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

Expanded out-of-state tax compliance and enforcement: The appropriation includes funding to expand out-of-state tax compliance and enforcement. The appropriation includes an increase for leased space for out-of-state offices as part of the centrally-appropriated line item.

Variable vehicle expenses - Limited Gaming Division: The appropriation provides centrally-appropriated spending authority to the Executive Director's office to bring the appropriation in line with the appropriation authorized by the Limited Gaming Commission, which has constitutional authority over the expenses for the Division.

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

Annualize prior year funding: The appropriation annualizes funding and FTE to implement S.B. 07-228 regarding vendor performance of state contracts.

Indirect costs adjustments: The appropriation reallocates funding between the General Fund and various cash funds to properly account for the source of funds for programs.

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Other: The appropriation includes an increase related to H.B. 08-1353.

Central Department Operations Division

This division maintains documents and records transactions for taxes, licensing, and other fee payments; deposits tax remittances; processes tax documents; issues income tax refunds; and handles a variety of incoming and outgoing mail. Major sources of cash funds include the Auto Dealers License Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Racing Cash Fund, the Aviation Fund, the Highway Users Tax Fund, the Identification Security Fund, the Colorado State Titling and Registration Account, the Limited Gaming Fund, the Driver's License Administrative Revocation Account, the Outstanding Judgments and Warrants Account, and the AIR Account. Sources of reappropriated funds are the State Lottery Fund and the Limited Gaming Fund.

Central Department Operations Division

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$11,480,172	$10,659,191	$716,511	$104,470	$0	109.9
SB 09-200	90,072	100,328	(10,256)	0	0	0
TOTAL	**$11,570,244**	**$10,759,519**	**$706,255**	**$104,470**	**$0**	**109.9**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$11,570,244	$10,759,519	$706,255	$104,470	$0	109.9
Annualize salary and benefits adjustments	270,337	290,230	15,531	(35,424)	0	0.0
Pueblo data entry center payments	156,873	156,873	0	0	0	0.0
USPS postage rate increase	106,247	96,769	9,478	0	0	0.0
Document imaging and storage	61,908	61,908	0	0	0	0.0
Document transport lease	38,000	38,000	0	0	0	0.0
Personal services base reduction	(107,168)	(99,693)	(6,164)	(1,311)	0	0.0
Other	1,516	1,516	0	0	0	0.0
SB 09-259	**$12,097,957**	**$11,305,122**	**$725,100**	**$67,735**	**$0**	**109.9**
TOTAL	**$12,097,957**	**$11,305,122**	**$725,100**	**$67,735**	**$0**	**109.9**
Increase/(Decrease)	$527,713	$545,603	$18,845	($36,735)	$0	0.0
Percentage Change	4.6%	5.1%	2.7%	(35.2)%	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-200 increased the postage line item to account for a rate increase from the United States Postal Service.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Pueblo data entry center payments: The appropriation provides an increase due to a rate increase imposed by the Department of Personnel and Administration (DPA) and an increase in the data captured from the oil and gas severance tax withholding form.

USPS postage rate increase: The appropriation includes an increase to account for rate increases imposed by the United States Postal Service (U.S.P.S.).

Document imaging and storage: The appropriation provides an increase due to a rate increase imposed by DPA for the digital storage of documents and an increase in the volume of stored images.

Document transport lease: The appropriation includes the costs to lease a Unisys 300 document transport, to replace an existing transport that has exceeded its useful life.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Other: The appropriation includes the annualization of H.B. 07-1106 regarding property tax credit eligibility changes.

Information Technology Division

This division includes two sections: Systems Support, which provides most of the Department's information technology support; and the Colorado State Titling and Registration System (CSTARS). CSTARS is the motor vehicle titling and registration information system that automates the distribution of vehicle registration taxes among the State, counties, and the Highway Users Tax Fund (HUTF). CSTARS enables Colorado's 64 county clerk offices to issue approximately 2.1 million vehicle titles and 4.3 million vehicle registrations annually.

Major sources of cash funds include the Racing Cash Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Auto Dealers License Fund, the Aviation Fund, the Highway Users Tax Fund, the Colorado State Titling and Registration Account, the Limited Gaming Fund, the Driver's License Administrative Revocation Account, the AIR Account, and the Outstanding Judgments and Warrants Account. Sources of reappropriated funds are the State Lottery Fund and the Limited Gaming Fund.

Information Technology Division

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$12,902,998	$5,091,656	$7,337,490	$473,852	$0	118.1
SB 08-155	0	0	0	0	0	(4.5)
SB 09-200	(281,614)	(195,807)	(85,807)	0	0	0
TOTAL	**$12,621,384**	**$4,895,849**	**$7,251,683**	**$473,852**	**$0**	**113.6**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$12,621,384	$4,895,849	$7,251,683	$473,852	$0	113.6
Annualize salary and benefits adjustments	344,867	249,441	95,426	0	0	0.0
Update for CSTARS titling module	290,820	0	290,820	0	0	0.0
County office improvements	47,377	0	47,377	0	0	0.0
Annualize programming costs for prior session legislation	24,762	(57,234)	81,996	0	0	0.0
Annualize FY 2008-09 hiring freeze	8,703	4,892	3,811	0	0	0.0
Indirect costs adjustments	0	346,985	(280,105)	(66,880)	0	0.0
Personal services base reduction	(171,038)	(88,241)	(75,072)	(7,725)	0	0.0
Annualize prior year funding	(53,326)	0	(53,326)	0	0	0.0
SB 09-259	**$13,113,549**	**$5,351,692**	**$7,362,610**	**$399,247**	**$0**	**113.6**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$13,113,549**	**$5,351,692**	**$7,362,610**	**$399,247**	**$0**	**113.6**
Increase/(Decrease)	$492,165	$455,843	$110,927	($74,605)	$0	0.0
Percentage Change	3.9%	9.3%	1.5%	(15.7)%	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-200 reduced personal services by $4,892 General Fund and $3,811 cash funds to account for the savings from the FY 2008-09 hiring freeze, reallocated $248,149 to the Executive Director's Office as part of the reorganization of the Office of Information Technology, and increased General Fund by $57,234 and decreased cash funds by $81,996 to "true up" the Programming Costs for 2008 Session Legislation.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Update for the Colorado State Titling and Registration System (CSTARS) titling module: The appropriation provides funding for an update to the hardware and software systems that provide for the titling module of the CSTARS system. The existing system is ten years old and is no longer supported.

County office improvements: The appropriation provides funding for equipment, software and training associated with the opening of a new county office in Pueblo County.

Annualize programming costs for prior session legislation: The appropriation annualizes funding for programming costs associated with legislation.

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

Indirect costs adjustments: The appropriation adjusts indirect costs to properly account for the source of funds for programs.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Annualize prior year funding: The appropriation eliminates one-time funding provided in FY 2008-09 for county office improvements.

Taxation Business Group

The Taxation Business Group administers business taxes; income taxes; severance taxes; estate and transfer taxes; special taxes, including gasoline, special fuel, aviation fuel, cigarette, tobacco, and liquor excise taxes; public utility assessments; and food service licensing fees. Sources of cash funds include the Private Letter Ruling Fund, the Aviation Fund, the Tobacco Tax Cash Fund, the Alternative Fuels Rebate Fund, the Highway Users Tax Fund (for the Fuel Tracking System), the Mineral Audit Program, and the State Board of Land Commissioners. Sources of reappropriated funds include the Mineral Audit Program (federal funds), the State Board of Land Commissioners, and the Oil and Gas Conservation Commission.

The Mineral Audit Division audits oil, gas, and mineral rents and royalties; the mill levy from oil and gas production; and severance taxes from federal, state, and private lands. It receives funding from the U.S. Department of Interior's Minerals Management Service under a cooperative agreement for delegated authority to audit federal minerals production in Colorado.

The Taxation Business Group manages the State's subsystem of the International Fuel Tracking System, which licenses fuel distributors, suppliers, importers, exporters and transporters, and collects fuel taxes for the Highway Users Tax Fund. This group also administers the old age heat and fuel and property tax assistance grants, the cigarette tax rebate to local governments, the Amendment 35 distribution to local governments of proceeds from the tobacco tax fund, and the alternative fuels rebate.

Taxation Business Group

	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$54,910,313	$51,545,225	$2,437,432	$201,828	$725,828	323.0
HB 08-1353	92,818	92,818	0	0	0	2.0
SB 09-200	(23,011)	(23,011)	0	0	0	0.0
SB 09-212	140,207	139,898	309	0	0	1.2
SB 09-275	185,432	185,123	309	0	0	0.1
HB 09-1342	177,815	177,815	0	0	0	0.1
TOTAL	**$55,483,574**	**$52,117,868**	**$2,438,050**	**$201,828**	**$725,828**	**326.4**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$55,483,574	$52,117,868	$2,438,050	$201,828	$725,828	326.4
Annualize salary and benefits adjustments	950,245	946,928	3,317	0	0	0.0
Out-of-state tax enforcement and compliance	877,418	877,418	0	0	0	10.1
Annualize FY 2008-09 hiring freeze	23,011	23,011	0	0	0	0.0
Indirect costs adjustments	0	33,065	169	(33,234)	0	0.0
Old age heat & fuel and property tax assistance grants /1	(8,700,000)	(8,700,000)	0	0	0	0.0
Cigarette tax rebate /1	(1,100,000)	(1,100,000)	0	0	0	0.0

	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	(503,454)	(502,836)	(618)	0	0	(1.4)
Personal services base reduction	(362,014)	(360,237)	(1,777)	0	0	0.0
Amendment 35 distribution to local governments	(31,432)	0	(31,432)	0	0	0.0
Other	(7,944)	(6,910)	0	0	(1,034)	0.0
SB 09-259	**$46,629,404**	**$43,328,307**	**$2,407,709**	**$168,594**	**$724,794**	**335.1**
SB 09-098	37,630	0	0	0	37,630	0.0
SB 09-275	68,412	68,412	0	0	0	0.8
HB 09-1342	12,840	12,840	0	0	0	0.3
TOTAL	**$46,748,286**	**$43,409,559**	**$2,407,709**	**$168,594**	**$762,424**	**336.2**
Increase/(Decrease)	($8,735,288)	($8,708,309)	($30,341)	($33,234)	$36,596	9.8
Percentage Change	(15.7)%	(16.7)%	(1.2)%	(16.5)%	5.0%	3.0%

/1 Includes amounts ($30,600,000 in FY 2008-09 and $20,800,000 in FY 2009-10) that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S. For FY 2008-09, this amount includes $13,300,000 for the Cigarette Tax Rebate and $17,300,000 for the Old Age Heat and Fuel and Property Tax Assistance Grant. For FY 2009-10, this amount includes $12,200,000 for the Cigarette Tax Rebate and $8,600,000 for the Old Age Heat and Fuel and Property Tax Assistance Grant.

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-200 reduced personal services by $23,011 to account for the savings from the FY 2008-09 hiring freeze. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Out-of-state tax enforcement and compliance: The appropriation provides for an expansion of the State's efforts to audit taxpayers and collect taxes from entities headquartered out-of-state that do business in Colorado. The appropriation adds 10.1 FTE.

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

Indirect costs adjustments: The appropriation adjusts indirect costs to properly account for the source of funds for programs.

Old age heat & fuel and property tax assistance grants: The appropriation adjusts spending authority for old age heat & fuel and property tax assistance grants to reflect the March 2009 Legislative Council staff revenue forecast.

Cigarette tax rebate: The appropriation adjusts spending authority for the Cigarette Tax Rebate to reflect the March 2009 Legislative Council staff revenue forecast.

Annualize prior year funding: The appropriation annualizes the funding associated with the costs of implementing S.B. 09-212, which reduced the vendor fee.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Amendment 35 distribution to local governments: The appropriation adjusts spending authority for the Amendment 35 distribution to local governments to reflect the most recent Legislative Council staff revenue forecast.

Other: The appropriation provides small decreases in funding for several line items.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Division of Motor Vehicles

The Division of Motor Vehicles licenses driver's and issues personal identification documents; provides administrative support for the statewide vehicle titling and registration system; regulates commercial driving schools; oversees the Motor Carrier Services Division; oversees the Motorist Insurance Identification Database; and enforces the State's auto emissions program, including overseeing daily audits of the nine clean screen vans in the Denver metropolitan area.

Major sources of cash funds are the Licensing Services Cash Fund and the License Plate Cash Fund. Other cash funds sources include the Highway Users Tax Fund, the Colorado State Titling and Registration System Account, the AIR Account, the Driver's License Administrative Revocation Account, the Identification Security Account, and the Motorist Insurance Identification Account.

Division of Motor Vehicles

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$30,031,063	$14,620,758	$15,410,305	$0	$0	439.8
SB 08-101	75,900	0	75,900	0	0	0.0
SB 08-178	91,080	0	91,080	0	0	0.0
SB 08-186	60,720	0	60,720	0	0	0.0
HB 08-1175	30,360	0	30,360	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 08-1194	614,500	0	614,500	0	0	4.5
SB 09-200	(2,653)	(1,699,158)	1,696,505	0	0	0.0
SB 09-274	0	0	0	0	0	0.0
TOTAL	**$30,900,970**	**$12,921,600**	**$17,979,370**	**$0**	**$0**	**444.3**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$30,900,970	$12,921,600	$17,979,370	$0	$0	444.3
Annualize salary and benefits adjustments	848,034	641,107	206,927	0	0	0.0
Annualize prior year legislation	405,120	0	405,120	0	0	0.9
Annualize FY 2008-09 hiring freeze	163,222	72,643	90,579	0	0	0.0
Digital storage increase	152,469	0	152,469	0	0	0.0
Refinance driver's license documents	0	171,849	(171,849)	0	0	0.0
Indirect costs adjustments	0	11,473	(11,473)	0	0	0.0
Personal services base reduction	(355,299)	0	(355,299)	0	0	0.0
Annualize prior year funding	(106,070)	(239,413)	133,343	0	0	0.0
SB 09-259	**$32,008,446**	**$13,579,259**	**$18,429,187**	**$0**	**$0**	**445.2**
SB 09-003	106,331	0	106,331	0	0	0.5
SB 09-006	186,160	0	186,160	0	0	1.2
SB 09-025	0	(292,807)	292,807	0	0	0.0
SB 09-161	16,080	0	16,080	0	0	0.0
SB 09-274	808,719	(12,196,407)	13,005,126	0	0	0.0
HB 09-1100	16,080	0	16,080	0	0	0.0
HB 09-1133	528,000	0	528,000	0	0	0.0
HB 09-1160	21,549	0	0	21,549	0	0.0
HB 09-1246	29,170	0	29,170	0	0	0.5
HB 09-1266	(17,425)	0	(17,425)	0	0	(0.4)
HB 09-1347	16,080	0	16,080	0	0	0.0
TOTAL	**$33,719,190**	**$1,090,045**	**$32,607,596**	**$21,549**	**$0**	**447.0**
Increase/(Decrease)	$2,818,220	($11,831,555)	$14,628,226	$21,549	$0	2.7
Percentage Change	9.1%	(91.6)%	81.4%	n/a	n/a	0.6%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-200 provided: a decrease of $72,643 General Fund and $90,579 cash funds to account for the savings from the FY 2008-09 hiring freeze; an increase of $122,755 cash funds for driver's license documents to account for an increase in documents issued; an increase of $514,206 cash funds for an increased inventory of license plates; a one-time reduction of $624,257 cash funds in operating expenses in Driver and Vehicle Services to provide funds for a cash funded capitol construction project; and refinanced $1.7 million in General Fund expenses in Driver and Vehicle Services. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Annualize prior year legislation: The appropriation annualizes the costs associated with H.B. 08-1194, which increased penalties for drunk driving, and required the Department of Revenue to assist with the purchase of ignition interlock devices for eligible persons, and also annualizes the cost of several special license plate bills passed during the 2008 session.

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

Digital storage increase: The appropriation increases funding for digital storage of documents that the Department is required to store.

Refinance driver's license documents section: The appropriation adjusts the funding splits for this line item, which provides the physical identification and driver's license documents. The Identification Security Fund, which provides partial funding for this line item, is scheduled to sunset on July 1, 2009. The appropriation exhausts the fund balance and offsets the reduction in available cash funds with General Fund.

Indirect costs adjustments: The appropriation adjusts indirect costs to properly account for the source of funds for programs.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Annualize prior year funding: The appropriation annualizes the funding provided in FY 2008-09 for digital image storage for the Titles section; annualizes the funding as a result of a supplemental refinancing Driver Control Section expenses from the General Fund to the Driver's License Administrative Revocation Account; and adjusts fund sources following the one-time refinancing of Driver and Vehicle Services in the Division of Motor Vehicles.

Additional legislation: For information on H.B. 09-1160, see the "Recent Legislation" section at the end of the Department of State. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Motor Carrier Services Division

This division enforces interstate trucking laws through the ports of entry system. It registers motor carriers, collects registration fees on fuel distributors, petroleum storage companies, and interstate carriers; enforces vehicle safety regulations; and enforces regulations concerning owners and operators of motor carriers. It operates 17 port of entry buildings and ten mobile port scales. Please not that the Taxation Business Group manages the federally funded interstate trucker registration audit system, known as the Joint Federal-State Motor Fuel Tax System. Major sources of cash funds include the Highway Users Tax Fund, the Nuclear Materials Transportation Fund, the Hazardous Materials Safety Fund, and the Motor Carrier Safety Assistance Program.

Motor Carrier Services Division						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$8,520,301	$661,634	$7,038,651	$74,246	$745,770	144.2
SB 09-274	(130,000)	0	(130,000)	0	0	0.0
TOTAL	**$8,390,301**	**$661,634**	**$6,908,651**	**$74,246**	**$745,770**	**144.2**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$8,390,301	$661,634	$6,908,651	$74,246	$745,770	144.2
Annualize salary and benefits adjustments	359,810	30,875	328,935	0	0	0.0
Restore funding from SB 09-274	130,000	0	130,000	0	0	0.0
Motor carrier safety assistance program	17,180	0	0	0	17,180	0.0
Indirect costs adjustments	0	(9,598)	0	9,598	0	0.0
Personal services base reduction	(136,382)	(12,241)	(124,141)	0	0	0.0
SB 09-259	**$8,760,909**	**$670,670**	**$7,243,445**	**$83,844**	**$762,950**	**144.2**
TOTAL	**$8,760,909**	**$670,670**	**$7,243,445**	**$83,844**	**$762,950**	**144.2**
Increase/(Decrease)	$370,608	$9,036	$334,794	$9,598	$17,180	0.0
Percentage Change	4.4%	1.4%	4.8%	12.9%	2.3%	0.0%

FY 2008-09 Appropriation Adjustments

For information on S.B. 09-274, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Restore one-time funding reduction in S.B. 09-274: The appropriation restores a one-time funding cut enacted in S.B. 09-274.

Motor Carrier Safety Assistance Program: The appropriation reflects increased federal funding for the program.

Indirect costs adjustments: The appropriation reallocates funding between funds to properly account for the source of funds for programs.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Enforcement Business Group

This group regulates limited gaming; enforces the State's liquor and tobacco laws; licenses liquor retailers, wholesalers, and manufacturers; regulates horse and dog racing events; regulates the sale and distribution of motor vehicles; and adjudicates complaints related to driver's licenses, liquor licenses, certain racing licenses, and some tax disputes. Major sources of cash funds include the Limited Gaming Fund, the Auto Dealers License Fund, the Liquor Enforcement Division and State Licensing Authority Cash Fund, the Racing Cash Fund, the Horse Breeders' and Owners' Awards and Supplemental Purse Fund, the Driver's License Administrative Revocation Account, and the Tobacco Education Programs Fund. The source of reappropriated funds is the Limited Gaming Fund.

Enforcement Business Group	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$42,454,592	$165,360	$42,177,059	$112,173	$0	183.7
HB 08-1105	1,953	0	1,953	0	0	0.0
SB 09-200	(133,535)	0	(133,535)	0	0	0.0
TOTAL	**$42,323,010**	**$165,360**	**$42,045,477**	**$112,173**	**$0**	**183.7**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$42,323,010	$165,360	$42,045,477	$112,173	$0	183.7
Annualize salary and benefits adjustments	542,369	16,687	525,682	0	0	0.0
Annualize FY 2008-09 hiring freeze	154,235	0	154,235	0	0	0.0
Liquor Enforcement Division staff	105,808	0	105,808	0	0	2.0
Digital imaging storage costs for Motor Vehicles Dealer Licensing Board	86,290	0	86,290	0	0	0.0
Indirect costs assessment	43,239	0	43,239	0	0	0.0
S.B 08-026 appropriation	33,347	0	33,347	0	0	0.5
Background checks for Motor Vehicle Dealer Licensing Board	1,800	0	1,800	0	0	0.0
Indirect costs adjustments	0	4,688	(3,726)	(962)	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Personal services base reduction	(213,396)	0	(213,396)	0	0	0.0
SB 09-259	**$43,076,702**	**$186,735**	**$42,778,756**	**$111,211**	**$0**	**186.2**
HB 09-1173	75,043	0	75,043	0	0	0.8
TOTAL	**$43,151,745**	**$186,735**	**$42,853,799**	**$111,211**	**$0**	**187.0**
Increase/(Decrease)	$828,735	$21,375	$808,322	($962)	$0	3.3
Percentage Change	2.0%	12.9%	1.9%	(0.9)%	n/a	1.8%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-200 reduced personal services by $154,235 cash funds to account for the savings from the FY 2008-09 hiring freeze and added $20,700 cash funds to bring spending for background checks for motor vehicle dealer and sales licenses "on-line" (previous practice had been to pay those expenses directly out of the cash fund from the fees received).

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Liquor Enforcement Division staff: The appropriation provides funding for an increase in division staff including 1.0 FTE for a criminal investigator in the Grand Junction office to decrease response time on the Western Slope, and 1.0 FTE for staff in the licensing section to address workload issues that have led to slow issuance of new and renewed liquor licenses.

Digital imaging storage costs for Motor Vehicle Dealer Licensing Board: The appropriation provides funding to image and store a five-year backlog of the documents that need to be stored.

Indirect costs assessment: The appropriation reallocates funding between funds to properly account for the source of funds for programs.

S.B. 08-026 appropriation: As authorized by S.B. 08-026, the appropriation includes funding and FTE for implementing reduced cigarette ignition propensity standards.

Background checks for The Motor Vehicle Dealer Licensing Board: The appropriation includes funding to conduct background checks on applicants for dealer or sales licenses. Prior procedure had been to pay for these expenses directly out of the cash fund. This appropriation provides that the funds will now be accounted for as an expense of the State.

Indirect costs adjustments: The appropriation adjusts indirect costs to properly account for the source of funds for programs.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Additional legislation: For information on H.B. 09-1173, see the "Recent Legislation" section at the end of the Department of Law.

State Lottery Division

The State Lottery Division is an enterprise under Article X, Section 20, of the Colorado Constitution (the Taxpayer's Bill of Rights). Expenditures are paid from the State Lottery Fund and appropriated as cash funds. The Lottery's direct costs for worker's compensation, variable vehicle expenses, legal services, the purchase of services from the computer center, multiuse network payments, payments to risk management, vehicle lease payments, leased space, Capitol Complex leased space, and communications services payments are shown in consolidated budget lines within the Executive Director's Office.

State Lottery Division	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$429,582,844	$0	$429,582,844	$0	$0	126.0
SB 09-200	64,659,516	0	64,659,516	0	0	0.0
TOTAL	**$494,242,360**	**$0**	**$494,242,360**	**$0**	**$0**	**126.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$494,242,360	$0	$494,242,360	$0	$0	126.0
Annualize prior year funding	3,028,290	0	3,028,290	0	0	0.0
Annualize reductions in ticket costs	1,400,000	0	1,400,000	0	0	0.0
Annualize salary and benefits adjustments	378,646	0	378,646	0	0	0.0
Annualize FY 2008-09 hiring freeze	220,322	0	220,322	0	0	0.0
Personal services base reduction	(172,688)	0	(172,688)	0	0	0.0
Indirect costs assessments	(23,367)	0	(23,367)	0	0	0.0
SB 09-259	**$499,073,563**	**$0**	**$499,073,563**	**$0**	**$0**	**126.0**
TOTAL	**$499,073,563**	**$0**	**$499,073,563**	**$0**	**$0**	**126.0**
Increase/(Decrease)	$4,831,203	$0	$4,831,203	$0	$0	0.0
Percentage Change	1.0%	n/a	1.0%	n/a	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-200 reduced personal services by $220,322 cash funds to account for the savings from the FY 2008-09 hiring freeze, increased by $68 million those line items that vary directly with sales to bring those appropriations in line with the latest sales forecasts, and reduced by $3.4 million ticket costs to account for savings as the Lottery had shelved plans to out source ticket warehousing.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Annualize prior year funding: The appropriation increases funding for advertising costs, and annualizes funding that was added in FY 2008-09.

Annualize reductions in ticket costs: The appropriation partially restores funding for warehousing tickets based on a decision to keep this function in-house.

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

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time equivalent (FTE) staff.

Indirect costs assessments: The appropriation increases indirect costs assessment from the Lottery Fund to more accurately reflect the Lottery's share of departmental and statewide indirect costs.

Recent Legislation

2008 Session Bills

S.B. 08-101: Creates the "North American Aerospace Defense" special license plate to commemorate NORAD's 50th Anniversary. Appropriates $62,500 cash funds from the Licensing Services Cash Fund and $13,400 cash funds from the License Plate Cash Fund to the Division of Motor Vehicles.

S.B. 08-155: Centralizes the management of State information technology resources in the Governor's Office of Information Technology (OIT). Transfers 4.5 FTE from the Department of Revenue to OIT. For more information of S.B. 08-155, see the recent legislation section at the end of the Governor's section of this report.

S.B. 08-178: Creates the "Colorado Horse Development Authority" special license plate. Appropriates $75,000 cash funds from the Licensing Services Cash Fund and $16,080 cash funds from the License Plate Cash Fund to the Division of Motor Vehicles.

S.B. 08-186: Creates the "Colorado Carbon Fund" special license plate. In addition to the other financial requirements for a special license plate, the bill requires a donation to the Colorado Carbon Fund, which is administered by the Governor's Office. Appropriates $50,000 cash funds from the Licensing Services Cash Fund and $10,720 cash funds from the License Plate Cash Fund to the Division of Motor Vehicles.

H.B. 08-1105: Allows an art gallery to obtain an annual permit to serve alcoholic beverages on the premises up to 15 days per year, and sets fees for obtaining the permit. Appropriates $1,953 cash funds from the Liquor Enforcement Division Cash Fund to the Enforcement Business Group, Liquor Enforcement Division.

H.B. 08-1175: Creates the United States Army 4th Infantry Division special license plate. Appropriates $25,000 cash funds from the Licensing Services Cash Fund and $5,360 cash funds from the License Plate Cash Fund to Driver and Vehicle Services.

H.B. 08-1194: Increases the fee for reinstatement of driver's license after a drunk driving suspension; deposits those increased fees into the newly created First Time Drunk Driving Offenders Account; increases administrative revocations of driver's licenses for first time offenders; expands the ability for driver's to use an ignition interlock device when they apply for reinstatement and requires the Department to establish a program to assist certain offenders with the partial payment of such a device; and requires the Department of Transportation to increase the number of high-visibility drunk driving law enforcement episodes annually.

Makes a 5-year statutory appropriation as follows: for FY 2008-09, appropriates $125,165 from the Capital Construction Fund to the Corrections Expansion Reserve Fund and transfers $125,165 from the General Fund to the Capital Construction Fund; for FY 2009-10, appropriates $12,517 from the Capital Construction Fund to the Corrections Expansion Reserve Fund, transfers $12,517 from the General Fund to the Capital Construction Fund, and appropriates $28,758 from the General Fund to the Department of Corrections; for FY 2010-11, appropriates $31,634 from the General Fund to the Department of Corrections; for FY 2011-12, appropriates $31,634 from the General Fund to the Department of Corrections; and for FY 2012-13, appropriates $31,634 from the General Fund to the Department of Corrections. Appropriates $2,000,000 cash funds from the First Time Drunk Driving Offender Account to the Department of Transportation to increase to 12 the number of high visibility drunk driving law enforcement episodes the Department oversees annually. Appropriates $614,500 cash funds and 4.5 FTE from the First Time Drunk Driving Offender Account in the Highway Users Tax Fund to the Division of Motor Vehicles for overseeing and assisting the implementation of additional ignition interlock devices for offenders.

H.B. 08-1353: Appropriates $92,818 General Fund and 2.0 FTE to the Department to review gross conservation easements. For more information of H.B. 08-1353, see the "Recent Legislation" section at the end of the Department of Regulatory Agencies section of this document.

H.B. 08-1375: General appropriations act for FY 2008-09.

2009 Session Bills

S.B. 09-003: Expands the areas of the state that are subject to the enhanced emissions program to include most of Larimer and Weld counties. Changes the definition of a collector's item for purposes of motor vehicle registration and emissions testing, requires the Department of Public Health and Environment to cooperate with the Legislative Audit Committee's review of the remote sensing program, and delays deployment of the program until validity and viability of the program is determined. Appropriates $39,304 cash funds and 0.5 FTE to the Department of Revenue, Vehicle Emissions section, from the Department of Revenue subaccount of the

Automobile Inspection and Readjustment (AIR) Account of the HUTF; $97,112 cash funds and 1.5 FTE to the Department of Public Health and Environment, Air Quality Control Division; and $67,027 cash funds from the License Plate Cash Fund to the Department of Revenue, for the purchase of license plates from the Department of Corrections, Correctional Industries.

S.B. 09-006: Creates a new County Jail Mobile Identification Unit within the Division of Motor Vehicles, consisting of a vehicle staffed by personnel from the Division of Motor Vehicles. It will travel to jails in Adams, Arapahoe, Boulder, Denver, Douglas, and Jefferson counties on a regular basis to issue new identification cards to each prisoner who does not already have an identification card, but does have all of the proper documentation. Jail personnel may assist prisoners in obtaining documentation. This bill was recommended by the Legislative Oversight Committee for the Continuing Examination of the Treatment of Persons with Mental Illness who are Involved in the Criminal Justice System. Funding is provided through gifts, grants, and donations. Creates the County Jail Identification Processing Unit Fund and appropriates $186,160 (contingent upon receipt of funds) from the fund in FY 2009-10 to the Division of Motor Vehicles.

S.B. 09-025: Extends the $0.60 surcharge on driver's licenses to provide funding for the issuance of driver's licenses and identification documents. The surcharge is deposited into the Identification Security Fund. Appropriates $292,000 from the fund to the Division of Motor Vehicles.

S.B. 09-075: Creates the low-speed electric vehicle in state statutes as a new category of vehicle. Authorizes the Department of Transportation to regulate these vehicles outside of municipalities with proper signage. Requires that these vehicles must be registered with the Division of Motor Vehicles in the Department of Revenue. Also identifies a type of low-speed electric vehicle, which can reach speeds above 25 but less than 45 miles per hour and states that these vehicles shall not be titled or registered until the U.S. Department of Transportation adopts safety standards for these vehicles.

S.B. 09-085: Creates a legislative task force to study the business personal property tax. Its purpose is to examine the following issues: business personal property tax exemptions that eliminate or phase out the tax; an analysis of the fiscal impact on the State and local governments; and methods to reimburse local governments for the loss of business personal property taxes.

S.B. 09-098: Permits dyed diesel fuel to be blended by a licensed distributor with biodiesel fuel after withdrawal at a terminal or refiner rack up to the maximum federally allowed blend and retain its exemption from the State's special fuel tax. Specifies that only licensed fuel blenders may blend dyed diesel with biodiesel after withdrawals at a terminal rack and specifies penalties for violation. Provides funding, including federal funding, which may be used for computer programming expenses to monitor and track exempt dyed diesel fuel that has been blended with biodiesel fuel.

S.B. 09-121: Eliminates the requirement that free or reduced-price meals provided to employees of restaurants be considered part of their wages in order for the meals to be exempt from sales and use taxes.

S.B. 09-126: Extends the voluntary contribution designation (or income tax checkoff) benefitting the Multiple Sclerosis Fund from tax year 2009 through tax year 2011.

S.B. 09-161: Creates the Colorado Ski Country special license plate. The plate will be available to applicants who pay the appropriate license fees, plus a one-time fee of $50. The one-time fee is credited equally between the Highway Users Tax Fund (HUTF) and the Licensing Services Cash Fund (LSCF). Appropriates $16,080

from the License Plate Cash Fund in FY 2009-10 to the Division of Motor Vehicles for the purchase of the license plates.

S.B. 09-200: Department of Revenue supplemental appropriation for FY 2008-09.

S.B 09-212: Temporarily reduces the vendor fee (the fee that vendors are allowed to keep as compensation for their expenses in collecting sales taxes for the state) from 3.33 percent to 1.35 percent for vendors who must file their taxes monthly. The reduced fee is in effect until December 31, 2011. Appropriates $140,000 General Fund and $300 cash funds in FY 2008-09 to the Department to notify vendors of the changes.

S.B. 09-259: General appropriations act for FY 2009-10.

S.B. 09-274: For FY 2008-09, this bill authorizes the use of HUTF "off-the-top" and Motorist Insurance Identification Account (MIIDB) moneys in the Division of Motor Vehicles, Driver and Vehicle Services, reduces the HUTF "off-the-top" appropriation to the Motor Carrier Services Division, refinances $649,381 of the appropriation from the LSCF with HUTF "off-the-top" moneys, and refinances $765,000 of the appropriation from the LSCF with MIIDB moneys. These adjustments, along with funds "earned" by the LSCF, allow a $2.6 million transfer to the General Fund from the LSCF in FY 2009-10. That transfer is included in S.B. 09-279.

For FY 2009-10, diverts driver's license fee revenues were previously credited to the HUTF to the LSCF, allowing for the refinance of $16.2 million of General Fund from the LSCF. Modified the 2009 Long Bill by reducing General Fund appropriations to the Division of Motor Vehicles (including centrally appropriated expenses) by $16.2 million, increasing the LSCF appropriation by $12.9 million and increasing the HUTF appropriation by $4.0 million.

S.B. 09-275: Suspends, for two fiscal years, the vendor fee (the fee that vendors are allowed to keep as compensation for their expenses in collecting sales taxes for the state) for all vendors. Provides that if the Legislative Council Staff economic forecast issued in September 2010 predicts that state revenues will be sufficient to fully fund a six percent increase in General Fund spending for FY 2010-11, then the vendor fee will revert to 3.33 percent effective January 1, 2011. Appropriates $185,000 General Fund, and $300 cash funds in FY 2008-09 to notify vendors of the change, and appropriates $68,000 in FY 2009-10 to handle questions and problems with the changes.

S.B. 09-287: Renews the income tax checkoff line for the Special Olympics.

H.B. 09-1001: Provides an income tax credit equal to one-half of a firms federal social security and Medicare taxes on jobs created pursuant to this law to firms that create jobs in Colorado effective for tax years 2009 through 2018. If the jobs are created within an enhanced rural enterprise zone, firms must create at least five jobs and retain them for one year. If the jobs are not being created within an enhanced rural enterprise zone, at least 20 jobs must be created and retained for one year. In order to qualify for the credit, the jobs must bring wages of at least 110 percent of the average wage of the county in which the new jobs are located. Grants the Colorado Economic Development Commission authority to deny any initial application and authorizes the commission to audit the accounts of each firm within twelve months following the receipt of the credit by the firm.

H.B. 09-1026: Changes, deletes, and adds several motor vehicle definitions. Specifically, makes the following changes:

- removes several categories of self-propelled vehicles in Colorado law, including: "motor-driven cycle," "motor scooter," and "motorized bicycle;"
- defines low-power scooter, electric personal assistive mobility device or EPAMD (a Segway, for example), and electrical assisted bicycle and indicates allowed use of the devices;
- puts new speeding penalties in place for low-power scooter operators who exceed 40 miles per hour;
- applies compulsory liability insurance laws to operators of low-power scooters, effective July 1, 2010;
- requires persons selling low-power scooters to obtain a powersports vehicle distributor license from the Colorado Department of Revenue;
- defines a wholesaler and requires licensure; and
- specifies that drug and alcohol driving offenses apply to operators of low-power scooters.

H.B. 09-1035: Allows certain clean technology and medical device firms that are headquartered in Colorado and employ no more than 50 employees to receive refunds not to exceed $50,000 in any calendar year on sales and use taxes paid on the purchase of equipment used in research and development. State that if a December Legislative Council Staff revenue forecast indicates insufficient revenue to allow General Fund (GF) appropriations to increase by six percent during that fiscal year, the refund will not be available for purchases made in the calendar year during which the December forecast is released. Allows taxpayers to carry refunds forward and claim them during the first year in which revenue is sufficient to allow GF appropriations to increase by six percent.

H.B. 09-1043: Creates a new income tax checkoff as a funding mechanism for the Make-A-Wish Foundation of Colorado Fund to provide money to grant the wishes of children who have been diagnosed with a life-threatening medical condition.

H.B. 09-1050: Extends the voluntary contribution designation (or income tax checkoff) benefitting the Colorado Easter Seals Fund and changes the name of the fund to the Easter Seals Colorado Disability Fund.

H.B. 09-1093: Establishes administrative and auditing measures to allow the Department of Revenue to improve compliance with Colorado's corporate income tax reporting requirements, adopts definitions of a real estate investment trust and a captive real estate investment trust established by the Multistate Tax Commission, requires the disclosure of transactions that are described by specific sections of the Internal Revenue Code, the Code of Federal Regulations, and Department rules, establishes penalties ranging from $15,000 to $50,000 for a company that fails to disclose these transactions, and establishes penalties of up to $20,000 for material advisors that fail to disclose reportable transactions to the Department.

H.B. 09-1094: Prohibits a person under 18 years of age from using a wireless telephone while operating a motor vehicle, prohibits a person 18 years of age or older from using a wireless telephone for the purpose of text messaging while operating a motor vehicle, and provides penalties for violations.

H.B. 09-1100: Creates the "Alive at Twenty-Five" special license plate for individuals who support the Colorado State Patrol Family Foundation and makes an appropriation to manufacture and purchase the special license plates for inventory. The plate will be available to applicants who pay the appropriate license fees, plus a one-time fee of $50. Appropriates $16,080 cash funds from the License Plate Cash Fund in FY 2009-10 for the purchase of plates from Correctional Industries.

H.B. 09-1101: Imposes a penalty on vendors that are either delinquent in filing their sales tax return to the Department or incorrectly account for the amount of sales taxes due on their return but fail to file the corresponding tax return. When the tax return is not filed on time, the Department is unable to determine where to distribute the local government portion of sales taxes it receives. The penalty is equal to 10 percent of the sales taxes due or that was incorrectly accounted for, with a minimum penalty of $15. Increases the 10 percent penalty by 0.5 percent each month that the tax return is delinquent or inaccurate, up to a maximum of 18 percent.

H.B. 09-1105: Allows certain investors to receive an income tax credit for investments made during tax year 2010 in businesses involved in the research and development or manufacturing of new technologies, products, or processes and creates the Colorado Innovation Investment Tax Credit Cash Fund. The credit can only be claimed if $832,055 is deposited into the Fund by the Colorado Office of Economic Development. In addition, any other gifts, grants, and donations deposited into the Fund are authorized to be used to defray the costs of the tax credit. The credit is equal to 15 percent of the investment, up to a maximum total of $20,000. The credit is non-refundable, non-transferable, and may be carried forward for five years. Allows the State to grant a maximum of $750,000 in credits on a first-come, first-served basis.

In order to qualify for a credit, an investor must make an investment of at least $25,000, may not own more than a 30 percent controlling interest in the small business immediately before making the investment, and cannot be a C corporation. In addition, the small business must:

- maintain its principal place of business in Colorado,
- have at least half of its gross assets and employee base located in Colorado,
- have less than $2.0 million in annual revenue and total assets of less than $5.0 million prior to receiving the investment,
- have been in operation for less than five years, and
- have at least two non-administrative, full-time-equivalent employees residing in Colorado.

An investor must apply for and receive a tax credit certificate from the Governor's Office of Economic Development. The tax credit certificate must then be presented to the Department of Revenue with the investor's income tax return. Requires the Office of Economic Development and the Department of Revenue to share information and specifies penalties for the misrepresentation of qualifications for the credit.

H.B. 09-1126: Exempts, for FY 2009-10 through FY 2013-14, all sales, storage and use of components used in solar thermal systems from the State sales and use tax. Specifies various components for solar thermal systems that are affected, and defines such a system as one whose primary purpose is to use energy from the sun to produce heat or cold for heating or cooling a residential or commercial building or water or any industrial, commercial, or manufacturing process, and the bill allows local governments to provide the same financial incentives for solar thermal installations as are now be provided for solar electric installations.

H.B. 09-1133: Authorizes the Director of the Division of Correctional Industries in the Department of Corrections, with input from the Department of Revenue and the Governor's Office of State Planning and Budgeting, to set fees to recover license plate production costs (license plate fees were previously set in statute). Also requires the Director of the Division of Correctional Industries to file a report every five years with the House and Senate Transportation Committees detailing any changes within the preceding five years in the amount of fee changes and the reasons for the change. Appropriates $528,000 cash funds in FY 2009-10 to the Department of Revenue from the License Plate Cash Fund and reappropriates those funds to the Department of Corrections.

H.B. 09-1137: Expands the Gambling Payment Intercept Act to include outstanding court required restitution payments with other payments (such as child support) that the casino already intercepts.

H.B. 09-1160: Requires the Department to modify the driver's license system to transfer additional signatures to the Department of State. Reappropriates $21,549 in FY 2009-10 to the Department of Revenue from the Department of State Cash Fund for implementation of this act. For more information on H.B. 09-1160, see the "Recent Legislation" section at the end of the Department of State section of this document.

H.B. 09-1173: Requires the Department to audit retailers' compliance with laws related to "other tobacco products," to determine the level of compliance in the State. Appropriates $75,000 cash funds in FY 2009-10 from the Tobacco Settlement Defense Account in the Tobacco Tax Litigation Settlement Cash Fund to the Department of Revenue. For more information on H.B. 09-1173, see the "Recent Legislation" section at the end of the Department of Public Health and Environment section of this document.

H.B. 09-1219: Reduces the interest the Department will pay on overpayments associated with corporate tax returns. The bill prohibits the payment of interest on overpayments of corporate income taxes that are not made to satisfy a bona fide estimate of tax liability. Equates the calculation of interest on overpayments for corporate taxpayers with the calculation for individual income taxpayers.

H.B. 09-1230: Specifies that auto dealers will be "held harmless" for any tax, charge, or fee due to a local government in cases in which a dealer proves that the money was not collected solely because a consumer provided an incorrect address. In order to be held harmless, auto dealers must inform consumers of the State's titling and registration requirements and must obtain a signed affidavit from a consumer stating that the address he or she provided conforms to the address requirements in law for where the vehicle must be registered. Requires the Transportation Legislation Review Committee to study, during the 2009 interim, best practices for the collection of sales taxes on vehicle purchases.

H.B. 09-1246: Requires the Department to contract with a private entity to evaluate the curriculum and effectiveness of driver improvement classes conducted around the state, and for that private entity to provide annual reports of its findings to the Department and to the courts that sentence driver's to driver improvement schools within three months of any such sentence. Provides for a fee to be charged by driver improvement class providers and remitted to the Department for the costs of the contract and department oversight of the contractor. Requires courts to offer defendants the opportunity to take driver improvement classes if the driver has not had a ticket in the most recent 18 months, require the driver improvement class to any driver, regardless of the most recent ticket, and to suspend all or a portion of the fine or sentence of imprisonment associated with the traffic infraction. Creates the Defensive Driving School Fund and appropriates $29,170 and 0.5 FTE from the fund to the Division of Motor Vehicles in FY 2009-10 for implementation of the act.

H.B. 09-1266: Current law permits the revocation of driving privileges as a penalty for committing certain criminal offenses. This act removes the driving privilege revocation as a penalty for the following crimes: criminal mischief; defacing property; offenses related to the forgery of a traffic ticket issued to a minor; unlawful use of a controlled substance; unlawful distribution, manufacturing, dispensing, sale or possession of a controlled substance; and offenses related to marijuana; and offenses related to possession of alcohol by minors (does not apply when the minor fails to complete a court-ordered treatment program). Reduces the appropriation to the Department by $17,425 and 0.4 FTE in FY 2009-10.

H.B. 09-1272: Implements Amendment 50, the initiative approved by Colorado voters in the November 2008 general election to increase the maximum bet allowed, increase the number of games that can be offered, and repeal the limitation of casino hours of operation. Provides that the additional revenues as a result of this measure will benefit the community colleges in Colorado.

Specifically, the act defines new games and creates the Extended Limited Gaming Fund, which receives revenues derived from the expanded gaming. Requires that moneys from the Extended Limited Gaming Fund be used to cover the portion of the ongoing expenses of the Colorado Limited Gaming Control Commission and other state agencies related to the administration of extended limited gaming and to make distributions to current recipients of Limited Gaming Fund revenue based on formula that considers growth in gaming revenue.

Requires that the remaining additional gaming tax revenue be distributed in the following percentages:

- 78 percent to the state's public community colleges, junior colleges, and local district colleges in operation on and after January 1, 2008. Moneys will be used to supplement existing state funding;
- 10 percent to the governing bodies of the cities of Central, Black Hawk, and Cripple Creek; and
- 12 percent to the governing bodies of Gilpin and Teller Counties.

H.B. 09-1331: Changes the types of vehicles that qualify for the existing State income tax credit for the purchase of alternative fuel vehicles, conversion of existing vehicles to allow for the use of alternative fuels, or replacement of a vehicle's power source with a power source that uses an alternative fuel. Changes the tax credit amount for certain types of alternative fuel vehicles. Creates a new tax credit for tax years 2012 through 2015 for the same types of alternative fuel vehicles, and makes similar changes to the State's alternative fuel rebate program available to governmental and nonprofit entities.

H.B. 09-1342: Eliminates the State sales and use tax exemption of the sale of cigarettes for FY 2009-10 and FY 2010-11, while maintaining the exemption for counties, statutory municipalities, and special districts. Appropriates $177,815 General Fund in FY 2008-09 and $12,840 General Fund in FY 2009-10 for the implementation of the act.

H.B. 09-1347: Creates the Donate Life special license plate and makes an appropriation to manufacture and purchase the special license plates for inventory. Appropriates $16,080 cash funds from the License Plate Cash Fund in FY 2009-10.

H.B. 09-1366: Eliminates the Colorado source capital gains subtraction for gains on stock and ownership interests beginning in tax year 2010 for Colorado real property purchased between May 5, 1994 and the effective date of the act; in-state tangible personal property purchased after May 5, 1994; and out-of-state tangible property purchased after the effective date of the act. Eliminates the TABOR refund mechanisms that expand the annual Colorado source capital gains subtraction.

DEPARTMENT OF STATE

The Department of State administers Colorado's elections laws and it regulates charitable solicitations, charitable gaming, and notaries public. The Department collects, stores, and provides public access to annual reports, articles of incorporation, liens, and other documents filed according to state laws and the Uniform Commercial Code. The Information Technology Services division manages the statewide voter registration database, and is also responsible for the statewide information technology disaster recovery facility.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$0	$0	$0	$0
Cash Funds/1	19,130,770	16,820,907	27,569,394	20,930,034
Cash Funds Exempt/1	8,924,997	3,851,101	n/a	n/a
Reappropriated Funds/1	n/a	n/a	0	0
Federal Funds	0	110,594	0	0
Total Funds	**$28,055,767**	**$20,782,602**	**$27,569,394**	**$20,930,034**
Full Time Equiv. Staff	126.5	125.5	127.1	133.9

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

The Department of State is entirely cash funded, primarily through business filing fees. Additional cash fund sources are the Notary Administration Cash Fund, the Address Confidentiality Program Cash Fund, and the Federal Elections Assistance Fund. The Federal Elections Assistance Fund supports the Help America Vote Act (HAVA) program, and these funds are continuously appropriated and included in the budget for informational purposes only.

Elections

Pursuant to Section 1-1-107 (1) (e), C.R.S., the Secretary of State is the State's Chief Election Official. The Department administers statewide statutory provisions that relate to elections. It also collects, stores, and provides access to disclosure statements filed by public officials and lobbyists under Colorado's Sunshine Law and Fair Campaign Practices Act. Many of the election-related expenditures are not expressly labeled as such in the Long Bill, and are instead included in the Personal Services and Operating Expenses line items within the Administration Division. Two line items that pertain solely to elections are Local Election Reimbursement and Initiative and Referendum. As reflected in the following table, these appropriations and expenditures vary depending upon whether it is an even- or odd-year election.

Elections Division	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Approp.
Local Election Reimbursement	$867,393	$1,681,178	$1,729,923	$2,179,923	$1,729,923
Initiative and Referendum	83,417	200,000	50,000	345,000	50,000

Help America Vote Act Program

The goals of the federal Help America Vote Act of 2002 (HAVA) are to: (1) improve the administration of federal elections by creating a centralized, computerized statewide voter registration system; (2) replace punch-card ballots and lever voting machines; (3) ensure accessibility for disabled voters to polling places and voting equipment; and (4) adopt new rules for provisional ballots. In 2003, the Colorado General Assembly created the Federal Elections Assistance Fund to receive federal and state moneys appropriated for HAVA-related purposes (see Sections 1-1.5-101 to 1-1.5-106, C.R.S.). To date, the Fund has received approximately $44.7 million in federal funds and the State's required $1.9 million match. The State recently became eligible for an additional $1.4 million federal funds, and the Federal Elections Assistance Fund was appropriated $100,000 for FY 2009-10 to fulfill the State's required 5.0 percent fund match. Pursuant to Section 1-1.5-106 (2) (b), C.R.S., moneys in the Federal Elections Assistance Fund are continuously appropriated to the Department and appear in the Long Bill for informational purposes only.

Help America Vote Act	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Approp.
Expenditure / Appropriation	$3,032,936	$18,628,609	$3,940,330	$6,976,940	$2,356,286
FTE	15.0	9.0	9.5	7.5	10.0

Information Technology Services

The Information Technology Services division provides technical services, development, and support to the Department, including the electronic filing and online services that are offered by the Business division. Its functions also include: (1) ensures the Department is compliant with rules and policies as set forth by the Colorado Information Security Act; (2) manages the State's disaster recovery data center facility (e-FOR^{3}T), which serves as a recovery center for the Department's IT operations and is used by other state agencies; and (3) manages the State of Colorado Registration and Elections system (SCORE), which is the statewide computerized voter registration system.

Information Technology Services	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp.	FY 2009-10 Approp.
Expenditure / Appropriation	$7,252,990	$7,641,717	$6,193,958	$9,110,835	$7,487,162
FTE	27.8	32.0	26.2	33.1	33.1

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of State	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$27,569,394**	**$0**	**$27,569,394**	**$0**	**$0**	**127.1**
Breakdown of Total Appropriation by Administrative Section						
Administration	8,956,696	0	8,956,696	0	0	86.5
Special Purpose	9,501,863	0	9,501,863	0	0	7.5
Information Technology Services	9,110,835	0	9,110,835	0	0	33.1
Breakdown of Total Appropriation by Bill						
HB 08-1375	27,874,933	0	27,874,933	0	0	133.1
HB 08-1109	28,000	0	28,000	0	0	0.0
HB 08-1401	450,000	0	450,000	0	0	0.0
SB 09-201	(783,539)	0	(783,539)	0	0	(6.0)
FY 2009-10 Total Appropriation:	**$20,930,034**	**$0**	**$20,930,034**	**$0**	**$0**	**133.9**
Breakdown of Total Appropriation by Administrative Section						
Administration	9,210,887	0	9,210,887	0	0	90.8
Special Purpose	4,231,985	0	4,231,985	0	0	10.0
Information Technology Services	7,487,162	0	7,487,162	0	0	33.1
Breakdown of Total Appropriation by Bill						
SB 09-259	20,485,995	0	20,485,995	0	0	129.6
SB 09-087	7,005	0	7,005	0	0	0.0
HB 09-1015	23,625	0	23,625	0	0	0.0
HB 09-1160	120,299	0	120,299	0	0	0.0
HB 09-1248	(17,343)	0	(17,343)	0	0	0.0
HB 09-1326	104,400	0	104,400	0	0	0.0
HB 09-1357	206,053	0	206,053	0	0	4.3
Increase/(Decrease)	($6,639,360)	$0	($6,639,360)	$0	$0	6.8
Percentage Change	(24.1)%	n/a	(24.1)%	n/a	n/a	5.4%

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation reduces the Department's spending authority by $525,000 cash funds to allow the General Assembly to transfer a corresponding amount from the Department of State Cash Fund to the General Fund.

2. The appropriation reduces the Department's total appropriation by $261,447 cash funds and 6.0 FTE to account for improved efficiencies. The voting equipment certification program is reduced by $127,405 cash funds and 4.0 FTE, because the program does not require as many resources as initially anticipated, and the Information Technology Services division by $134,012 and 2.0 FTE, which eliminates two long-term vacancies.

FY 2009-10 Appropriation Highlights:

1. The appropriation annualizes the FY 2008-09 hiring freeze savings and reinstates $525,000 cash funds spending authority.

2. The appropriation reduces funds for the Help America Vote Act program by $4.6 million cash funds because the Department has completed many of the program's federal requirements.

3. The appropriation annualizes prior year decision items and special bills, which reduces the Department's total appropriation by $2.8 million cash funds. The majority of the funds were one-time appropriations for information technology projects.

4. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $364,022 cash funds was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

Detail of Appropriation by Administrative Section

Administration

The Administration division provides general management supervision for the entire Department, including budgeting, accounting, and human resources services. Most of the Department's functions are carried out by three sections within this Division: (1) business filings, (2) elections, and (3) licensing and enforcement. These sections are funded by the Department of State Cash Fund, the Notaries Administration Cash Fund, and the Address Confidentiality Surcharge Cash Fund.

Business Filings Section: This section is comprised of two subsections: (1) business organizations and entities, and (2) Uniform Commercial Code (UCC). Business organizations collects, stores and provides public access to articles of incorporation, annual reports, and a variety of other documents filed by for-profit and not-for-profit entities under Colorado's Corporation and Association laws. The UCC section collects, stores and provides public access to a variety of UCC documents, including security interests, liens and other items that are utilized by lending institutions. During FY 2008-09, the Department processed over 638,000 business filings and over 116,000 UCC filings. The Department is required to charge a fee for many of the business

filings section's services, and these fees are the primary source of revenue for the Department of State Cash Fund.

Elections Section: This section supervises primary, general, and congressional vacancy elections; maintains the statewide voter registration file; authorizes official recounts for federal, state, and district elections; administers the Fair Campaign Practices Act; and regulates lobbyists. The elections section also helps the Secretary of State to supervise the 64 county clerks in the execution of their statutory responsibilities relating to voter registration and elections. During FY 2008-09, the Department processed 7,910 conflict of interest disclosures, 9,196 campaign finance disclosure reports, and at least 6,697 documents relating to lobbyists' registrations and disclosures.

Licensing and Enforcement Section: The licensing and enforcement section is responsible for administering five different programs: (1) the Administrative Rules Code, a body of statutes governing the rule-making authority of many state agencies; (2) the bingo and raffles program pursuant to Article XVIII Section 3 of the Colorado Constitution; (3) the Charitable Solicitations Act, which forbids fraudulent charitable solicitations; (4) the notaries public; and (5) the Address Confidentiality Program, which helps survivors of domestic violence, sexual offenses, and stalking to keep their addresses confidential after they have relocated.

Administration

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$9,476,223	$0	$9,476,223	$0	$0	90.5
SB 09-201	(519,527)	0	(519,527)	0	0	(4.0)
TOTAL	**$8,956,696**	**$0**	**$8,956,696**	**$0**	**$0**	**86.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$8,956,696	$0	$8,956,696	$0	$0	86.5
Annualize FY 2008-09 hiring freeze	250,000	0	250,000	0	0	0.0
Annualize salary and benefits adjustments	223,767	0	223,767	0	0	0.0
Annualize prior-year supplemental	145,000	0	145,000	0	0	0.0
Eliminate salary survey and performance-based pay	(364,022)	0	(364,022)	0	0	0.0
Personal services base reduction	(97,373)	0	(97,373)	0	0	0.0
Leased space	(69,922)	0	(69,922)	0	0	0.0
Centrally-appropriated line items	(27,438)	0	(27,438)	0	0	0.0
SB 09-259	**$9,016,708**	**$0**	**$9,016,708**	**$0**	**$0**	**86.5**
SB 09-087	7,005	0	7,005	0	0	0.0
HB 09-1248	(35,103)	0	(35,103)	0	0	0.0
HB 09-1326	12,000	0	12,000	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 09-1357	210,277	0	210,277	0	0	4.3
TOTAL	**$9,210,887**	**$0**	**$9,210,887**	**$0**	**$0**	**90.8**
Increase/(Decrease)	$254,191	$0	$254,191	$0	$0	4.3
Percentage Change	2.8%	n/a	2.8%	n/a	n/a	5.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-201 reduced the appropriation by $373,605 and 4.0 FTE to account for the hiring freeze and lower than anticipated staffing needs for the voting equipment certification program, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Annualize prior-year supplemental: The appropriation restores $145,000 to the Legal Services line item. These funds were transferred to the Initiative and Referendum line item within the Special Purpose division for FY 2008-09.

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

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Leased space: The appropriation reduces leased space expenditures to reflect a decreased usage of the 6th floor of the building at 1700 Broadway.

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

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Special Purpose

This division includes: (1) the State's Help America Vote Act (HAVA) program; (2) reimbursements to counties for certain election expenses; and (3) initiative and referendum appropriations, which fund petition-related activities such as signature verification and the Title Setting Board. The Federal Elections Assistance Fund supports the HAVA program, and the remainder of this division is funded through the Department of State Cash Fund.

Special Purpose	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$8,906,863	$0	$8,906,863	$0	$0	7.5
HB 08-1401	450,000	0	450,000	0	0	0.0
SB 09-201	145,000	0	145,000	0	0	0.0
TOTAL	**$9,501,863**	**$0**	**$9,501,863**	**$0**	**$0**	**7.5**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$9,501,863	$0	$9,501,863	$0	$0	7.5
Federal Elections Assistance Fund	100,000	0	100,000	0	0	0.0
Annualize salary and benefits adjustments	40,091	0	40,091	0	0	0.0
Help America Vote Act	(4,660,745)	0	(4,660,745)	0	0	2.5
Annualize prior-year funding	(450,000)	0	(450,000)	0	0	0.0
Initiative and referendum	(295,000)	0	(295,000)	0	0	0.0
SB 09-259	**$4,236,209**	**$0**	**$4,236,209**	**$0**	**$0**	**10.0**
HB 09-1357	(4,224)	0	(4,224)	0	0	0.0
TOTAL	**$4,231,985**	**$0**	**$4,231,985**	**$0**	**$0**	**10.0**
Increase/(Decrease)	($5,269,878)	$0	($5,269,878)	$0	$0	2.5
Percentage Change	(55.5)%	n/a	(55.5)%	n/a	n/a	33.3%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-201 transfer $145,000 cash funds from the Legal Services line item in the Administration division to the Initiative and Referendum line item in the Special Purpose division, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Federal Elections Assistance Fund: The appropriation provides $100,000 cash funds for the Federal Elections Assistance Fund. The State is required to provide a 5.0 percent state fund match in order to receive additional federal dollars through the Help America Vote Act. This appropriation fulfills this requirement.

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

Help America Vote Act: The appropriation reduces funds because many of HAVA's requirements will be completed by FY 2009-10. Pursuant to Section 1-1.5-106 (2) (b), C.R.S., these funds are continuously appropriated and are included in the Long Bill for informational purposes only.

Annualize prior year funding: The appropriation eliminates one-time funds to reimburse counties for distributing voter information cards for the 2008 general election.

Initiative and referendum: The appropriation accounts for the cyclical nature of initiative and referendum petitions because fewer petitions are submitted during an odd-year election. The appropriation also further reduces the amount by $145,000 cash funds to annualize a one-time increase for FY 2008-09.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Information Technology Services

The Information Technology Services division provides most of the technology support for the Department, is responsible for the Department's compliance with the State's Information Security Act, and is the managing entity for the State's disaster recovery data center facility. The Department provides many search and filing services via the internet and it processes over 1,200 web-based transactions daily. The division also provides project direction and support for the statewide voter registration and election management system, which is required by the Help America Vote Act. The voter registration and election management system is primarily funded by the Federal Elections Assistance Fund and the remainder of this division is funded by the Department of State Cash Fund.

Information Technology Services

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$9,491,847	$0	$9,491,847	$0	$0	35.1
HB 08-1109	28,000	0	28,000	0	0	0.0
SB 09-201	(409,012)	0	(409,012)	0	0	(2.0)
TOTAL	**$9,110,835**	**$0**	**$9,110,835**	**$0**	**$0**	**33.1**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$9,110,835	$0	$9,110,835	$0	$0	33.1
Annualize FY 2008-09 hiring freeze	275,000	0	275,000	0	0	0.0
Increase in leased space costs	108,348	0	108,348	0	0	0.0
Annualize salary and benefits adjustments	97,795	0	97,795	0	0	0.0
Annualize prior year legislation	(1,438,000)	0	(1,438,000)	0	0	0.0
Annualize prior year funding	(862,326)	0	(862,326)	0	0	0.0
Personal services base reduction	(58,574)	0	(58,574)	0	0	0.0
SB 09-259	**$7,233,078**	**$0**	**$7,233,078**	**$0**	**$0**	**33.1**
HB 09-1015	23,625	0	23,625	0	0	0.0
HB 09-1160	120,299	0	120,299	0	0	0.0
HB 09-1248	17,760	0	17,760	0	0	0.0
HB 09-1326	92,400	0	92,400	0	0	0.0
TOTAL	**$7,487,162**	**$0**	**$7,487,162**	**$0**	**$0**	**33.1**
Increase/(Decrease)	($1,623,673)	$0	($1,623,673)	$0	$0	0.0
Percentage Change	(17.8)%	n/a	(17.8)%	n/a	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-201 reduce the division's appropriation to reflect savings related to the hiring freeze, among other changes.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

Increase in leased space costs: The appropriation increases funds for the statewide disaster recovery center's leased space, pursuant to its contract.

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

Annualize prior year legislation: The appropriation removes one-time funding that was made available through S.B. 07-259 ($1,410,000) and H.B. 08-1109 ($28,000). The funds were used for computer

programming to improve the public's access to campaign finance information, and to modify the online filing system used by charitable organizations.

Annualize prior year funding: The appropriation reduces one-time funds awarded for FY 2008-09. The Department used the funds to become compliant with the Colorado Information Security Act, and to purchase a new point-of-sale accounting system.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Recent Legislation

2008 Session Bills

H.B. 08-1109: Increases the authority of the Secretary of State to regulate charitable organizations, professional fund-raising consultants, and paid solicitors working on behalf of charitable organizations. Authorizes the Secretary to investigate potential violations and to impose fines. Appropriates $28,000 cash funds to modify the online filing system used by charitable organizations to identify certain fines and late filing fees.

H.B. 08-1274: Transfers $10,000 cash funds from the Department of State Cash Fund to the Address Confidentiality Surcharge Fund for FY 2007-08. The transfer is in addition to the initial appropriation and is to be repaid from unappropriated moneys remaining in the Surcharge Fund at the end of any fiscal year. Permits the Department to transfer additional moneys for FY 2008-09 if the Surcharge Fund's balance is insufficient to cover the Address Confidentiality Program's entire appropriation.

H.B. 08-1375: General appropriations act for FY 2008-09.

H.B. 08-1401: Requires counties to mail voter information cards to persons who have become inactive since the 2006 general election. Appropriates $300,000 to the Department to reimburse the counties for expenses associated with the mailings. Appropriates $150,000 to the Department for a potential increase in the local election reimbursements due to inactive voters who become active as a result of the mailing.

2009 Session Bills

S.B. 09-087: Requires the Secretary of State to post certain certified election results on its website. Appropriates $7,005 cash funds from the Department of State Cash Fund to the elections division to scan the data and post the information on the Department's website.

S.B. 09-201: Supplemental appropriation to the Department of State to modify FY 2008-09 appropriations.

S.B. 09-208: Transfers $2,175,000 from the Department of State Cash Fund, and $575,000 from the Notary Administration Cash Fund, to the General Fund for FY 2008-09. For additional information about the cash

fund transfers included in S.B. 09-208, see the "Recent Legislation" section at the end of the Department of Labor and Employment.

S.B. 09-259: General appropriations act for FY 2009-10.

H.B. 09-1015: Allows counties to conduct mail ballot elections for primary elections and specifies the process for doing so. Permits county clerks to cancel uncontested primary elections under certain conditions. Appropriates $23,625 cash funds to modify the State of Colorado Registration and Elections system to generate mailing lists of certain voters.

H.B. 09-1160: Requires the Secretary of State to establish an online system by which a person may register to vote, change his or her residence on the registration record, change his or her political affiliation, or apply for a permanent mail-in ballot status. Imposes a deadline of April 1, 2010, for the Department to implement the online system. Appropriates $120,299 cash funds to the Department for the implementation of this act, of which $98,750 shall be used to modify the statewide voter registration database and $21,549 shall be reappropriated to the Department of Revenue to modify the driver's license system to transfer additional signatures.

H.B. 09-1248: Reduces the Department's postage and printing costs by $35,103 per year, and requires a one-time expenditure of $17,760 cash funds for FY 2009-10 to modify the Department's information technology systems.

H.B. 09-1326: Changes the initiative petition process by redefining an "amendment" and a "proposition". Increases regulation of the petition circulation process and increases the fine for violating associated laws. Appropriates $92,400 cash funds to modify the statewide voter registration system, $10,000 cash funds to develop a web-based training program for petition circulators, and $2,000 cash funds for administrative law judge services.

H.B. 09-1357: Requires certain candidates and committees to file campaign finance reports with the Department of State, rather than with county clerks. Eliminates the requirement that the Department reimburse county clerks for certain costs related to processing campaign finance reports. Appropriates $206,053 cash funds and 4.3 FTE for FY 2009-10.

DEPARTMENT OF TRANSPORTATION

The Department is responsible for operating and maintaining Colorado's 9,156-mile state highway system, including more than 3,700 bridges, in addition to maintaining the aviation system plan, under the policy direction of the eleven-member Transportation Commission. Its responsibilities include managing highway construction projects, implementing the State's Highway Safety Plan, repairing and maintaining roads, providing technical support to local airports regarding aviation safety, and administering the reimbursement of aviation fuel tax revenues and discretionary grants to local airports. The Department's section of the Long Bill corresponds with legislative authority over particular areas of the Department's budget and does not exactly match the Department's administrative organization.

Most policy and budget authority for the Department rests with the Transportation Commission pursuant to Section 43-1-113 (1), C.R.S. Transportation Commission funding is reflected as informational appropriations in three Long Bill line items: (1) Construction, Maintenance, and Operations; (2) the High Performance Transportation Enterprise (created by S.B. 09-108); and (3) the Statewide Bridge Enterprise (created by S.B. 09-108). Those line items are said to represent the "non-appropriated" side of the budget and are included in the Long Bill as estimates of anticipated revenues available to the Commission in a given fiscal year. The General Assembly annually appropriates funding to three Long Bill line items: (1) Administration (from the State Highway Fund); (2) Gaming Impacts (using Limited Gaming Funds), which is not funded in FY 2009-10; and (3) First Time Drunk Driving Offenders Account (created pursuant to H.B. 08-1194 and funded with fees from drunk driving offenders). Finally, the General Assembly has statutory oversight over revenue-raising measures and approval of the Governor's appointments to the Transportation Commission.

The Department's FY 2009-10 Long Bill includes five primary areas: Administration; Construction, Maintenance, and Operations; High Performance Transportation Enterprise; First Time Drunk Driving Offenders Account; and Statewide Bridge Enterprise. Because the FY 2009-10 Long Bill does not include funding for Gaming Impacts, that line item is not included in the Long Bill, although it is discussed below.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund	$0	$0	$0	$0
Cash Funds/1	81,343,825	84,007,659	512,824,049	614,161,434
Cash Funds Exempt/1	538,767,263	536,695,262	n/a	n/a
Reappropriated Funds/1	n/a	n/a	3,923,580	3,955,873
Federal Funds	415,271,865	441,417,139	760,864,123	355,397,188
Total Funds	**$1,035,382,953**	**$1,062,120,060**	**$1,277,611,752**	**$973,514,495**
Full Time Equiv. Staff	3,307.2	3,316.0	3,365.5	3,366.5

/1 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

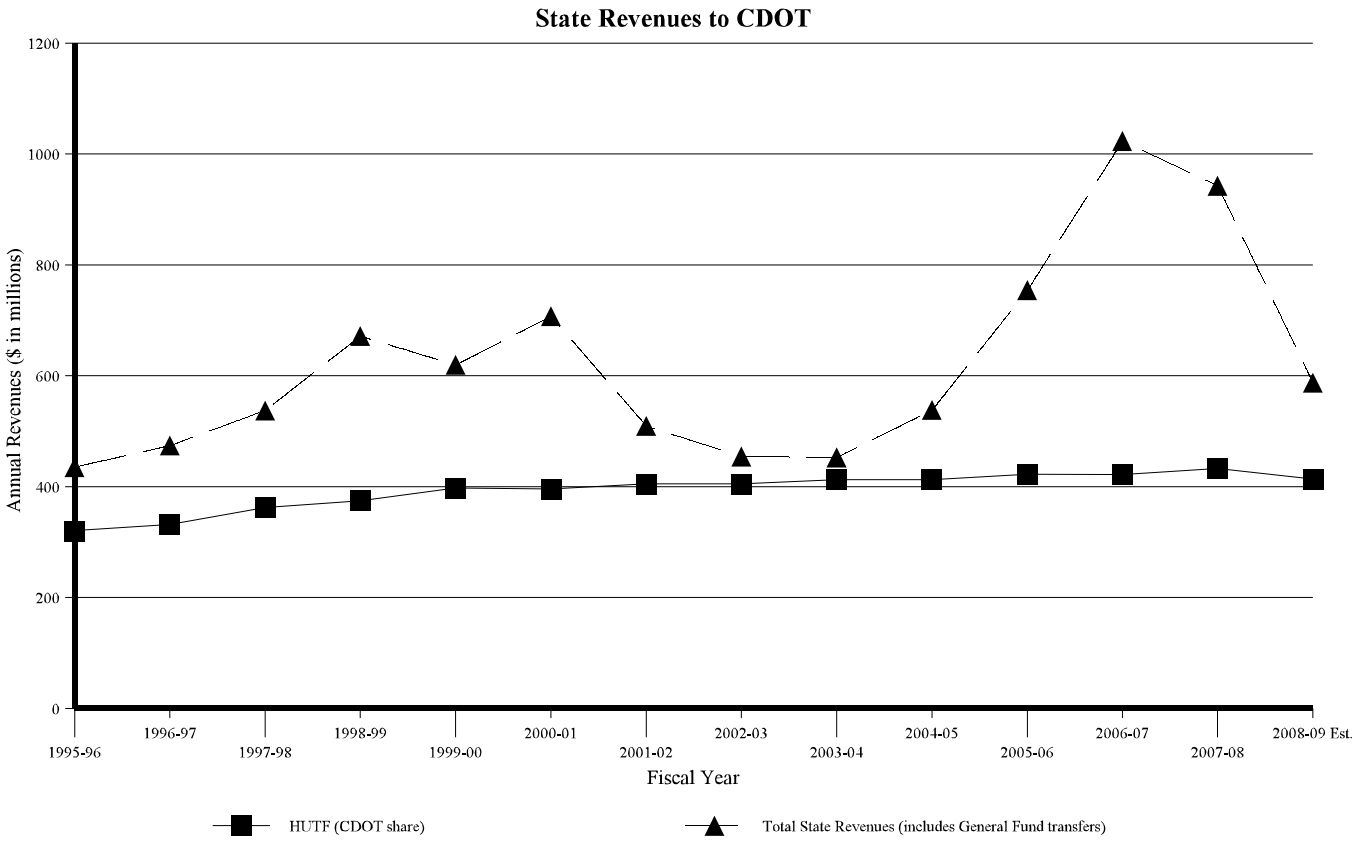
General Factors Driving the Budget

Funding for this department in FY 2009-10 consists of 63.1 percent cash funds, 0.4 percent reappropriated funds, and 36.5 percent federal funds. Important factors driving the budget are reviewed below.

Highway Users Tax Fund (HUTF) Revenues and S.B. 09-108

The major source of state revenue for the Department is the Highway Users Tax Fund (HUTF). The major source of revenue for the HUTF is the State's motor fuel tax, generating approximately two-thirds of annual collections for the HUTF, with the remainder from motor vehicle registrations and other fees. The Department receives approximately half of the total HUTF collections, and fluctuations in HUTF revenues as a result of changes in behavior (e.g., increasing or decreasing vehicle miles of travel which affects fuel tax revenues) or policy affect the revenues available to the Department.

The following chart displays HUTF revenues and total state funding (including General Fund transfers to the HUTF, which are discussed the following section) for each year since FY 1995-96. Total state funding has fluctuated substantially over that period, primarily as a result of changes in the amount of General Fund transferred to the HUTF, but the non-General Fund HUTF revenues have been more consistent.



The Department estimates that the enactment of S.B. 09-108 during the 2009 Legislative Session will increase the Department's share of state revenues by approximately $126.4 million in FY 2009-10 as a result of increased fees, fines, and surcharges authorized in the bill. The additional revenues include increases of $68.9 million in the HUTF for highway purposes, $15.0 million in the HUTF for transit purposes (including $5.0 million for

local entities), and $42.5 million in the State Bridge Enterprise Fund (collected through bridge safety surcharges authorized in the bill). The enactment of S.B. 09-108 also drove changes in the Department's Long Bill format, with the creation of the Statewide Bridge Enterprise and the replacement of the Statewide Tolling Enterprise with the newly constituted High Performance Transportation Enterprise.

General Fund Expenditures for Highway Construction

In March 2008, the Transportation Commission approved the 2035 Statewide Transportation Plan, which estimated that projected revenues over the next 27 years would be insufficient to complete priority transportation projects and maintain the existing system. Since 1997, the General Assembly has passed a variety of legislation to assist in the completion of priority transportation projects. This legislation has provided additional funding to the State Highway Fund from General Fund sources, including: Capital Construction Fund appropriations (which originate in the General Fund), diversions of sales and use taxes from the General Fund to the Highway Users Tax Fund (S.B. 97-001), Limited Gaming Fund appropriations (which use cash funds that would otherwise be credited to the Clean Energy Fund), and two-thirds of the year-end General Fund surplus (H.B. 02-1310) to transportation. Additional legislation (H.B. 99-1325) has permitted the Department to issue bonds to accelerate projects and to use future federal and state revenues to pay back bondholders over time.

Transfers of General Fund to the State Highway Fund under the legislation discussed above fluctuated with the economy. For example, economic conditions precluded most such transfers from FY 2002-03 through FY 2004-05, although there were limited transfers under H.B. 02-1310 in FY 2003-04 and FY 2004-05. As shown in the table below, transfers pursuant to S.B. 97-001 and H.B. 02-1310 increased in FY 2006-07 (a total of $521.8 million) and FY 2007-08 (a total of $404.3 million).

General Fund Diversions to the HUTF Pursuant to S.B. 97-001 and H.B. 02-1310
Historical Data
(in millions of dollars)

	01	02	03	04	05	06	07	08	Totals
S.B. 97-001	$197	$35	$0	$0	$0	$220	$231	$238	$922
H.B. 02-1310	n/a	n/a	n/a	0.0	81.2	65.3	291.2	166.2	603.9
Totals	$197.2	$35.2	$0.0	$0.0	$81.2	$285.7	$521.8	$404.3	$1,525.4

Senate Bill 09-228, enacted in the 2009 legislative session, repeals the transfers of General Fund associated with S.B. 97-001 and H.B. 02-1310, making transfers from the General Fund to the HUTF subject to annual appropriation by the General Assembly. Senate Bill 09-228 requires transfers of 2.0 percent of General Fund revenues to the HUTF for FY 2012-13 through FY 2016-17 under certain conditions, but it does not require any General Fund transfers prior to FY 2012-13. The five-year block of transfers from FY 2012-13 through FY 2016-17 is subject to a trigger based on growth in statewide personal income. If personal income increases by less than 5.0 percent from calendar year 2011 to calendar year 2012, the entire five-year block of transfers is postponed until the first fiscal year in which the personal income trigger is met.

Availability of Federal Funds

CDOT receives federal funding for four basic purposes, including highways (Federal Highway Administration funds), highway safety (National Highway Traffic Safety Administration funds), transit (Federal Transit Administration funds), and aviation (Federal Aviation Administration funds). Federal funds provide a significant share of the Department's resources (32.2 percent of the Department's actual budget for FY 2007-08), and fluctuations in the availability of federal funds affect the Department's annual budgetary outlook. The annual availability of federal funds is determined by multi-year authorization bills. The current authorization bill, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), expires in September 2009.

The Department's total share of federal funds has increased in recent years, from a total of $359.7 million in FY 2000-01 to $552.5 million in FY 2007-08. Similarly, Colorado's share of federal highway funds increased from $373.7 million in FY 2002-03 to $533.8 million in FY 2007-08, according to CDOT records. In FY 2008-09, with an infusion of funds as a result of the American Recovery and Reinvestment Act (ARRA), the Department expects to receive a total of $760.9 million in federal funds. However, in FY 2009-10, the Department expects total federal funding to decline to $355.4 million (see table below). Current budgetary conditions, including the depletion of the surplus in the federal Highway Trust Fund, have resulted in "obligation limits" reducing each state's funding below the full amounts authorized in SAFETEA-LU.

Federal Funding to CDOT
($ in millions)

Source	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09 Est.	FY 09-10 Est
FHWA	$373.7	$333.6	$396.0	$434.2	$527.6	$533.8	$337.1	$330.4
FTA	10.5	8.3	9.2	9.1	10.9	10.2	13.1	19.8
FAA	0.3	0.3	0.2	0.3	0.2	0.3	0.2	0.3
NHTSA	4.4	4.7	4.7	5.0	3.4	8.1	6.5	4.9
ARRA	n/a	n/a	n/a	n/a	n/a	n/a	403.9	n/a
Total	**$388.9**	**$346.9**	**$410.2**	**$448.6**	**$542.1**	**$552.5**	**$760.9**	**$355.4**

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Transportation	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$1,277,611,752**	**$0**	**$512,824,049**	**$3,923,580**	**$760,864,123**	**3,365.5**
Breakdown of Total Appropriation by Administrative Section						
Administration	27,053,735	0	25,042,483	2,011,252	0	223.2
Construction, Maintenance, and Operations	1,237,870,743	0	475,094,292	1,912,328	760,864,123	3,142.3
Statewide Tolling Enterprise	2,560,000	0	2,560,000	0	0	0.0
Gaming Impacts	10,127,274	0	10,127,274	0	0	0.0
Breakdown of Total Appropriation by Bill						
HB 08-1375	1,299,794,846	0	850,277,142	3,984,546	445,533,158	3,353.5
SB 08-155	0	0	0	0	0	(3.0)
HB 08-1194	2,000,000	0	2,000,000	0	0	0.0
SB 09-202	(60,966)	0	0	(60,966)	0	0.0
SB 09-259	(24,122,128)	0	(339,453,093)	0	315,330,965	15.0
FY 2009-10 Total Appropriation:	**$973,514,495**	**$0**	**$614,161,434**	**$3,955,873**	**$355,397,188**	**3,366.5**
Breakdown of Total Appropriation by Administrative Section						
Administration	26,579,548	0	24,538,015	2,041,533	0	223.2
Construction, Maintenance, and Operations	901,286,404	0	543,974,876	1,914,340	355,397,188	3,142.3
High Performance Transportation Enterprise	2,200,000	0	2,200,000	0	0	1.0
Gaming Impacts	0	0	0	0	0	0.0
First Time Drunk Driving Offenders Account	1,000,000	0	1,000,000	0	0	0.0
Statewide Bridge Enterprise	42,448,543	0	42,448,543	0	0	0.0
Breakdown of Total Appropriation by Bill						
SB 09-259	973,514,495	0	614,161,434	3,955,873	355,397,188	3,366.5
Increase/(Decrease)	($304,097,257)	$0	$101,337,385	$32,293	($405,466,935)	1.0
Percentage Change	(23.8)%	n/a	19.8%	0.8%	(53.3)%	0.0%

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation is increased by $315.3 million federal funds as a result of the American Reinvestment and Recovery Act (ARRA).

2. The appropriation is reduced by $339.4 million cash funds to adjust for updated projections of State revenues available to the Department.

3. The appropriation is reduced by $60,966 reappropriated funds associated with the hiring freeze in FY 2008-09.

FY 2009-10 Appropriation Highlights:

1. The appropriation reflects a $101.3 million increase in the Department's estimated share of State funds relative to the FY 2008-09 adjusted appropriation. The increase is largely associated with S.B. 09-108 and includes $42.5 million for the Statewide Bridge Enterprise (a new line item) created by S.B. 09-108.

2. The appropriation includes $1.0 million for a new line item to fund additional high visibility drunk driving enforcement events pursuant to H.B. 08-1194. House Bill 08-1194 provided $2.0 million to the Construction, Maintenance, and Operating line item in FY 2008-09. The appropriation reflects a $1.0 million decrease and a relocation to a new line item.

3. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $0.7 million was provided for salary survey and performance-based pay in the Administration division. All salary survey and 80.0 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

4. The appropriation reflects a $405.5 million decrease in the Department's estimated share of federal funds, largely as a result of one-time funding received in FY 2008-09 as a result of the federal stimulus package.

5. The appropriation eliminates Gaming Impacts funds for highway construction and maintenance on gaming related roads, a reduction of $10.1 million from FY 2008-09.

Detail of Appropriation by Administrative Section

Administration

The Administration section consists of the following offices and divisions: Transportation Commission; Office of the Executive Director; Office of Government Relations; Office of Public Relations; Office of Information Technology; Office of Financial Management and Budget; Accounting Branch; Office of the Chief Engineer and Region Transportation Directors; Division of Human Resources and Administration; and Division of Audit. 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 Administration section. This line item is a "program" line item, which gives the Department discretion to move funds from personal services to operating and also from one program within the line item to another. Section 43-1-113 (6) (a), C.R.S., limits the Administration line item to no more than

5.0 percent of the total Department of Transportation budget. The majority of the Administration line item is supported with cash funds (formerly cash funds exempt) from the State Highway Fund, although a portion of administrative costs are from reappropriated funds paid to the print shop and for the maintenance of other state agencies' vehicles.

Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$27,358,998	$0	$25,286,780	$2,072,218	$0	226.2
SB 08-155	0	0	0	0	0	(3.0)
SB 09-202	(305,263)	0	(244,297)	(60,966)	0	0.0
TOTAL	**$27,053,735**	**$0**	**$25,042,483**	**$2,011,252**	**$0**	**223.2**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$27,053,735	$0	$25,042,483	$2,011,252	$0	223.2
Annualize salary and benefits adjustments	621,527	0	621,527	0	0	0.0
Annualize FY 2008-09 hiring freeze	305,263	0	305,263	0	0	0.0
Fund mix adjustment	0	0	(45,107)	45,107	0	0.0
Eliminate salary survey and performance-based pay	(746,002)	0	(746,002)	0	0	0.0
Personal services base reduction	(295,213)	0	(280,387)	(14,826)	0	0.0
Annualize prior year funding	(159,776)	0	(159,776)	0	0	0.0
Centrally-appropriated funds	(122,832)	0	(122,832)	0	0	0.0
Transportation base adjustment	(77,154)	0	(77,154)	0	0	0.0
SB 09-259	**$26,579,548**	**$0**	**$24,538,015**	**$2,041,533**	**$0**	**223.2**
TOTAL	**$26,579,548**	**$0**	**$24,538,015**	**$2,041,533**	**$0**	**223.2**
Increase/(Decrease)	($474,187)	$0	($504,468)	$30,281	$0	0.0
Percentage Change	(1.8)%	n/a	(2.0)%	1.5%	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-202 reduced the Administration division's cash funds and reappropriated funds related to the FY 2008-09 hiring freeze.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Annualize salary and benefits adjustments: The appropriation includes increases for salary survey and performance-based pay that were awarded in FY 2008-09. Salary survey and performance-based pay increases are centrally-appropriated to the Administration division in the year of the award and are incorporated into base funding for each organization within the Administration section in the subsequent year.

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

Fund mix adjustment: The appropriation reflects an adjustment to allocate funds to the programs within the Administration division that are funded with reappropriated funds (the print shop and the multi-agency fleet vehicle maintenance garage).

Eliminate salary survey and performance-based pay: The appropriation does not include appropriations for salary survey and performance-based pay for FY 2009-10. Salary survey and performance-based pay increases, when provided, are centrally-appropriated to the Administration division in the year of the award and are incorporated into base funding for each organization within the Administration section in the subsequent year. These centralized appropriations were provided for FY 2008-09 but are not appropriated for FY 2009-10.

Personal services base reduction: The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff, including the Administration line item.

Annualize prior year funding: The appropriation includes funding to annualize bills or decision items approved for FY 2008-09.

Centrally-appropriated funds: The appropriation includes adjustments to the Administration line item for purposes such as state contributions to health, life, and dental benefits; shift differential; state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; legal services; and payments to risk management and property funds.

Transportation base adjustment: The appropriation includes adjustments to the organizations within the Administration program line item to reflect changes made by the Department over the past several years. A net increase of $848,885 cash funds for programmatic operations is more than offset by a reduction in the Administration division's share of statewide indirect costs pursuant to the Department's indirect cost recovery plan.

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 intended to improve the condition of the state highway system. Past ratings of Colorado roadways are summarized below.

Colorado Roadways	2002	2003	2004	2005	2006	2007	2008
Percent Rated "Fair" or "Good"	58%	58%	61%	65%	63%	59%	53%

This line item reflects revenues that are continuously appropriated to the Department for construction, maintenance, and operations of state highways and transportation systems. Cash funds now include the State Highway Fund (formerly classified as cash funds exempt), miscellaneous permit fees, interest earnings, and local matching funds made available for federal dollars. Appropriation authority over these revenues rests with the Transportation Commission.

Construction, Maintenance, and Operations

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$1,259,748,574	$0	$812,303,088	$1,912,328	$445,533,158	3,127.3
HB 08-1194	2,000,000	0	2,000,000	0	0	0.0
SB 09-202	244,297	0	244,297	0	0	0.0
SB 09-259	(24,122,128)	0	(339,453,093)	0	315,330,965	15.0
TOTAL	**$1,237,870,743**	**$0**	**$475,094,292**	**$1,912,328**	**$760,864,123**	**3,142.3**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$1,237,870,743	$0	$475,094,292	$1,912,328	$760,864,123	3,142.3
State Highway Funds (HUTF)	85,968,665	0	85,968,665	0	0	0.0
Internal cash funds	2,012	0	0	2,012	0	0.0
Federal funds	(405,466,935)	0	0	0	(405,466,935)	0.0
Cash funds (aeronautics, locals, miscellaneous)	(17,088,081)	0	(17,088,081)	0	0	0.0
SB 09-259	**$901,286,404**	**$0**	**$543,974,876**	**$1,914,340**	**$355,397,188**	**3,142.3**
TOTAL	**$901,286,404**	**$0**	**$543,974,876**	**$1,914,340**	**$355,397,188**	**3,142.3**
Increase/(Decrease)	($336,584,339)	$0	$68,880,584	$2,012	($405,466,935)	0.0
Percentage Change	(27.2)%	n/a	14.5%	0.1%	(53.3)%	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-202 increased the Construction, Maintenance, and Operations cash funds appropriation with funds transferred from the Administration division as a result of the hiring freeze. Supplemental appropriations in S.B. 09-259 reduced the Construction, Maintenance, and Operations cash funds

appropriation and increased the federal funds appropriation based on updated projections of available revenues.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

State Highway Funds (HUTF): The appropriation represents the Department's forecasted increased share of Highway User Tax Fund (HUTF) revenues per statutory formula. The increased revenues are largely due to the Department's estimates of revenues resulting from S.B. 09-108.

Internal cash funds: The appropriation represents an increase in internal cash fund assessments for the Construction, Maintenance, and Operations section.

Federal funds: The appropriation reflects the Department's estimated apportionment of federal funds in FY 2009-10. The reduction from the FY 2008-09 adjusted appropriation is largely a result of one-time federal stimulus funds received by the Department in FY 2008-09.

Cash funds (aeronautics, locals, miscellaneous): The appropriation reflects the Department's current estimates of revenues available from other revenue sources, including funding for the Division of Aeronautics, funding from local government matches, and miscellaneous cash funds including the Law Enforcement Assistance Fund (LEAF) and the Motorcycle Operator Safety Training (MOST) program funds.

High Performance Transportation Enterprise

This section, created in S.B. 09-108, replaces the Statewide Tolling Enterprise created pursuant to S.B. 02-179 and H.B. 02-1310. In addition to taking over the responsibilities of the former Statewide Tolling Enterprise, the High Performance Transportation Enterprise was established to pursue public-private partnerships and other means of completing surface transportation projects, including collecting tolls on existing roadways if such projects are approved by local transportation entities. The section is granted enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates from the existing toll lanes on Interstate 25 and are included for information purposes only.

Statewide Tolling Enterprise/ High Performance Transportation Enterprise

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation (for the Statewide Tolling Enterprise):						
HB 08-1375	$2,560,000	$0	$2,560,000	$0	$0	0.0
TOTAL	**$2,560,000**	**$0**	**$2,560,000**	**$0**	**$0**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$2,560,000	$0	$2,560,000	$0	$0	0.0
Revenue estimate adjustment	(360,000)	0	(360,000)	0	0	1.0
SB 09-259	**$2,200,000**	**$0**	**$2,200,000**	**$0**	**$0**	**1.0**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$2,200,000**	**$0**	**$2,200,000**	**$0**	**$0**	**1.0**
Increase/(Decrease)	($360,000)	$0	($360,000)	$0	$0	1.0
Percentage Change	(14.1)%	n/a	(14.1)%	n/a	n/a	n/a

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Revenue estimate adjustment: The appropriation reflects the Department's current estimate of revenues to be collected by the High Performance Transportation Enterprise in FY 2009-10, as compared to the estimate for the Statewide Tolling Enterprise in FY 2008-09. The appropriation also reflects the Transportation Commission's approval of 1.0 FTE for the Statewide Tolling Enterprise in FY 2008-09 that was not included in the FY 2008-09 Long Bill and that will now be allocated to the High Performance Transportation Enterprise.

Gaming Impacts

This section contains appropriations for Gaming Impacts. Pursuant to Section 12-47.1-701 (1) (c) (I), C.R.S., the Department may annually request funds from the 50.0 percent share of the Limited Gaming Fund year-end balance that is transferred to the Clean Energy Fund in order to partially pay for highway construction and maintenance in the vicinity of Colorado's gaming communities.

Gaming Impacts	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$10,127,274	$0	$10,127,274	$0	$0	0.0
TOTAL	**$10,127,274**	**$0**	**$10,127,274**	**$0**	**$0**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$10,127,274	$0	$10,127,274	$0	$0	0.0
Gaming Impacts	(10,127,274)	0	(10,127,274)	0	0	0.0
SB 09-259	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
Increase/(Decrease)	($10,127,274)	$0	($10,127,274)	$0	$0	0.0
Percentage Change	(100.0)%	n/a	(100.0)%	n/a	n/a	n/a

Gaming Impacts: The appropriation eliminates funds for gaming impacts-related highway construction and maintenance for FY 2009-10 as a budget balancing measure.

First Time Drunk Driving Offenders Account

This section provides funding for increased high visibility drunk driving law enforcement actions undertaken pursuant to H.B. 08-1194. The section was created because: (1) the program was not appropriate for inclusion in the legislatively appropriated Administration line item; and (2) the program requires annual appropriation by the General Assembly and therefore should not be included in the continuously appropriated Construction, Maintenance, and Operations line item. Cash funds are from driver's license restoration fees from alcohol-related driving offenses.

First Time Drunk Driving Offenders Account

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$0	$0	$0	$0	$0	0.0
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$0	$0	$0	$0	$0	0.0
First Time Drunk Driving Offenders Account	1,000,000	0	1,000,000	0	0	0.0
SB 09-259	**$1,000,000**	**$0**	**$1,000,000**	**$0**	**$0**	**0.0**
TOTAL	**$1,000,000**	**$0**	**$1,000,000**	**$0**	**$0**	**0.0**
Increase/(Decrease)	$1,000,000	$0	$1,000,000	$0	$0	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

First Time Drunk Driving Offenders Account: The appropriation includes $1.0 million for additional high visibility drunk driving enforcement actions in FY 2009-10. House Bill 08-1194 provided $2.0 million for this purpose to the Construction, Maintenance, and Operations line item. Thus, the appropriation represents a $1.0 million reduction from the FY 2008-09 appropriation but is the first appropriation to the newly created line item. The reduced funding reflects updated estimates of the actual cost of performing the additional enforcement actions required by H.B. 08-1194.

Statewide Bridge Enterprise

This section was created by S.B. 09-108 and is funded through the bridge safety surcharge created by S.B. 09-108. The enterprise's purpose is to facilitate the repair or replacement of bridges rated as in poor condition and as either structurally deficient or functionally obsolete. The enterprise has the authority to issue revenue bonds and borrow funds from the Transportation Commission to be repaid from bridge safety surcharge revenues. The section can maintain enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10.0 percent of its total revenues from grants from state and local governments. The amounts shown are revenue estimates and are included for information purposes only.

Statewide Bridge Enterprise						
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**	**FTE**
FY 2008-09 Appropriation:						
HB 08-1375	$0	$0	$0	$0	$0	n/a
TOTAL	**$0**	**$0**	**$0**	**$0**	**$0**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$0	$0	$0	$0	$0	0.0
Statewide Bridge Enterprise	42,448,543	0	42,448,543	0	0	n/a
SB 09-259	**$42,448,543**	**$0**	**$42,448,543**	**$0**	**$0**	**0.0**
TOTAL	**$42,448,543**	**$0**	**$42,448,543**	**$0**	**$0**	**0.0**
Increase/(Decrease)	$42,448,543	$0	$42,448,543	$0	$0	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Statewide Bridge Enterprise: The appropriation reflects the Department's estimate of revenues for the Statewide Bridge Enterprise in FY 2009-10.

Recent Legislation

2008 Session Bills

S.B. 08-014: Authorizes the Colorado Tolling Enterprise (CTE) to, at the request of the Judicial Department, consider establishing an administrative toll enforcement process for toll evasion cases. Allows cases to be heard by a state administrative law judge or an independent contractor. The courts would lose jurisdiction if CTE proceeded with the administrative process. Permits courts and the CTE to report outstanding toll evasion judgements to the Department of Revenue. Prohibits the Department of Revenue from renewing a motor vehicle registration for any vehicle owned by a person who fails to pay an outstanding judgement.

S.B. 08-041: Clarifies that the Transportation Commission or any other governmental entity acquiring land for road or highway construction or the addition of mass transit is prohibited from acquiring, through condemnation, interests in oil, natural gas, or other mineral resources except to the extent they are required for subsurface support of the project. Precludes any condemning authority, as part of an eminent domain condemnation, from acquiring the right, title, or interest to oil, natural gas, or other mineral resources except to the extent that they are required for subsurface support. The bill is expected to decrease future revenues that would have resulted from the acquisition and sale of mineral resources.

S.B. 08-155: Transfers 3.0 FTE from the Administration Division to the Governor's office as part of a statewide information technology consolidation effort. For additional information on this bill, see the "Recent Legislation" section of the Governor section of this document.

H.B. 08-1010: Increases the fines for class 1 and 2 traffic misdemeanors; alters the distribution of revenues from seat belt violations on state highways when local law enforcement writes the citation; doubles the minimum fines for driving under the influence (DUI), driving while ability impaired (DWAI), under age drinking and driving (UDD), habitual user driving, and vehicle eluding; and changes the distribution of revenues from DUI, DWAI, and UDD offenses occurring on state or federal highways. Appropriates $33,600 General Fund to the Judicial Department in FY 2008-09 for courts administration costs related to the implementation of the bill.

H.B. 08-1036: Authorizes the use of photo radar to enforce speed limits in designated highway maintenance, repair, and construction zones while work is occurring in these areas. Allows the Department of Public Safety to contract with a vendor to operate the photo radar systems and to collect and process penalty assessments. Creates a fine of $540 for driving 24 miles per hour over the speed limit in such zones and creates a class 1 misdemeanor traffic offense for driving 25 or more miles per hour above the speed limit in such zones. Specifies that no penalty assessment, summons, or complaint for violations detected by photo radar are to be forwarded to the Department of Revenue for processing. Doubles fines for certain moving traffic violations, including speeding, within the zones designated by local governments. The bill is anticipated to increase State revenues as a result of the increased fines and additional enforcement activities.

H.B. 08-1139: Expands the duties of the Colorado Tolling Enterprise (CTE) board, a government-owned business enterprise housed within the Colorado Department of Transportation. Requires the CTE board to evaluate any toll highway not owned by the state that is offered for sale or lease to determine whether the state (through the CTE) should purchase, lease, have a partial interest in, or enter into a public-private initiative in connection with the toll highway. Requires the CTE to report back to the General Assembly regarding the results of any evaluation. Because no toll highway projects are currently offered for sale or lease in Colorado, no fiscal impact is expected for FY 2008-09 but the bill may require costs in future years.

H.B. 08-1194: Requires the Colorado Department of Transportation to increase the number of high-visibility drunk driving law enforcement episodes from the current 7 per year to between 12 and 15. Appropriates $2,000,000 cash funds from the First Time Drunk Driving Offenders' Account to the Department of Transportation in FY 2008-09. For additional information on this bill, see the "Recent Legislation" section for the Department of Revenue.

H.B. 08-1257: Authorizes new permits and permit fees for the operation of an overweight motor vehicle with a divisible load providing the vehicle has a four-axle grouping with a gross weight not exceeding 110,000 pounds and sets additional requirements for such vehicles. Clarifies that permits authorized by the bill do not

allow the operation of such vehicles on the interstate. Doubles fines for violations of a vehicle's maximum permitted weight. Allows the Department of Transportation or the Colorado State Patrol to collect fees for the issuance of such permits, with fees varying depending on the term of the permit and the number of vehicles permitted for a given owner. The bill is anticipated to increase State revenues by $1.3 million and expenditures from the State Highway fund by $104,413 in FY 2008-09. Appropriates $10,890 reappropriated funds from the Department of Transportation to the Department of Law in FY 2008-09 for the provision of legal services related to the implementation of the bill.

H.B. 08-1375: General appropriations act for FY 2008-09.

2009 Session Bills

S.B. 09-094: Creates the Transit and Rail Division within the Colorado Department of Transportation (CDOT) to further integrate transit and rail into the statewide transportation system. Allows the Department of Transportation's executive director to retain certain rail lines or rights-of-way possessed by the department.

S.B. 09-108: Increases fees, fines, and surcharges to provide additional funding for statewide transportation improvements. Imposes the following new fees and surcharges: (1) highway safety surcharge; (2) bridge safety fee; (3) a daily fee on vehicle rentals; and (4) a new surcharge on certain oversize and overweight vehicle fees. Increases fees and fines for late vehicle registrations. Reconstitutes the Statewide Tolling Enterprise as the High Performance Transportation Enterprise with a new governance structure and expanded scope for tolling facilities on state highways. Creates the Statewide Bridge Enterprise with the authority to finance, repair and maintain certain designated bridges in the state highway system, and to impose a bridge safety surcharge to repay bonds. Authorizes both the High Performance Transportation Enterprise and the Statewide Bridge Enterprise to issue revenue bonds. Requires CDOT to create a standing efficiency and accountability committee charged with seeking ways to maximize the efficiency of the department.

S.B. 09-202: Supplemental appropriation to the Department of Transportation to modify FY 2008-09 appropriations in the FY 2008-09 Long Bill (H.B. 08-1375).

S.B. 09-208: Transfers the following amounts to the General Fund in FY 2008-09:

Source	Amount
Transportation Infrastructure Revolving Fund (State Infrastructure Bank)	$3,000,000
State Rail Bank Fund	1,543,937
Total	**$4,543,937**

For more information on S.B. 09-208 see the "Recent Legislation" section at the end of the Department of Labor and Employment.

S.B. 09-228: Amends the statutory limitation on General Fund appropriations from the lesser of 6.0 percent over appropriations for the previous fiscal year or an amount equal to 5.0 percent of Colorado personal income, to an amount equal to 5.0 percent of Colorado personal income. Eliminates the conditional diversion of sales and use tax revenues to the Highway Users Tax Fund that was originally established by S.B. 97-001. Eliminates

the fiscal year-end transfers of General Fund surplus to the Capital Construction Fund and Highway Users Tax Fund originally established by H.B. 02-1310.

For a five-year period beginning in FY 2012-13, requires the following annual transfers from the General Fund if Colorado personal income increases by at least 5.0 percent from CY 2011 to CY 2012:

- Transfer an amount equal to 2.0 percent of General Fund revenues to the Highway Users Tax Fund.

- For two fiscal years, transfer an amount equal to 0.5 percent of General Fund revenues to the Capital Construction Fund. Subsequently, for three fiscal years, transfer an amount equal to 1.0 percent of General Fund revenues to the Capital Construction Fund.

If Colorado personal income does not increase by at least 5.0 percent from CY 2011 to CY 2012, delays the transfers to the Highway Users Tax Fund and Capital Construction Fund until the next fiscal year during which Colorado personal income increases by at least 5.0 percent.

For any fiscal year in which there are excess State revenues that are required to be refunded pursuant to the Taxpayer's Bill of Rights (TABOR), modifies the required transfers to the Highway Users Tax Fund and the Capital Construction Fund as follows:

- if the amount of the TABOR refund is equal to between 1.0 and 3.0 percent of total General Fund revenues, each transfer is reduced by 50.0 percent;

- if the amount of the TABOR refund is equal to more than 3.0 percent of total General Fund revenues, the transfers shall not be made.

Requires the Capital Development Committee and the Transportation Legislation Review Committee to make recommendations by February 1, 2016, concerning new methods of financing projects under their respective jurisdictions. For additional information on S.B. 09-228, see the "Recent Legislation" section at the end of the Capital Construction section.

S.B. 09-259: General appropriations act for FY 2009-10. Also includes supplemental adjustments to modify appropriations to the Department of Transportation in the FY 2008-09 Long Bill (H.B. 08-1375).

H.B. 09-1318: Modifies the permitting requirements and fees charged for certain overweight vehicles. Repeals a newly-enacted increase in the weight limit for vehicles traveling on non-interstate roads. Establishes a new overweight vehicle permit and a schedule of fees for vehicles weighing up to 97,000 pounds that are operated in combination with a trailer or semitrailer that has a tandem or triple axle grouping. Specifically, the bill sets the following permit fees for these vehicles: $500 for an annual permit, $250 for a 6-month permit, and $15 plus $10 per axle for a single trip permit.

DEPARTMENT OF THE TREASURY

The Department has the following duties: (1) acts as the State's banker and investment officer, providing investment, accounting, and cash management services and preparing related reports; (2) administers the Unclaimed Property Program and transmits moneys from the Unclaimed Property Trust Fund to CoverColorado; (3) reimburses local governments for property tax revenues foregone due to the senior citizen and disabled veteran property tax exemption; (4) provides short-term, interest-free financing to school districts by issuing tax and revenue anticipation notes and making loans from the General Fund; (5) assists charter schools with long-term financing by making direct bond payments; (6) transfers moneys to the Fire and Police Pension Association (FPPA) for local "old hire" pension plans; (7) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; and (8) distributes federal "mineral leasing funds" received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado.

Department Budget: Recent Appropriations

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
General Fund/1	$100,187,249	$114,153,460	$86,966,576	$1,933,721
Cash Funds/2	2,584,606	2,642,009	302,467,682	293,707,810
Cash Funds Exempt/2	265,236,100	281,038,178	n/a	n/a
Reappropriated Funds/2	n/a	n/a	0	0
Federal Funds	0	0	0	0
Total Funds	**$368,007,955**	**$397,833,647**	**$389,434,258**	**$295,641,531**
Full Time Equiv. Staff	26.0	26.0	29.5	31.5

/1 Includes General Fund Exempt.

/2 Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Funding for the Department consists of 0.7 percent General Fund and 99.3 percent cash funds. The General Fund appropriation primarily supports the senior citizen and disabled veterans property tax exemption, with the remainder covering department administrative expenses. The Department's cash fund appropriation includes: (a) transaction fee revenue, which supports department administrative expenses; (b) moneys in the Unclaimed Property Trust Fund, which support the unclaimed property program; (c) transmittals from the Unclaimed Property Trust Fund to the CoverColorado program; and (d) distributions from the HUTF to counties and municipalities.

Senior Citizen and Disabled Veteran Property Tax Exemption

Article X, Section 3.5 of the Colorado Constitution, approved by voters in November 2000 and implemented through Sections 39-3-201 to 208, C.R.S., grants a property tax exemption to qualifying senior citizens and

disabled veterans[1]. This provision exempts from taxation 50 percent of the first $200,000 of actual home value. The State Treasurer is required to reimburse local governments for the resulting lost property tax revenues.

The Constitution grants the General Assembly the power to raise or lower the maximum amount of residence value that is exempt from taxation. For tax year 2002, the first year this exemption was made available, the exemption was limited to the first $200,000 of actual residence value. The General Assembly lowered this amount from $200,000 to $0 for tax years 2003, 2004, and 2005, thereby eliminating the associated state expenditures for fiscal years 2003-04, 2004-05, and 2005-06. State payments resumed in FY 2006-07. The actual amount of the annual payment is not known until early April each year. The General Assembly again reduced the exemption to $0 for senior citizens for FY 2009-10.

These state payments are subject to the Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending[2], but are not subject to the statutory restriction on General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (II) through (IV), C.R.S. Estimated General Fund expenditures are included in the Department of Treasury's budget for informational purposes.

Senior Citizen and Disabled Veteran Property Tax Exemption				
	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.
County Reimbursement for Tax Exemption/1	$74,231,509	$79,828,168	$85,549,362	$1,000,000
Number of Exemptions Granted	146,836	157,099	165,596	not projected
Average Property Tax Exempted	$506	$508	$517	not projected
Percent of Residences Granted Exemption	8.5%	8.9%	9.3%	not projected
Actual Value Exempted	$11,737,065,090	$13,018,439,322	$13,788,163,799	not projected
Assessed Value Exempted	$1,029,808,893	$1,036,267,770	$1,097,537,838	not projected

/1 The figure for FY 2008-09 represents the total amount paid by the State Treasurer's Office as of April 30, 2009. The FY 2009-10 appropriation is based on estimates included in the Legislative Council staff March 2009 revenue forecast.

State Contributions for Local Fire and Police Pension Plans

Section 31-30.5-307, C.R.S., requires the State to pay part of the unfunded liability of retirement plans that cover police and firefighters who were hired before 1978 ("old hire" pension plans). The Department annually transfers the required amount from the General Fund to the Fire and Police Pension Association (FPPA), which administers these plans. The annual General Fund Exempt transfer is included in the Long Bill for

[1] The exemption applies if: (a) the property owner-occupier is sixty-five years of age or older (as of the assessment date) and has occupied the property as a primary residence for the past ten years; or (b) the owner-occupier is the spouse or surviving spouse of an owner-occupier who previously qualified for the exemption. Pursuant to the passage of Referendum E in 2006, beginning tax year 2007, the exemption also applies if the property owner-occupier is a disabled veteran (100 percent permanent service-connected disability) as of the assessment date.

[2] The provision specified that voter approval of the measure constituted a voter-approved revenue change, thereby allowing the TABOR limit for FY 2001-02 to increase by $44.1 million. The provision further specified that such an amount should be included for the purpose of calculating subsequent fiscal year spending limits. However, by the time the State was required to pay the first year reimbursement in April 2003, state revenues no longer exceeded the TABOR limit. Thus, this measure never increased the State's TABOR limit.

informational purposes; this appropriation is not subject to the statutory restriction on General Fund appropriations.

Senate Bill 09-227 suspends the contributions for three fiscal years from FY 2008-09 through FY 2010-11, and extends state payments by three years until FY 2014-15, with a final payment to be made in April 2015. Current actuarial projections indicate that the required payment in April 2015 will be about $84 million.

The following table provides a summary of remaining state contributions to "old hire" pension plans. The first column details state contributions required prior to the passage of S.B. 09-227, and the second details the new payment schedule required by S.B. 09-227.

Fire and Police Pension Association - State-Assisted "Old Hire" Pension Plans		
Payment Date	**Annual State Contribution Required Under Prior Law**	**Contribution Schedule per S.B. 09-227**
April 2009	$25,321,079	$0
April 2010	25,321,079	0
April 2011	25,321,079	0
April 2012	20,971,594	25,321,079
April 2013	0	25,321,079
April 2014	0	25,321,079
April 2015 *	0	83,853,854

* The actual amount of the final payment will be determined by the fund's actual investment performance during the next six years.

CoverColorado

Colorado does not require insurance companies that offer individual health coverage to accept everyone who applies, regardless of their health status. The General Assembly created CoverColorado in 1990 to offer health insurance to those "high risk" individuals who are unable to obtain health insurance except at prohibitive rates or with restrictive exclusions. Although CoverColorado premiums are currently set at 140 percent of the industry average[3], premium revenues cover only about 42 percent of program costs. Thus, the program requires a subsidy from one or more other sources of revenue. These other sources of revenue currently include: contributions from insurance companies provided in exchange for a 100 percent premium tax credit (a maximum of $5.0 million total per year); interest and principal from the Unclaimed Property Trust Fund; and insurance carrier assessments.

[3] Reduced from 150 percent of the industry average, effective January 1, 2007.

CoverColorado: Recent Funding History						
Fiscal Year	**Claims and Administrative Costs**	**Premiums Paid by Enrollees**	***Ratio: Premiums/ Total Costs***	**Total Subsidy Required**	**Other Sources of Revenue[/1]**	**Annual Surplus/ (Deficit)**
2001-02	$17,715,896	$9,380,110	*52.9%*	($8,335,786)	$8,144,133	($191,653)
2002-03	28,163,622	17,064,208	*60.6%*	(11,099,414)	3,527,552	(7,571,862)
2003-04	34,505,598	21,361,177	*61.9%*	(13,144,421)	40,843,100	27,698,679
2004-05	34,668,993	21,402,805	*61.7%*	(13,266,188)	6,268,704	(6,997,484)
2005-06	36,786,073	23,878,912	*65.0%*	(12,907,161)	14,230,799	1,323,638
2006-07	47,360,495	24,406,715	*51.5%*	(22,953,780)	18,924,535	(4,029,245)
2007-08	59,467,683	29,000,498	*48.8%*	(30,467,185)	27,277,766	(3,189,419)
Projections						
2008-09	80,270,553	38,293,142	*47.7%*	(41,977,411)	39,436,662	(2,540,749)
2009-10	108,026,895	49,118,528	*45.5%*	(58,908,367)	58,238,530	(669,837)

/1 Other sources of revenue include: interest earned on the CoverColorado Cash Fund, moneys made available from the Unclaimed Property Program, insurance carrier assessments, federal funds, and (beginning in 2005) annual contributions from insurance carriers in exchange for a premium tax credit.
/2 Projection prepared by Leif Associates, dated October 2008.

The only revenue source that is reflected in the annual Long Bill is the amount anticipated to be transferred from the Unclaimed Property Trust Fund; this amount appears in the Treasury section ($48.8 million in FY 2008-09 and $27 million in FY 2009-10). CoverColorado is defined as a "special purpose authority" for purposes of TABOR, so none of CoverColorado's expenditures are subject to TABOR limits, including moneys transferred from the Unclaimed Property Trust Fund.

Highway Users Tax Fund Disbursements

The Department of Treasury distributes revenues from the Highway Users Tax Fund (HUTF) to counties and municipalities for use on local transportation projects pursuant to statutory formulas in Sections 43-4-207 and 208, C.R.S. The amounts anticipated to be distributed to counties and municipalities are reflected as cash funds appropriations within the Treasury section of the Long Bill for informational purposes. The following table details recent distributions of HUTF revenues, as well as projections for FY 2007-08 and FY 2008-09.

Highway Users Tax Fund (HUTF)[1] Revenues and Distributions $ (000)					
	Actual				Projected
	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Total Revenues	766,011.3	787,428.0	779,919.9	804,040.3	788.776.2
Annual Percent Change	*0.8%*	*2.8%*	*(1.0)%*	*3.1%*	*(99.9)%*
Treasury Distributions:					
Counties	155,981.0	159,784.0	159,769.4	104,273.6	104,280.0
Municipalities	95,037.8	100,361.8	94,905.6	100,600.0	106,636.0

/1 Data provided by Legislative Council staff based on their March 2009 revenue forecast. Figures exclude transfers that occur pursuant to Section 24-75-218, C.R.S. ("one-third/two-thirds" transfers).

Summary of FY 2008-09 and FY 2009-10 Appropriations

Department of Treasury						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Total Appropriation:	**$389,434,258**	**$86,966,576**	**$302,467,682**	**$0**	**$0**	**29.5**
Breakdown of Total Appropriation by Administrative Section						
Administration	1,901,860	766,576	1,135,284	0	0	16.0
Unclaimed Property Program	1,832,517	0	1,832,517	0	0	13.5
Special Purpose	385,699,881	86,200,000	299,499,881	0	0	0.0
Breakdown of Total Appropriation by Bill						
HB 08-1375	435,426,998	122,008,844	313,418,154	0	0	29.5
HB 08-1390	(11,164,862)	0	(11,164,862)	0	0	0.0
SB 09-203	(9,506,799)	(9,721,189)	214,390	0	0	0.0
SB 09-227	(25,321,079)	(25,321,079)	0	0	0	0.0
FY 2009-10 Total Appropriation:	**$295,641,531**	**$1,933,721**	**$293,707,810**	**$0**	**$0**	**31.5**
Breakdown of Total Appropriation by Administrative Section						
Administration	1,876,563	933,721	942,842	0	0	16.0
Unclaimed Property Program	1,956,273	0	1,956,273	0	0	15.5
Special Purpose	291,808,695	1,000,000	290,808,695	0	0	0.0
Breakdown of Total Appropriation by Bill						
SB 09-259	386,041,531	92,333,721	293,707,810	0	0	31.5

	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-276	(90,400,000)	(90,400,000)	0	0	0	0.0
Increase/(Decrease)	($93,792,727)	($85,032,855)	($8,759,872)	$0	$0	2.0
Percentage Change	(24.1)%	(97.8)%	(2.9)%	n/a	n/a	6.8%

/1 Includes amounts ($86,200,000 in FY 2008-09 and $1,000,000 in FY 2009-10) that are that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S. See Division Detail for more information.

FY 2008-09 Appropriation Adjustment Highlights:

1. The appropriation to the Fire and Police Pension Association "old hire" pension plans is suspended for three fiscal years (FY 2008-09 through FY 2010-11). Senate Bill 09-203 (the Department's supplemental appropriation act) reduces the appropriation by $9.7 million to the minimum required in the absence of statutory change, and S.B. 09-227 reduces the appropriation to $0 in the statutes for the three fiscal years.

FY 2009-10 Appropriation Highlights:

1. The appropriation does not include any funding for staff salary increases for FY 2009-10. For FY 2008-09, an increase of $96,501, including $65,248 General Fund, was provided for salary survey and performance-based pay increases in this department. All salary survey and 80 percent of performance pay increases awarded in FY 2008-09 are continued in the base for FY 2009-10.

2. The appropriation reduces, by $90.4 million, the appropriation for the senior citizen and disabled veterans property tax exemption. Senate Bill 09-276 suspends the portion of the exemption that applies to senior citizens for one year (FY 2009-10), while leaving in place the exemption for disabled veterans.

Detail of Appropriation by Administrative Section

Administration

This Division is responsible for the operation and oversight of the Department. The Division provides accounting, cash management, and investment services for the State. For FY 2008-09, the Treasury projects that interest earned on General Fund and cash fund balances will total $176.3 million. The Division's cash funds derive from the Treasury transaction fee imposed pursuant to Section 24-36-120, C.R.S., and from the Unclaimed Property Trust Fund.

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$1,927,652	$1,031,672	$895,980	$0	$0	16.0
SB 09-203	(25,792)	(265,096)	239,304	0	0	0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
TOTAL	**$1,901,860**	**$766,576**	**$1,135,284**	**$0**	**$0**	**16.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$1,901,860	$766,576	$1,135,284	$0	$0	16.0
Annualize salary and benefits adjustments	65,248	65,248	0	0	0	0.0
Centrally-appropriated line items	20,765	8,118	12,647	0	0	0.0
Annualize funding mix adjustments	0	176,634	(176,634)	0	0	0.0
Partial refinance of personal services to the Unclaimed Property Trust Fund	0	(65,468)	65,468	0	0	0.0
Annualize prior year funding	0	62,670	(62,670)	0	0	0.0
Eliminate salary survey and performance-based pay	(96,501)	(65,248)	(31,253)	0	0	0.0
Other	(14,809)	(14,809)	0	0	0	0.0
SB 09-259	**$1,876,563**	**$933,721**	**$942,842**	**$0**	**$0**	**16.0**
TOTAL	**$1,876,563**	**$933,721**	**$942,842**	**$0**	**$0**	**16.0**
Increase/(Decrease)	($25,297)	$167,145	($192,442)	$0	$0	0.0
Percentage Change	(1.3)%	21.8%	(17.0)%	n/a	n/a	0.0%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-203 reduced operating expenses for cyber security by $25,792 General Fund and refinanced $239,304 of General Fund expenses to cash funds (Treasury Transaction Fees and the Unclaimed Property Trust Fund).

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

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

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

Annualized funding mix adjustments: The appropriation restores the funding mix adjustment from the FY 2008-09 supplemental. The line will be adjusted through a supplemental in FY 2009-10 to adjust the appropriation to the actual amount of Treasury Transaction fees collected.

Partial refinance of personal services to the Unclaimed Property Trust Fund: The appropriation includes a decrease in General Fund and an increase in cash funds from the Unclaimed Property Trust Fund to properly account for the time that the Treasurer, Deputy Treasurer, and an accounting technician work either supervising or assisting the Unclaimed Property Program division.

Annualize prior year funding: The appropriation includes an increase in General Fund and a decrease in cash funds from the Unclaimed Property Trust Fund to restore funding related to a one-time refinance of personal services.

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

Other: The appropriation includes an overall reduction in General Fund for a decrease in Cyber Security expenses, publications, and the web transparency initiative as well as an increase in the dues for membership in the National Association of State Treasurers.

Unclaimed Property Program

Pursuant to the Unclaimed Property Act, the State takes possession of dormant properties held by a wide range of institutions and attempts to return the properties to their rightful owners. The Department deposits recovered moneys in the Unclaimed Property Trust Fund, using the principal and interest to pay claims as well as the costs of operating the program. The Department anticipates paying approximately 70,000 claims valued at $28 million in FY 2007-08. The remaining principal and interest earnings help support the CoverColorado health insurance program. The Department holds recovered securities for at least a year and then sells those that have not been returned, depositing sales proceeds in the Unclaimed Property Tourism Promotion Trust Fund. The State uses the interest earned on this fund to promote tourism and the State Fair. The fund source for this section is the Unclaimed Property Trust Fund.

Unclaimed Property Program

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$1,857,431	$0	$1,857,431	$0	$0	13.5
SB 09-203	(24,914)	0	(24,914)	0	0	0
TOTAL	**$1,832,517**	**$0**	**$1,832,517**	**$0**	**$0**	**13.5**

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$1,832,517	$0	$1,832,517	$0	$0	13.5
Promotional increase	49,704	0	49,704	0	0	0.0
Annualize salary and benefits adjustments	29,545	0	29,545	0	0	0.0
Annualize FY 2008-09 hiring freeze	24,914	0	24,914	0	0	0.0
Convert temporary positions to FTE	14,245	0	14,245	0	0	2.0
Other	5,348	0	5,348	0	0	0.0
SB 09-259	**$1,956,273**	**$0**	**$1,956,273**	**$0**	**$0**	**15.5**
TOTAL	**$1,956,273**	**$0**	**$1,956,273**	**$0**	**$0**	**15.5**
Increase/(Decrease)	$123,756	$0	$123,756	$0	$0	2.0
Percentage Change	6.8%	n/a	6.8%	n/a	n/a	14.8%

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-203 reduced personal services to account for the savings that resulted from the FY 2008-09 hiring freeze.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Promotional increase: The appropriation includes an increase to expand the promotion of the "Great Colorado Payback" program to increase advertising of the program to increase the property held by the state returned to its rightful owners and heirs.

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

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

Convert temporary positions to FTE: The appropriation includes an increase for converting temporary employees to FTE.

Other: The appropriation includes an increase based on a statewide decision item regarding mail and an increase in the lease costs for the Unclaimed Property Program.

Special Purpose

This section of the Long Bill reflects various disbursements and transfers the Treasurer is required to make, including the following: (1) reimbursements to local governments for property tax revenues foregone due to the senior citizen and disabled veteran property tax exemption; (2) transmittals from the Unclaimed Property Trust Fund to CoverColorado; (3) transfers to the FPPA for "old hire" fire and police pension plans (suspended, per S.B. 09-227, for FY 2008-09, FY 2009-10, and FY 2010-11); and (4) allocations of HUTF revenues to local governments. The General Fund and General Fund Exempt appropriations for the senior citizen property tax exemption and FPPA are not subject to the statutory restrictions on General Fund appropriations.

Special Purpose	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2008-09 Appropriation:						
HB 08-1375	$431,641,915	$120,977,172	$310,664,743	$0	$0	0.0
HB 08-1390	(11,164,862)	0	(11,164,862)	0	0	0.0
SB 09-203	(9,456,093)	(9,456,093)	0	0	0	0.0
SB 09-227	(25,321,079)	(25,321,079)	0	0	0	0.0
TOTAL	**$385,699,881**	**$86,200,000**	**$299,499,881**	**$0**	**$0**	**0.0**
FY 2009-10 Appropriation:						
FY 2008-09 Appropriation	$385,699,881	$86,200,000	$299,499,881	$0	$0	0.0
Senior citizen and disabled veterans property tax exemption	5,200,000	5,200,000	0	0	0	0.0
HUTF disbursements	1,915,995	0	1,915,995	0	0	0.0
Transfer to CoverColorado	(10,607,181)	0	(10,607,181)	0	0	0
SB 09-259	**$382,208,695**	**$91,400,000**	**$290,808,695**	**$0**	**$0**	**0.0**
SB 09-276	(90,400,000)	(90,400,000)	0	0	0	0
TOTAL	**$291,808,695**	**$1,000,000**	**$290,808,695**	**$0**	**$0**	**0.0**
Increase/(Decrease)	($93,891,186)	($85,200,000)	($8,691,186)	$0	$0	0.0
Percentage Change	(24.3)%	(98.8)%	(2.9)%	n/a	n/a	n/a

/1 Includes amounts ($86,200,000 in FY 2008-09 and $1,000,000 in FY 2009-10) that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S., for the senior citizen and disabled veteran property tax exemption (enactment of Article X, Section 3.5 of the State Constitution constitutes voter approval of a weakening of the limitation). Senate Bill 09-276 suspends the exemption for one fiscal year (FY 2009-10) for senior citizens, but continues the exemption for disabled veterans.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2008-09 Long Bill Appropriation	$120,977,172	$86,200,000	$34,777,172
S.B. 09-203 Treasury supplemental	(9,456,093)	0	(9,456,093)
S.B. 09-227 Suspension of FPPA pension payments	(25,321,079)	0	(25,321,079)
FY 2008-09 Adjusted Appropriation	**86,200,000**	**86,200,000**	**0**
Property tax exemption	5,200,000	5,200,000	0
S.B. 09-276: Suspension of senior citizen property tax exemption	(90,400,000)	(90,400,000)	0
Total FY 2009-10 Appropriation	**$1,000,000**	**$1,000,000**	**$0**

General Fund Exempt

In November 2005, the Colorado voters passed Referendum C, which allows the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), C.R.S.). The above table shows the amount appropriated for FY 2008-09 and FY 2009-10 from the General Fund Exempt Account for purposes of funding retirement plans for firefighters and police officers pursuant to Sections 24-77-103.6 (2), C.R.S. Senate Bill 09-227 suspended these payments for three fiscal yeas starting in FY 2008-09 and resuming in FY 2011-12.

FY 2008-09 Appropriation Adjustments

Supplemental appropriations included in S.B. 09-203 reduced the appropriation for the FPPA "old-hire" pension plans by $9.5 million. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

FY 2009-10 Appropriation - S.B. 09-259 (Long Bill) Issue Descriptions

Senior citizen and disabled veterans property tax exemption: The appropriation reflects a $5.2 million increase, *compared to the FY 2008-09 Long Bill appropriation*, in payments to local governments to offset the local property taxes that will be foregone for tax year 2009 pursuant to Article X, Section 3.5 of the Colorado Constitution. The increase is based upon the projections in the March 2009 Legislative Council Staff economic forecast.

HUTF disbursements: The appropriation reflects a $1.9 million increase in the projected disbursements of HUTF revenues to counties and municipalities, *compared to the amounts reflected in the FY 2008-09 Long Bill*.

Transfer to CoverColorado: The appropriation reflects a $10.6 million decrease in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado, *compared to the amount reflected in the FY 2008-09 Long Bill*. The appropriation is based on projections of program costs as well as other sources of revenues available to CoverColorado. The decrease is largely the result of the passage of H.B. 08-1390 that provided for insurance carrier assessments to help fund CoverColorado.

Additional legislation: For information on additional legislation, see the "Recent Legislation" section at the end of this department.

Recent Legislation

2008 Session Bills

H.B. 08-1309: Continues the CoverColorado Board's authority to levy insurance carrier assessments when the program is expecting a budget shortfall. Creates the CoverColorado Long-Term Funding Task Force to develop a plan to fund CoverColorado for at least ten years and includes specific factors and options that the Task Force must consider in the development of the long term plan. Requires the Task Force to submit the funding plan by March 31, 2009.

H.B. 08-1375: General appropriations act for FY 2008-09.

H.B. 08-1390: Establishes a new funding structure for the CoverColorado program beginning January 1, 2009 that will consist of 50.0 percent from participant premiums, grants, and donations; 25.0 percent from the Unclaimed Property Trust Fund (UPTF); and up to 25.0 percent from insurance carrier assessments. The current funding structure does not allow for collection of insurance carrier assessments until the program is anticipating a budget shortfall, causing increased reliance on the UPTF for program revenue. The bill is anticipated to reduce transfers from the UPTF to CoverColorado by $11.2 million in FY 2008-09 and $30.4 million in FY 2009-10.

2009 Session Bills

S.B. 09-203: Treasury Department supplemental appropriation for FY 2008-09.

S.B. 09-227: Suspends, for three fiscal years, starting with FY 2008-09, the State's contribution to the Fire and Police Pension Association (FPPA) "Old-hire" pension plan, and extends the contributions for an additional three fiscal years until FY 2014-15. Savings to the General Fund are $25.3 million in each of the years during which payments are suspended.

S.B. 09-259: General appropriations act for FY 2009-10.

S.B. 09-276: Suspends the senior citizens property tax exemption during FY 2009-10, which results in General Fund savings of $90.4 million. The disabled veterans portion of the exemption was not suspended. These expenditures are not subject to the restriction on General Fund expenditures pursuant to Section 24-75-201.1 (1) (a) (II) through (IV), C.R.S.

S.B. 09-279: Transfers $50 million in FY 2008-09 and $25 million in FY 2009-10 from the Unclaimed Property Trust Fund to the General Fund and provides authority for the Treasurer to transfer up to $100 million from the Unclaimed Property Trust Fund to the General Fund on June 30, 2009. Any funds so transferred will be transferred back to the Unclaimed Property Trust Fund on July 1, 2009.

H.B. 09-1257: Provides that the amount of public funds invested in any one certificate of deposit may not exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC).

H.B. 09-1301: Provides for continuous spending authority for the payment of contract auditor services from the Unclaimed Property Trust Fund.

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.

Department Budget: Recent Appropriations

Appropriations for Capital Construction and Controlled Maintenance Projects (Does not include appropriations and transfers to the Capital Construction Fund[/1])

Funding Source	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
Capital Construction Fund	$135,658,867	$258,329,285	$150,251,265	$53,413,857
Cash Funds	6,963,802	2,352,808	745,639,471	426,793,196
Cash Funds Exempt	268,578,346	562,620,776	n/a	n/a
Reappropriated Funds[/2]	n/a	n/a	0	0
Federal Funds	26,416,088	48,908,831	50,272,487	40,715,745
Total Funds	**$437,617,103**	**$872,211,700**	**$946,163,223**	**$520,922,798**

[/1] See the table "Appropriations and Transfers to the Capital Construction Fund" for this information.

[/2] Appropriations for FY 2008-09 and FY 2009-10 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

General Factors Driving the Budget

Revenue Available for Capital Construction

The amount appropriated for capital construction is primarily based on the recommendations of the Capital Development Committee regarding the priority order of projects, and the most recent forecast of revenues available for capital construction given constitutional and statutory constraints on the budget. The dominant sources of revenue for capital construction projects include the Capital Construction Fund, the Controlled Maintenance Trust Fund, the Corrections Expansion Reserve Fund, the Fitzsimons Trust Fund, and various cash funds administered by the Department of Higher Education and the Department of Natural Resources.

The revenues available to support state-funded appropriations in FY 2009-10 are as follows:

State Funds Available for Capital Construction

	State Funds	Fund Source			
		Capital Construction Fund	Corrections Expansion Reserve	Controlled Maintenance Trust Fund	Fitzsimons Trust Fund
Uncommitted balance from prior year	$3,512,910	$206,000	$2,503,300	$803,610	$0
Statutory General Fund transfers - sentencing bills	1,976,068	1,976,068	0	0	0
Forfeited bonds pursuant to H.B. 07-1040 /1	778,265	778,265	0	0	0
1/3 of FY 2007-08 excess General Fund reserve (pursuant to Section 24-75-218, C.R.S.)	14,482,333	14,482,333	0	0	0
Interest (projection of FY 2008-09 earnings)	8,100,000	8,100,000	0	0	0
Tobacco distribution (pursuant to Section 24-75-1104.5, C.R.S.)	8,000,000	0	0	0	8,000,000
Reversions - projects closing at the end of FY 08-09	452,259	452,259	0	0	0
Savings from projects reduced in S.B. 09-280	85,409,840	82,122,640	3,287,200	0	0
Funds Available for Construction	$122,711,675	$108,117,565	$5,790,500	$803,610	$8,000,000
Statutory appropriations for sentencing bills	0	(1,976,068)	1,976,068	0	0
Statutory appropriation for H.B. 07-1040 /1	0	(778,265)	778,265		
Lease Purchase of Academic Facilities at Fitzsimons	(13,142,063)	(5,142,063)	0	0	(8,000,000)
Lease Purchase of Colorado State Penitentiary II	(13,942,350)	(8,175,782)	(5,766,568)	0	0
Higher Education Federal Mineral Lease Revenues Fund (lease purchase of various academic buildings) *this is a FY 08-09 expenditure in S.B. 09-280*	(26,649,232)	(26,649,232)	0	0	0
Level I (life safety) Controlled Maintenance	(24,235,321)	(24,235,321)	0	0	0
Colorado Integrated Tax Architecture	(7,444,907)	(7,444,907)	0	0	0
Colorado State Penitentiary II, Equipment and Furnishings	(2,000,000)	0	(2,000,000)	0	0
Fort Lupton Readiness Center Construction	(5,661,451)	(5,661,451)	0	0	0
State-funded Appropriations	($93,075,324)	($80,063,089)	($5,012,235)	$0	($8,000,000)
Transfer to augment General Fund in S.B. 09-279	$28,858,086	$28,054,476	$0	$803,610	$0

/1 House Bill 07-1040 provided that if a defendant of a felony or class 1 or class 2 misdemeanor is illegally in the country, any bond posted by the defendant is forfeited and credited to the Capital Construction Fund for appropriation to the Corrections Expansion Reserve Fund. Actual revenues to date have been negligible. The executive branch has interpreted the appropriations pursuant to H.B. 07-1040 to be contingent on sufficient revenues. Thus, the majority of the revenue to and obligations from the Capital Construction Fund associated with H.B. 07-1040 are not likely to take effect.

Appropriations for Projects

The following table summarizes appropriations for capital construction and controlled maintenance projects. It does not include appropriations and transfers to the Capital Construction Fund or Controlled Maintenance Trust Fund. Appropriations and transfers intended to increase the balance in those funds (to support more expenditures for projects) are summarized in different tables titled Appropriations and Transfers to the Capital Construction Fund and Appropriations and Transfers to the Controlled Maintenance Trust Fund respectively.

Appropriations for Capital Construction and Controlled Maintenance Projects
(Does not include appropriations and transfers to the Capital Construction Fund or Controlled Maintenance Trust Fund)

	Total Funds	Capital Construction Funds	Cash Funds	Reappropriated Funds	Federal Funds
FY 2008-09 Total Appropriation:	**$946,163,223**	**$150,251,265**	**$745,639,471**	**$0**	**$50,272,487**
Breakdown of Total Appropriation by Department					
Agriculture	251,836	251,836	0	0	0
Corrections	3,971,965	3,664,965	307,000	0	0
Corrections Expansion Reserve Fund	5,864,092	5,864,092	0	0	0
Education	431,500	431,500	0	0	0
Higher Education	797,145,797	76,722,224	689,874,703	0	30,548,870
Human Services	7,210,552	6,935,552	0	0	275,000
Labor and Employment	3,040,018	0	3,040,018	0	0
Military and Veterans' Affairs	16,095,717	1,536,720	2,100,000	0	12,458,997
Natural Resources	40,395,250	0	34,947,750	0	5,447,500
Personnel and Administration	11,378,107	11,378,107	0	0	0
Public Health and Environment	250,000	0	250,000	0	0
Public Safety	0	0	0	0	0
Revenue	14,479,157	7,817,037	5,120,000	0	1,542,120
Transportation	9,000,000	9,000,000	0	0	0
Treasury	36,649,232	26,649,232	10,000,000	0	0
Breakdown of Total Appropriation by Bill					
HB 04-1021	69,467	69,467	0	0	0
SB 06-206	392,373	392,373	0	0	0
SB06-207	392,373	392,373	0	0	0
HB 06-1011	523,164	523,164	0	0	0
HB 06-1145	26,158	26,158	0	0	0

Appropriations for Capital Construction and Controlled Maintenance Projects

(Does not include appropriations and transfers to the Capital Construction Fund or Controlled Maintenance Trust Fund)

	Total Funds	Capital Construction Funds	Cash Funds	Reappropriated Funds	Federal Funds
HB 06-1326	462,128	462,128	0	0	0
SB 06S-004	69,755	69,755	0	0	0
SB 07-096	325,429	325,429	0	0	0
HB 07-1040[/2]	949,747	949,747	0	0	0
HB 07-1326	150,198	150,198	0	0	0
SB 08-013	750,000	0	750,000	0	0
SB 08-206	18,000,000	0	18,000,000	0	0
SB 08-233	32,227,526	0	32,227,526	0	0
SB 08-239	125,165	125,165	0	0	0
HB 08-1115	125,165	125,165	0	0	0
HB 08-1194	125,165	125,165	0	0	0
HB 08-1352	2,127,805	2,127,805	0	0	0
HB 08-1375	878,571,715	180,574,268	649,267,080	0	48,730,367
SB 09-280	10,749,890	(36,187,095)	45,394,865	0	1,542,120
FY 2009-10 Total Appropriation:	**$520,922,798**	**$53,413,857**	**$426,793,196**	**$0**	**$40,715,745**
Breakdown of Total Appropriation by Department					
Agriculture	709,680	709,680	0	0	0
Corrections	21,955,306	11,594,814	10,360,492	0	0
Corrections Expansion Reserve Fund	2,754,333	2,754,333	0	0	0
Higher Education	351,945,225	17,619,428	333,562,919	0	762,878
Human Services	3,065,905	3,065,905	0	0	0
Labor and Employment	3,359,148	0	2,883,316	0	475,832
Military and Veterans' Affairs	16,239,061	6,510,451	0	0	9,728,610
Natural Resources	47,578,176	0	42,329,751	0	5,248,425
Personnel and Administration	3,530,250	3,530,250	0	0	0
Public Health and Environment	41,530,363	184,089	16,846,274	0	24,500,000
Public Safety	1,217,719	0	1,217,719	0	0
Revenue	10,384,907	7,444,907	2,940,000	0	0
Treasury	16,652,725	0	16,652,725	0	0

Appropriations for Capital Construction and Controlled Maintenance Projects

(Does not include appropriations and transfers to the Capital Construction Fund or Controlled Maintenance Trust Fund)

	Total Funds	Capital Construction Funds	Cash Funds	Reappropriated Funds	Federal Funds
Breakdown of Total Appropriation by Bill					
SB 06-206	523,164	523,164	0	0	0
SB 06-207	523,164	523,164	0	0	0
HB 06-1011	523,164	523,164	0	0	0
HB 06-1145	43,597	43,597	0	0	0
SB 07-096	150,198	150,198	0	0	0
HB 07-1040	778,265	778,265	0	0	0
HB 07-1326	75,099	75,099	0	0	0
SB 08-239	125,165	125,165	0	0	0
HB 08-1194	12,517	12,517	0	0	0
SB 09-259	518,168,465	50,659,524	426,793,196	0	40,715,745
Increase/(Decrease)	($425,240,425)	($96,837,408)	($318,846,275)	$0	($9,556,742)
Percentage Change	(44.9)%	(64.5)%	(42.8)%	n/a	(19.0)%

[/2] House Bill 07-1040 provides that if a defendant of a felony or class 1 or class 2 misdemeanor is illegally in the country, any bond posted by the defendant is forfeited and credited to the Capital Construction Fund for appropriation to the Corrections Expansion Reserve Fund. At the time of this publication, actual revenues were negligible. The executive branch has interpreted the appropriations pursuant to H.B. 07-1040 to be dependent on sufficient revenues. Thus, the majority of the revenue to and obligations from the Capital Construction Fund associated with H.B. 07-1040 are not likely to take effect.

Appropriation Highlights:

1. Reduces $82.1 million of appropriations in prior years for projects that are in a planning or design phase and not yet under construction, and not related to life safety. This change is made through S.B. 09-280.

2. Provides $26.6 million spending authority from the Capital Construction Fund to the Higher Education Federal Mineral Lease Revenues Fund to supplement federal mineral lease revenues and make lease purchase payments for academic buildings. This change is made through S.B. 09-280.

3. Provides $52.6 million spending authority from the Capital Construction Fund in FY 2009-10 for:

   - Statutory appropriations for sentencing bills
   - Lease purchase payments
   - Level I (life safety) Controlled Maintenance
   - Colorado Integrated Tax Architecture
   - Colorado State Penitentiary II, Equipment and Furnishings
   - Fort Lupton Readiness Center Construction

4. Transfers $28.9 million from capital construction related funds to the General Fund. This change is made through S.B. 09-279.

Appropriations and Transfers to the Capital Construction Fund

The following table summarizes appropriations and transfers to the Capital Construction Fund that increase the balance in the fund to make more money available for projects. Appropriations to the Capital Construction Fund are subject to FY 2008-09 and FY 2009-10 statutory restrictions on the growth of General Fund appropriations, but transfers to the Capital Construction Fund are not.

Appropriations and Transfers to the Capital Construction Fund

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2008-09 Total Appropriations and Transfers:	**$25,864,092**	**$24,914,345**	**$949,747**	**$0**	**$0**
Appropriations to Capital Construction Fund	*0*	*0*	*0*	*0*	*0*
General Fund transfers to Capital Construction Fund	*20,000,000*	*20,000,000*	*0*	*0*	*0*
HB 08-1376[/1]	20,000,000	20,000,000	0	0	0
5-year sentencing bill transfers to Capital Construction Fund					
HB 04-1021	69,467	69,467	0	0	0
SB 06-206	392,373	392,373	0	0	0
SB 06-207	392,373	392,373	0	0	0
HB 06-1011	523,164	523,164	0	0	0
HB 06-1145	26,158	26,158	0	0	0
HB 06-1326	462,128	462,128	0	0	0
SB 06S-004	69,755	69,755	0	0	0
SB 07-096	325,429	325,429	0	0	0
HB 07-1040[/2]	949,747	0	949,747	0	0
HB 07-1326	150,198	150,198	0	0	0
SB 08-239	125,165	125,165	0	0	0
HB 08-1115	125,165	125,165	0	0	0
HB 08-1194	125,165	125,165	0	0	0
HB 08-1352	2,127,805	2,127,805	0	0	0
Subtotal - 5-year sentencing bill transfers	*5,864,092*	*4,914,345*	*949,747*	*0*	*0*
FY 2009-10 Total Appropriations and Transfers:	**($25,300,143)**	**($26,078,408)**	**$778,265**	**$0**	**$0**
Appropriations to Capital Construction Fund	*0*	*0*	*0*	*0*	*0*

Appropriations and Transfers to the Capital Construction Fund					
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**
General Fund transfers to Capital Construction Fund	*(28,054,476)*	*(28,054,476)*	*0*	*0*	*0*
S.B. 09-279	(28,054,476)	(28,054,476)	0	0	0
5-year sentencing bill transfers to Capital Construction Fund					
SB 06-206	523,164	523,164	0	0	0
SB 06-207	523,164	523,164	0	0	0
HB 06-1011	523,164	523,164	0	0	0
HB 06-1145	43,597	43,597	0	0	0
SB 07-096	150,198	150,198	0	0	0
HB 07-1040[/2]	778,265	0	778,265	0	0
HB 07-1326	75,099	75,099	0	0	0
SB 08-239	125,165	125,165	0	0	0
HB 08-1194	12,517	12,517	0	0	0
Subtotal - 5-year sentencing bill transfers	*2,754,333*	*1,976,068*	*778,265*	*0*	*0*
Increase/(Decrease)	($51,164,235)	($50,992,753)	($171,482)	$0	$0
Percentage Change	(197.8)%	(204.7)%	(18.1)%	n/a	n/a

[/1] Includes $9.0 million General Fund Exempt.

[/2] House Bill 07-1040 provides that if a defendant of a felony or class 1 or class 2 misdemeanor is illegally in the country, any bond posted by the defendant is forfeited and credited to the Capital Construction Fund for appropriation to the Corrections Expansion Reserve Fund. At the time of this publication, actual revenues were negligible. The executive branch has interpreted the appropriations pursuant to H.B. 07-1040 to be dependent on sufficient revenues. Thus, the majority of the revenue to and obligations from the Capital Construction Fund associated with H.B. 07-1040 are not likely to take effect.

Appropriations and Transfers to the Controlled Maintenance Trust Fund

In FY 2008-09 the Long Bill included an appropriation to the Controlled Maintenance Trust Fund. This appropriation was adjusted by a number of bills, as detailed in the table below. Appropriations to the Controlled Maintenance Trust Fund are subject to FY 2008-09 and FY 2009-10 statutory restrictions on the growth of General Fund appropriations, but transfers to the Controlled Maintenance Trust Fund are not.

In FY 2009-10 an amount was transferred from the Controlled Maintenance Trust Fund to augment the General Fund.

Appropriations and Transfers to the Controlled Maintenance Trust Fund

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
FY 2008-09 Total Appropriations:	**$441,529**	**$441,529**	**$0**	**$0**	**$0**
HB 08-1375	6,069,495	6,069,495	0	0	0
SB 08-001	(466,336)	(466,336)	0	0	0
SB 08-002	(17,132)	(17,132)	0	0	0
SB 08-004	(34,293)	(34,293)	0	0	0
SB 08-006	(161,249)	(161,249)	0	0	0
SB 08-007	(280,000)	(280,000)	0	0	0
SB 08-066	(46,048)	(46,048)	0	0	0
SB 08-079	(71,760)	(71,760)	0	0	0
SB 08-130	(80,545)	(80,545)	0	0	0
SB 08-133	(500,000)	(500,000)	0	0	0
SB 08-165	(9,030)	(9,030)	0	0	0
SB 08-166	(28,612)	(28,612)	0	0	0
SB 08-188	(67,400)	(67,400)	0	0	0
SB 08-194	(30,000)	(30,000)	0	0	0
SB 08-200	(81,805)	(81,805)	0	0	0
SB 08-217	(128,700)	(128,700)	0	0	0
HB 08-1010	(33,600)	(33,600)	0	0	0
HB 08-1031	(500,000)	(500,000)	0	0	0
HB 08-1046	(25,312)	(25,312)	0	0	0
HB 08-1047	(23,800)	(23,800)	0	0	0
HB 08-1114[/1]	0	0	0	0	0
HB 08-1157	(8,472)	(8,472)	0	0	0
HB 08-1325	(7,020)	(7,020)	0	0	0
HB 08-1352	(217,566)	(217,566)	0	0	0
HB 08-1353	(92,818)	(92,818)	0	0	0
HB 08-1388	(85,092)	(85,092)	0	0	0
HB 08-1391	(2,100,169)	(2,100,169)	0	0	0
HB 08-1397	(81,207)	(81,207)	0	0	0
HB 08-1402	(100,000)	(100,000)	0	0	0
HB 08-1404	(350,000)	(350,000)	0	0	0

Appropriations and Transfers to the Controlled Maintenance Trust Fund					
	Total Funds	**General Fund**	**Cash Funds**	**Reappropriated Funds**	**Federal Funds**
SB 09-187[/1]	0	0	0	0	0
FY 2009-10 Total Transfers:	**($803,610)**	**($803,610)**	**$0**	**$0**	**$0**
S.B. 09-279	(803,610)	(803,610)	0	0	0

[/1] The appropriations in these bills were contingent on federal approval of a waiver regarding provider fees. The waiver was granted, and so the adjustments to appropriations to the Controlled Maintenance Trust Fund did not take effect.

Recent Legislation

2008 Session Bills

S.B. 08-013: Reduces the maximum percentage of the Operational Account of the Severance Tax Trust Fund that may be appropriated to the Colorado Oil and Gas Conservation Commission and the Division of Reclamation, Mining, and Safety by five percent each. Allows appropriations from the Operational Account of the Severance Tax Trust Fund of up to five percent of the balance to the Division of Wildlife to monitor, manage, mitigate, and research the impacts of mineral or mineral fuel production activities on wildlife, and up to five percent of the balance to the Division of Parks and Outdoor Recreation to operate, maintain, and improve state parks located in areas impacted by energy development. Appropriates from the Operational Account of the Severance Tax Fund to the Department of Natural Resources: $1,234,058 for the Division of Parks and Outdoor Recreation; $1,519,927 for the Division of Wildlife; and $750,000 to construct a boat ramp at Nighthorse Reservoir.

S.B. 08-206: Authorizes the state to enter into lease-purchase agreements for the development and construction of a state justice center (to be known as the "Ralph L. Carr Justice Complex") and a new Colorado State Museum. The maximum annual aggregate rentals may not exceed $19,000,000 for the justice center and $4,998,000 for the Colorado State Museum.

Increases civil filing fees charged by the Judicial Department and deposits a portion of the filing fees into a newly created Justice Center Cash Fund. Also to be deposited in the Justice Center Cash Fund are any lease payments received by the Judicial Branch from agencies occupying the state justice center. Requires the Judicial Branch to transfer up to $15 million in FY 2008-09 and up to $10 million in FY 2009-10 from the new cash fund (as funds become available) to a newly created State Museum Cash Fund. The balance of $25 million will be transferred in FY 2010-11, if the full amount has not already been transferred. The $25 million transfer is compensation to the State Historical Society for the land on which the Colorado History Museum currently resides that will become part of the new justice center complex. The remainder in the Justice Center Cash Fund is subject to annual appropriation by the General Assembly for the design, construction, maintenance, operation, and interim accommodations, and lease purchase payments, associated with the new state justice center.

Requires that the following amounts be transferred from the State Historical Fund to the State Museum Cash Fund, in addition to the money transferred from the Justice Center Cash Fund, for the planning, design, acquisition, and construction of a new state museum, as well as the costs associated with relocation and exhibits for the new museum:

- on or before October 1, 2008 - $3 million;
- on or before October 1, 2009 - $4 million; and
- on or before October 1, 2010 - $4 million.

Appropriates $18,000,000 cash funds from the State Museum Cash Fund to the State Historical Society in FY 2008-09 for the initial costs of planning and construction of a new museum.

Beginning in FY 2014-15, requires the executive director of the Department of Personnel and Administration to calculate the net savings to the state by locating the Department of Law and any other executive branch agency in the new state justice center, and requires the General Assembly to appropriate General Fund equal to the net savings to repay any lease purchase obligations.

S.B. 08-218: Beginning July 1, 2008, modifies the allocation of federal mineral lease (FML) revenues, other than FML revenues generated by oil shale production on oil shale lands that current law segregates from other FML revenues, as follows:

- Segregates the portion of FML revenues attributable to bonus payments from other FML revenues, and requires 50 percent of the bonus payment revenues to be transferred to a newly created local government permanent fund (permanent fund) and 50 percent of the bonus payment revenues to be transferred to a newly created higher education maintenance and reserve fund (maintenance and reserve fund).
- For any fiscal year in which the total amount of FML revenues received by the state declines by at least 10 percent, allows the general assembly to appropriate and the executive director of the department of local affairs (DOLA) to make formula-based direct distributions of permanent fund moneys to counties and municipalities to the extent necessary to prevent any reduction from the prior fiscal year in the amount of formula-based direct distributions of FML revenues to counties and municipalities.
- Allows the general assembly to annually appropriate investment earnings of the maintenance and reserve fund for controlled maintenance projects of state-supported institutions of higher education, but only allows use of fund principal to mitigate reductions in General Fund appropriations for operating expenses of state-supported institutions of higher education necessitated by a General Fund revenue shortfall.
- For the 2008-09, 2009-10, and 2010-11 fiscal years, requires the lesser of 48.3 percent of the FML revenues, other than bonus payments, or $65,000,000 of such revenues to be transferred to the state public school fund.
- For the 2011-12 fiscal year or during any succeeding fiscal year, requires the lesser of 48.3 percent of the FML revenues, other than bonus payments, or $65,000,000 multiplied by 104 percent per year to be transferred to the state public school fund.
- For the 2008-09 fiscal year, requires the lesser of 10 percent of the FML revenues, other than bonus payments, or $14,000,000 to be paid into the Colorado water conservation board construction fund.
- For the 2009-10 fiscal year or during any succeeding fiscal year, requires the lesser of 10 percent of the FML revenues, other than bonus payments, or $14,000,000 multiplied by 104 percent per year to be paid into the Colorado water conservation board construction fund.

- Requires 40 percent of the FML revenues, other than bonus payments, to be credited to the local government mineral impact fund, requires the executive director of DOLA to distribute 50 percent of the revenues so credited as mineral impact grants in a manner that gives priority to those communities most substantially and directly impacted by energy production on federal mineral lands and to multi-jurisdictional and large projects, and requires the executive director of DOLA to make formula-based direct distributions of 50 percent of the revenues so credited to counties and municipalities.
- For the 2008-09 fiscal year, requires the lesser of an additional 1.7 percent of the FML revenues, other than bonus payments, or $3,300,000 to be credited to the local government mineral impact fund and distributed directly by the executive director of DOLA to each school district within a county that receives formula-based direct distributions of FML revenues on the basis of both the formula used to make direct distributions to counties and the percentage of the total funded pupil count of all school districts within the county attributable to the district's funded pupil count.
- For the 2009-10 fiscal year and for each succeeding fiscal year, requires the lesser of an additional 1.7 percent of the FML revenues, other than bonus payments, or $3,300,000 multiplied by 104 percent per year to be credited to the local government mineral impact fund and distributed directly by the executive director of DOLA to each school district within a county that receives formula-based direct distributions of FML revenues on the basis of both the formula used to make direct distributions to counties and the percentage of the total funded pupil count of all school districts within the county attributable to the district's funded pupil count.
- Requires the lesser of all FML revenues, other than bonus payments, in excess of the amounts credited to the local government mineral impact fund for distribution to counties, municipalities, and school districts, transferred to the state public school fund, or paid into the Colorado water conservation board construction fund or the first $50,000,000 of such revenues to be transferred to a newly created higher education federal mineral lease revenues fund (revenues fund). Requires any remaining FML revenues to be transferred to the maintenance and reserve fund.
- Allows the General Assembly to appropriate moneys in the revenues fund to directly pay for or pay the costs of financing capital construction projects at state-supported institutions of higher education that are included on a specified prioritized list of such projects approved pursuant to a joint resolution of the General Assembly, and also allows the General Assembly to appropriate such moneys to the department of education for distribution by the department, or any board or division within the department that the department may designate, to school districts for capital construction projects at area vocational schools. Requires priority consideration to be given to projects located in communities that are substantially impacted by energy production or conversion activities.

Appropriates $16,292 and 0.3 FTE to DOLA, division of local government, for the implementation of the act. Adjusts appropriations for the 2008-09 fiscal year for the implementation of the act. Decreases the cash funds appropriation from the State Public School Fund to the Department of Education for FY 2008-09 for the State Share of Districts' Total Program Funding by $9,470,900 based on the anticipated impact of the new FML allocation formula. Increases the cash funds appropriation from the State Education Fund to the Department of Education for FY 2008-09 for the State Share of Districts' Total Program Funding by $9,470,900.

S.B. 08-233: Directs the Colorado Commission on Higher Education ("CCHE") to submit to the Office of State Planning and Budgeting ("OSPB") and the Capital Development Committee ("CDC") a prioritized list of capital construction projects at state-supported institutions of higher education ("higher education projects") to be constructed through lease-purchase agreements funded through the higher education federal mineral lease revenues fund ("fund"). Directs the OSPB to submit its prioritized list of higher education projects to the CDC.

Directs the CDC to submit its prioritized list of higher education projects to the Joint Budget Committee ("JBC"). Directs the JBC to sponsor a joint resolution that proposes a prioritized list of higher education projects and, if approved by the General Assembly, is presented to the Governor for approval. Limits the amount of the total average annual payments under all lease-purchase agreements related to the prioritized list and entered into during the fiscal year commencing July 1, 2008. If projects on the prioritized list are not subject to lease-purchase agreements entered into during the fiscal year commencing July 1, 2008, provides that the remaining projects in the joint resolution shall constitute a prioritized list for the fiscal year commencing July 1, 2009. Directs the State Treasurer to notify annually CCHE, OSPB, CDC, and JBC of the amount of money in the fund and whether the Treasurer determines that there are sufficient moneys available in the fund to enter into additional lease-purchase agreements for higher education projects. Authorizes the State Treasurer to enter into lease-purchase agreements not to exceed a specified number of annual payments for the construction of the higher education projects on the prioritized list in the joint resolution. Specifies terms of the lease-purchase agreements. Authorizes local governments and state-supported institutions of higher education to assist the state in making payments on the lease-purchase agreements. Establishes the higher education institutions lease-purchase cash fund. Authorizes the State Treasurer to enter into interest rate lock agreements related to the lease-purchase agreements. If there is insufficient money in the fund, authorizes the General Assembly to transfer money to the fund from the principal of the Higher Education Maintenance and Reserve Fund or to reduce the transfer from the Mineral Leasing Fund to the Public School Fund and transfer the money to the fund. Appropriates from the Higher Education Federal Mineral Lease Revenues Fund $10,000,000 to the State Treasurer in FY 2008-09 to make payments on any lease-purchase agreements. Appropriates cash funds of $22,227,526 to the Auraria Higher Education Center for the Science Building Addition and Renovation in FY 2008-09, but reduces the appropriation by any amount that is included in a lease-purchase agreement. Reduces the FY 2006-07 cash fund appropriation to the Colorado School of Mines for the Marquez Hall Petroleum Engineering Building by $20,000,000.

S.B. 08-239: Increases the penalty for leaving the scene of an accident involving a death from a class 4 felony to a class 3 felony. Includes a five-year statutory appropriation pursuant to Section 2-2-703, C.R.S., to appropriate General Fund to the Department of Corrections for operating expenses. The five-year statutory appropriation further includes transfers from the General Fund to the Capital Construction Fund that are then appropriated to the Corrections Expansion Reserve Fund for construction costs.

Fiscal Year	Department of Corrections	Corrections Expansion Reserve Fund
2008-09		$125,165
2009-10	$28,758	$125,165
2010-11	$57,516	$137,682
2011-12	$89,150	$375,495
2012-13	$175,424	$375,495

H.B. 08-1114: Supplemental appropriation to modify appropriations for the Department of Health Care Policy and Financing. Includes an adjustment to appropriations to the Controlled Maintenance Trust Fund, contingent on federal approval of a waiver regarding provider fees. The waiver was granted, and so the adjustment to the appropriations to the Controlled Maintenance Trust Fund did not take effect.

H.B. 08-1115: Creates a new class 4 felony if a person threatens, harasses, or harms a judge or unemployment insurance hearing officer, or a family member or close associate of a judge or unemployment insurance hearing officer in retaliation. Includes a five-year statutory appropriation pursuant to Section 2-2-703, C.R.S., to appropriate General Fund to the Department of Corrections for operating expenses. The five-year statutory appropriation further includes transfers from the General Fund to the Capital Construction Fund that are then appropriated to the Corrections Expansion Reserve Fund for construction costs.

Fiscal Year	Department of Corrections	Corrections Expansion Reserve Fund
2008-09		$125,165
2009-10	$28,758	
2010-11	$28,758	$112,649
2011-12	$54,640	
2012-13	$28,758	$112,649

H.B. 08-1194: The bill increases the fee for reinstatement of a driver's license; increases mandatory revocations of driver's licenses; expands the ability for some drivers to use an ignition interlock device and requires the Department of Revenue to establish a program to assist certain offenders with the partial payment of such a device; decreases the period of time for a first-time DUI criminal conviction; increases the period for a third DUI offense by one year; and requires the Department of Transportation to increase the number of high-visibility drunk driving law enforcement episodes annually. Includes a five-year statutory appropriation pursuant to Section 2-2-703, C.R.S., to appropriate General Fund to the Department of Corrections for operating expenses. The five-year statutory appropriation further includes transfers from the General Fund to the Capital Construction Fund that are then appropriated to the Corrections Expansion Reserve Fund for construction costs.

Fiscal Year	Department of Corrections	Corrections Expansion Reserve Fund
2008-09		$125,165
2009-10	$28,758	$12,517
2010-11	$31,634	
2011-12	$31,634	
2012-13	$31,634	

H.B. 08-1197: Extends the repeal date for the Fitzsimons Trust Fund, which is used for making lease purchase payments for Fitzsimons facilities, until 2032.

H.B. 08-1205: Increases the threshold for when construction plans must be reviewed by the Colorado Commission on Higher Education to $2,000,000 (the previous threshold was $500,000 or $1,000,000 depending on the type of project and plan).

H.B. 08-1303: Supplemental appropriation to modify capital construction appropriations in prior years.

H.B. 08-1333: Transfers a total of $1,976,593 from the General Fund to the Capital Construction Fund, including $54,847 in FY 2005-06 and $1,921,746 in FY 2007-08.

H.B. 08-1352: Modifies the revocation placement options available to the Parole Board for offenders whose parole has been revoked based on a technical violation, who have no active felony warrants (including felony detainers or pending felony criminal charges), and who were on parole for a class 5 or class 6 nonviolent felony offense other than menacing or unlawful sexual behavior by precluding such offenders from being placed in community return-to-custody facilities. Includes a five-year statutory appropriation pursuant to Section 2-2-703, C.R.S., to appropriate General Fund to the Department of Corrections for operating expenses. The five-year statutory appropriation further includes transfers from the General Fund to the Capital Construction Fund that are then appropriated to the Corrections Expansion Reserve Fund for construction costs.

Fiscal Year	Department of Corrections	Corrections Expansion Reserve Fund
2008-09	$217,566	$2,127,805
2009-10	$217,566	
2010-11	$217,566	
2011-12	$217,566	
2012-13	$217,566	

H.B. 08-1375: General appropriations act for FY 2008-09.

H.B. 08-1376: Transfers $56,900,000 from the General Fund to the Capital Construction Fund, including $45,900,000 in FY 2007-08 and $11,000,000 in FY 2008-09. Also, transfers $9,000,000 from the General Fund Exempt to the Capital Construction Fund in FY 2008-09.

H.J.R. 08-1042: Specifies the capital construction projects in priority order for which the State Treasurer is authorized to enter into lease-purchase agreements pursuant to S.B. 08-233.

2009 Session Bills

S.B. 09-187: Supplemental appropriation to modify appropriations for the Department of Health Care Policy and Financing. Includes an adjustment to appropriations to the Controlled Maintenance Trust Fund, contingent on federal approval of a waiver regarding provider fees. The waiver was granted, and so the adjustment to the appropriations to the Controlled Maintenance Trust Fund did not take effect.

S.B. 09-218: Increases appropriations to the Controlled Maintenance Trust Fund by $326,990 General Fund in FY 2007-08. These appropriations are subject to statutory limits on the annual growth of General Fund appropriations.

S.B. 09-228: Amends the statutory limitation on General Fund appropriations from the lesser of 6.0 percent over appropriations for the previous fiscal year or an amount equal to 5.0 percent of Colorado personal income, to an amount equal to 5.0 percent of Colorado personal income. Eliminates the conditional diversion of sales and use tax revenues to the Highway Users Tax Fund that was originally established by S.B. 97-001. Eliminates

the fiscal year-end transfers of General Fund surplus to the Capital Construction Fund and Highway Users Tax Fund originally established by H.B. 02-1310.

For a five-year period beginning in FY 2012-13, requires the following annual transfers from the General Fund if Colorado personal income increases by at least 5.0 percent from CY 2011 to CY 2012:

- Transfer an amount equal to 2.0 percent of General Fund revenues to the Highway Users Tax Fund.

- For two fiscal years, transfer an amount equal to 0.5 percent of General Fund revenues to the Capital Construction Fund. Subsequently, for three fiscal years, transfer an amount equal to 1.0 percent of General Fund revenues to the Capital Construction Fund.

Beginning in FY 2012-13, if Colorado personal income increases by at least 5.0 percent, increases the required General Fund reserve by 0.5 percent per fiscal year until the reserve is equal to 6.5 percent of the amount appropriated for expenditure from the General Fund for that fiscal year. If Colorado personal income does not increase by at least 5.0 percent from CY 2011 to CY 2012, delays the transfers to the Highway Users Tax Fund and Capital Construction Fund and the increase in the General Fund reserve until the next fiscal year during which Colorado personal income increases by at least 5.0 percent.

For any fiscal year in which there are excess State revenues that are required to be refunded pursuant to the Taxpayer's Bill of Rights (TABOR), modifies the required transfers to the Highway Users Tax Fund and the Capital Construction Fund as follows:

- if the amount of the TABOR refund is equal to between 1.0 and 3.0 percent of total General Fund revenues, each transfer is reduced by 50.0 percent;

- if the amount of the TABOR refund is equal to more than 3.0 percent of total General Fund revenues, the transfers shall not be made.

Modifies certain transfers from the Limited Gaming Fund, and the trigger for when the General Assembly may make appropriations of principal of the Higher Education Maintenance and Reserve Fund, to make them contingent on sufficient General Fund revenues for the amount of General Fund appropriations, rather than sufficient revenues for a 6.0 percent increase in annual General Fund appropriations.

Requires the Capital Development Committee and the Transportation Legislation Review Committee to make recommendations by February 1, 2016, concerning new methods of financing projects under their respective jurisdictions.

S.B. 09-259: General appropriations act for FY 2009-10.

S.B. 09-278: For FY 2008-09 and FY 2009-10, suspends transfers otherwise required under law of one-third of any excess General Fund reserve to the Capital Construction Fund and two-thirds of any excess General Fund reserve to the Highway Users Tax Fund. Please see S.B. 09-228, which permanently eliminated these transfers, rather than suspending them.

S.B. 09-279: Augments General Fund revenues for FY 2008-09 and FY 2009-10 with $243.6 million in transfers from various cash funds, including $28,054,476 from the Capital Construction Fund and $803,610

from the Controlled Maintenance Trust Fund. For information on S.B. 09-279, see the "Recent Legislation" section at the end of the Department of Labor and Employment.

S.B. 09-280: Supplemental appropriation modifying previous appropriations for capital construction as follows:

	Total	Capital Construction Funds	Other Funds
TOTAL - All Years	**1,783,982**	**(55,473,408)**	**57,257,390**
FY 05-06	(187,838)	(187,838)	0
FY 06-07	(2,878,672)	(2,878,672)	0
FY 07-08	(5,899,398)	(16,219,803)	10,320,405
FY 08-09	10,749,890	(36,187,095)	46,936,985

S.B. 09-290: Modifies the approval process for cash-funded capital construction by state-operated higher education institutions. Requires institutions to annually submit two-year projections of cash-funded projects in excess of $2.0 million for review by the Capital Development Committee, with written comments by the Colorado Commission on Higher Education and Office of State Planning and Budgeting. Allows institutions to begin construction of cash-funded projects approved by the governing board that are part of the two-year plan. Projects that are part of the Higher Education Revenue Bond Intercept Program must also be approved by the Colorado Commission on Higher Education before commencing. Requires the Colorado Commission on Higher Education to annually report on cash-funded projects commenced by the higher education institutions.

H.B. 09-1169: Extends the statutory authorization for the Capital Development Committee through July 1, 2014.

H.B. 09-1333: Reduces transfers from the State Historical Fund to the State Museum Cash Fund for construction of the new Colorado History Museum by $2.0 million in both FY 2009-10 and FY 2010-11.

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. Appropriations from this fund are exempt from the provisions of Article X, Section 20 of the Colorado constitution, also known as the Taxpayers Bill of Rights (TABOR), because they authorize expenditures from a reserve.

Cash Funds: Separate funds set up to receive earmarked revenues, such as fees and fines. These funds typically 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: This classification of funds was used prior to FY 2008-09. Cash funds exempt appropriations were funds that were exempt from the provisions of TABOR. Appropriations paid by donations or from reserves in a cash fund were classified as cash funds exempt. Similarly, appropriations providing spending authority for funds transferred from another department were also classified as cash funds exempt. Beginning in FY 2008-09, funding that was previously classified as cash funds exempt was reclassified as either cash funds or reappropriated funds.

Common Policies: Policies adopted by the General Assembly that are applicable to all departments, unless specifically exempted. Examples of common policies are the rates paid by agencies to the Department of Personnel for vehicle leases and capitol complex leased space and to the Governor's Office of Information Technology for information technology related services. These rates are used to calculate appropriations for those line items for all departments, unless exempted.

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 funds. Examples of programs requiring a state match are Medicaid and highway construction. Federal funds are exempt from the provisions of TABOR.

FTE: One full-time equivalent (FTE) equals staffing for the total number of work hours in a fiscal year (2,080), regardless of the number of positions or employees that make up those hours. For example, three employees in two different positions, whose combined hours equal 2,080 for the year, equal one FTE.

General Fund: A 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, such as education and corrections.

General Fund Exempt: TABOR places restrictions on the amount of total General Fund and cash funds that can be collected, and consequently spent, by the State. Certain General Fund revenues are exempt from these provisions. There are currently two sources of General Fund Exempt revenues: (1) tobacco tax revenues received pursuant to Article 10, Section 21 of the Colorado Constitution and deposited into the General Fund are counted as General Fund Exempt; and (2) in November 2005, voters approved Referendum C, which authorizes the State to retain and spend money in excess of the TABOR limitations for five years. These

moneys must be deposited in the General Fund Exempt Account and can only be appropriated for health care, education, retirement plans for firefighters and police officers, and strategic transportation projects.

General Fund moneys exempt from the statutory restrictions on General Fund appropriations: Prior to FY 2009-10, Section 24-75-201.1, C.R.S., restricted the annual General Fund appropriations to the lesser of five percent of Colorado personal income or six percent over the total General Fund appropriations of the previous fiscal year. Senate Bill 09-228 amended Section 24-75-201.1, C.R.S., so that starting with FY 2009-10 and each fiscal year thereafter, total State General Fund appropriations are restricted to an amount equal to five percent of Colorado personal income. There are three specified exemptions to the statutory limitation on General Fund appropriations:

- appropriations due to federal law requiring a new program or service or an increase in the level of service for an existing program;
- appropriations due to a state or federal court order requiring a new program or service or increase in the level of service for an existing program; and
- appropriations funded from an increase in taxes or fees approved by voters.

For more information, see Appendix H.

Long Bill: Colorado's annual general appropriations act.

Reappropriated Funds: Reappropriated funds is a new classification of fund source that was adopted beginning in FY 2008-09. Reappropriated funds are any amounts that are appropriated a second or more times subsequent to an initial appropriation in the same fiscal year. For example, funding may be initially appropriated to a department as General Fund, cash funds, or federal funds, then transferred to another department for the payment of services. In the recipient agency's Long Bill appropriation, this transfer would be shown as reappropriated funds.

Referendum C: Colorado voters adopted a measure popularly known as Referendum C in the general election in 2005. This measure allows the State to retain all General Fund revenues in excess of the limits imposed by TABOR (Article X, Section 20 of the State Constitution) between July 1, 2005 and July 1, 2010. Revenues retained under this provision are classified as General Fund Exempt. Referendum C effectively suspends the revenue retention provisions of TABOR as applied to the state government for five years. General Fund Exempt moneys are required to be appropriated or transferred by the General Assembly for the following purposes only: (a) health care; (b) education, including capital construction projects related thereto; (c) retirement plans for firefighters and police officers, if the General Assembly determines such funding is needed; and (d) strategic transportation projects.

Taxpayer's Bill of Rights (TABOR): Colorado voters adopted a citizen-initiated amendment to the Colorado Constitution known as the Taxpayer's Bill of Rights (TABOR, Article X, Section 20) in 1992. The amendment restricts state and local governments' ability to increase revenues without voter approval, and thereby generally serves to limit spending by those governments. Under TABOR, a vote of the people is required for any state or local government to (a) increase tax rates, (b) increase retained revenues by more than the sum of inflation and the percentage population growth, (c) incur multi-year debt, or (d) weaken other limits on revenue. The amendment requires that collected revenue in excess of the inflation plus population growth limit be refunded to the voters in the following fiscal year. In November 2005 voters passed Referendum C, which temporarily suspends the TABOR limits on retained revenue for the state government.

B. COMMON POLICIES

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

Administrative Law Judge Services

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

ADP Capital Outlay and Information Technology Asset Maintenance

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

Capitol Complex Leased Space

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

Communication Services Payments

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

Community Provider Rates

The appropriation includes no community provider rate increases or decreases for programs in the Department of Human Services for FY 2008-09 or FY 2009-10. In the Department of Corrections, provider rate increases for private prisons initially appropriated for FY 2008-09 were eliminated and no increases were provided for FY 2009-10. Provider rate reductions for programs administered in the Department of Health Care Policy and Financing are detailed in the Long Bill Narrative section for that department. Historically, community provider rate adjustments have been applied to programs and services which, if not provided by contracted provider organizations or county staff, would need to be provided by state staff.

Health, Life, and Dental

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

Indirect Costs

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

Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. In FY

2009-10, the statewide indirect cost recovery plan is estimated to recover $15.7 million from cash - and federally-funded programs. This represents $3.0 million less than was recovered in FY 2008-09 from cash and federally-funded programs. Due to changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

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

Lease Purchase

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

Leased Space

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

Legal Services

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

Management and Administration of OIT

This line item appears in each department's Executive Director's Office or in the department's centralized information technology (IT) services division. The Governor's Office of Information Technology is responsible for a variety of general IT policies for the state, including network security and standardization of hardware and software. This line item covers expenses associated with the division-level management of the Office and the "back office" functions such as IT security that were authorized by S.B. 08-155. For FY 2009-10, the appropriation reflects the full-year impact of a FY 2008-09 budget adjustment for the Governor's Office of Information Technology (OIT), Management and Administration of OIT program with fees from user agencies. The Office will

recover $1.8 million from other agencies for the Management and Administration of OIT function in FY 2009-10.

Multiuse Network Payments

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

Operating Expenses

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

Payment to Risk Management and Property Funds

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

Personal Services

The FY 2009-10 appropriation for personal services line items incorporates increases provided in FY 2008-09 to centrally-appropriated salary survey and performance-based pay line items. The appropriation includes a reduction of 1.82 percent to all personal services line items with 20.0 or more full-time-equivalent (FTE) staff. The FY 2009-10 personal services reduction totals $26.5 million (including $16.1 million General Fund). In previous years, the General Assembly has

applied a base reduction of between 0.2 and 2.5 percent to personal services line items to account for turnover vacancy savings.

Public Employees' Retirement Association (PERA)

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

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

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

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

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

Purchase of Services from Computer Center

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

Salary Survey and Senior Executive Service

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

Performance-based Pay Awards

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

Shift Differential

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

Short-term Disability

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

Utilities

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

Vehicle Lease Payments

This line item appears in each department's Executive Director's Office, with a few exceptions. Motor vehicles can only be purchased through the Fleet Management Program in the Department of Personnel and Administration pursuant to Section 24-30-1117, C.R.S. The 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. For FY 2009-10, the General Assembly approved the replacement of 624 vehicles and the acquisition of 13 additional vehicles statewide. For FY 2009-10, the Department of Personnel will spend approximately $14.0 million on vehicle lease payments.

Workers' Compensation

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

C. 2009 SESSION SUPPLEMENTAL ADJUSTMENTS TO APPROPRIATIONS FOR FY 2007-08 AND PRIOR YEARS

DEPARTMENT / DIVISION	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	FTE
OPERATING BUDGET							
Adjustments to FY 2007-08 Appropriations:							
DEPARTMENT OF CORRECTIONS:							
S.B. 09-184:							
Management	$2,959,228	$2,847,239	$0	$0	$111,989	$0	0.0
Institutions	(2,322,472)	(2,322,472)	0	0	0	0	0.0
Support Services	(64,285)	(64,285)	0	0	0	0	0.0
Inmate Programs	(202,241)	(202,241)	0	0	0	0	0.0
Community Services	(258,241)	(258,241)	0	0	0	0	0.0
S.B. 09-184	**$111,989**	**$0**	**$0**	**$0**	**$111,989**	**$0**	**0.0**
TOTAL - Corrections	**$111,989**	**$0**	**$0**	**$0**	**$111,989**	**$0**	**0.0**
DEPARTMENT OF EDUCATION:							
S.B. 09-185:							
Management and Administration	$216,116	$50,000	$0	$0	$166,116	$0	0.0
Assistance to Public Schools	(50,000)	(50,000)	0	0	0	0	0.0
S.B. 09-185	**$166,116**	**$0**	**$0**	**$0**	**$166,116**	**$0**	**0.0**
S.B. 09-259							
Assistance to Public Schools	**$0**	**($53,742,707)**	**$53,742,707**	**$0**	**$0**	**$0**	**0.0**
TOTAL - Education	**$166,116**	**($53,742,707)**	**$53,742,707**	**$0**	**$166,116**	**$0**	**0.0**

DEPARTMENT / DIVISION	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	FTE
DEPARTMENT OF HEALTH CARE POLICY AND FINANCING:							
S.B. 09-187:							
Medical Services Premiums	$23,586,395	$23,119,872	$0	$466,523	$0	$0	0.0
Medicaid Mental Health Capitation	2,347,326	2,347,326	0	0	0	0	0.0
Other Medical Services	(744,208)	(744,208)	0	0	0	0	0.0
Department of Human Services Medicaid-funded Programs	(3,019,487)	(1,712,783)	0	0	0	(1,306,704)	0.0
S.B. 09-187	**$22,170,026**	**$23,010,207**	**$0**	**$466,523**	**$0**	**($1,306,704)**	**0.0**
S.B. 09-259:							
Medical Services Premiums	**$0**	**($53,842,707)**	**$53,842,707**	**$0**	**$0**	**$0**	**0.0**
TOTAL - Health Care Policy and Financing	**$22,170,026**	**($30,832,500)**	**$53,842,707**	**$466,523**	**$0**	**($1,306,704)**	**0.0**
DEPARTMENT OF HIGHER EDUCATION:							
S.B. 09-188:							
College Opportunity Fund Program	$0	$0	$0	$0	$0	$0	0.0
Governing Boards	0	0	0	0	0	0	0.0
Auraria Higher Education Center	(100,000)	0	0	(100,000)	0	0	0.0
S.B. 09-189	**($100,000)**	**$0**	**$0**	**($100,000)**	**$0**	**$0**	**0.0**

DEPARTMENT / DIVISION	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	FTE
S.B. 09-259:							
College Opportunity Fund Program	**$0**	**($53,842,707)**	**$53,842,707**	**$0**	**$0**	**$0**	**0.0**
TOTAL - Higher Education	**($100,000)**	**($53,842,707)**	**$53,842,707**	**($100,000)**	**$0**	**$0**	**0.0**
DEPARTMENT OF HUMAN SERVICES:							
S.B. 09-189:							
Office of Information Technology Services	$1,616,656	$0	$0	$0	$1,616,656	$0	0.0
Mental Health and Alcohol and Drug Abuse Services	506,433	0	0	0	506,433	0	0.0
Services for People with Disabilities	(1,966,000)	1,966,000	0	0	(3,932,000)	0	0.0
S.B. 09-189	**$157,089**	**$1,966,000**	**$0**	**$0**	**($1,808,911)**	**$0**	**0.0**
TOTAL - Human Services	**$157,089**	**$1,966,000**	**$0**	**$0**	**($1,808,911)**	**$0**	**0.0**
JUDICIAL DEPARTMENT:							
S.B. 09-190:							
Office of the Child's Representative	**$686,137**	**$686,137**	**$0**	**$0**	**$0**	**$0**	**0.0**
TOTAL - Judicial	**$686,137**	**$686,137**	**$0**	**$0**	**$0**	**$0**	**0.0**
DEPARTMENT OF LAW:							
S.B. 09-192:							
Criminal Justice and Appellate	($20,000)	($20,000)	$0	$0	$0	$0	0.0
Water and Natural Resources	20,000	20,000	0	0	0	0	0.0

DEPARTMENT / DIVISION	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	FTE
Special Purpose	22,000	0	0	0	22,000	0	0.0
S.B. 09-192	**$22,000**	**$0**	**$0**	**$0**	**$22,000**	**$0**	**0.0**
TOTAL - Law	**$22,000**	**$0**	**$0**	**$0**	**$22,000**	**$0**	**0.0**
DEPARTMENT OF PERSONNEL:							
S.B. 09-196:							
Risk Management	$5,666,266	$0	$0	$0	$5,666,266	$0	0.0
Central Services	1,875,721	0	0	0	1,875,721	0	0.0
S.B. 09-196	**$7,541,987**	**$0**	**$0**	**$0**	**$7,541,987**	**$0**	**0.0**
TOTAL - Personnel	**$7,541,987**	**$0**	**$0**	**$0**	**$7,541,987**	**$0**	**0.0**
TOTAL - OPERATING BUDGET FY 2007-08	**$30,755,344**	**($135,765,777)**	**$161,428,121**	**$366,523**	**$6,033,181**	**($1,306,704)**	**0.0**

DEPARTMENT / DIVISION	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	FTE
APPROPRIATIONS TO CAPITAL CONSTRUCTION FUND AND CONTROLLED MAINTENANCE TRUST FUND							
Adjustment to FY 2007-08 Appropriations:							
S.B. 09-218:							
Appropriation to Controlled Maintenance Trust Fund	**$326,990**	**$326,990**	**$0**	**$0**	**$0**	**$0**	**0.0**
TOTAL -APPROP. TO CMTF - FY 2007-08	**$326,990**	**$326,990**	**$0**	**$0**	**$0**	**$0**	**0.0**

DEPARTMENT / DIVISION	TOTAL	CAPITAL CONSTRUCTION FUNDS EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	FTE
CAPITAL CONSTRUCTION PROJECTS						
Adjustments to FY 2005-06 Appropriations:						
S.B. 09-280:						
Corrections	($59,142)	($59,142)	$0	$0	$0	0.0
Higher Education	(128,696)	(128,696)	0	0	0	0.0
S.B. 09-280	**($187,838)**	**(187,838)**	**$0**	**$0**	**$0**	**0.0**
TOTAL - CAPITAL CONSTRUCTION - FY 2005-06	**($187,838)**	**($187,838)**	**$0**	**$0**	**$0**	**0.0**
Adjustments to FY 2006-07 Appropriations:						
S.B. 09-280:						
Higher Education	($197,582)	($197,582)	$0	$0	$0	0.0
Human Services	(1,182,351)	(1,182,351)	0	0	0	0.0
Military and Veterans Affairs	(415,805)	(415,805)	0	0	0	0.0
Personnel	(1,082,934)	(1,082,934)	0	0	0	0.0
S.B. 09-280	**(2,878,672)**	**(2,878,672)**	**0**	**0**	**0**	**0.0**

DEPARTMENT / DIVISION	TOTAL	CAPITAL CONSTRUCTION FUNDS EXEMPT	CASH FUNDS	CASH FUNDS EXEMPT	FEDERAL FUNDS	FTE
TOTAL - CAPITAL CONSTRUCTION - FY 2006-07	**($2,878,672)**	**($2,878,672)**	**$0**	**$0**	**$0**	**0.0**

Adjustments to FY 2007-08 Appropriations:

S.B. 09-280:						
Agriculture	($483,770)	($483,770)	$0	$0	$0	0.0
Corrections	(1,400,483)	(1,400,483)	0	0	0	0.0
Higher Education	(6,194,236)	(9,594,236)	0	3,400,000	0	0.0
Human Services	5,391,903	(1,528,502)	250,000	0	6,670,405	0.0
Military and Veterans Affairs	(938,000)	(938,000)	0	0	0	0.0
Personnel	(2,050,842)	(2,050,842)	0	0	0	0.0
Revenue	(223,970)	(223,970)	0	0	0	0.0
S.B. 08-280	**(5,899,398)**	**(16,219,803)**	**250,000**	**3,400,000**	**6,670,405**	**0.0**
TOTAL - CAPITAL CONSTRUCTION - FY 2007-08	**($5,899,398)**	**($16,219,803)**	**$250,000**	**$3,400,000**	**$6,670,405**	**0.0**

D. SUMMARY OF STATE EDUCATION FUND APPROPRIATIONS

In November 2000, Colorado voters approved Amendment 23, which added Section 17 to Article IX of the Colorado Constitution. This provision requires the General Assembly to provide annual inflationary increases for kindergarten through twelfth grade education. This provision also creates 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 constitutional Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending, and appropriations from the State Education Fund are not subject to the statutory limitation on state General Fund appropriations. 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.

Table 1 of this Appendix provides a summary of appropriations from the State Education Fund for FY 2001-02 through FY 2006-07, and it details appropriations from the Fund for FY 2007-08 through FY 2009-10. To date, more than $2.8 billion has been appropriated from the State Education Fund for public school finance, representing 84.9 percent of all appropriations from the Fund. Appropriations for categorical programs ($320 million) and capital construction programs ($86 million) comprise another 12.3 percent of appropriations from the Fund.

Annual State Education Fund appropriations decreased by $35.3 million (10.5 percent) from FY 2006-07 to FY 2007-08, primarily due to a mid-year reduction in state funding for public school finance based on higher than anticipated local revenues and lower than anticipated student enrollment. However, appropriations from the State Education Fund increased significantly in both FY 2008-09 and FY 2009-10, more than doubling over two years.

Specifically, from FY 2007-08 to FY 2008-09, appropriations from the State Education Fund increased by $195.3 million (64.7 percent). State Education Fund appropriations were increased for the following purposes:

- $63.1 million to cover a portion of the public school finance costs of projected student enrollment increases and the required minimum increase in base per pupil funding;
- $40.1 million related to the expansion of full-day kindergarten and preschool programs;
- $9.5 million to offset the impact of a change in the allocation of federal mineral lease revenues;
- $9.2 million to address the needs of districts experiencing declining enrollment;
- $8.9 million for categorical programs (including $2.2 million over and above the constitutionally required increase);

- $5.0 million to increase the number of school counselors;
- $4.6 million for facility schools' Summer programs; and
- $3.4 million for a variety of new grant programs and legislative initiatives.

During the 2009 Session, in order to reduce General Fund appropriations in light of the revenue shortfall, several programs were "refinanced" with the following amounts from the State Education Fund: $32.9 million for categorical programs; $26.5 million for public school finance; $15.7 million for the Colorado Student Assessment Program; $1.7 million for closing the achievement gap; and $0.4 million for Department content specialists. These increases were partially offset by a $24.6 million reduction in the appropriation for public school finance (made possible through the transfer of certain state trust lands revenues authorized through S.B. 09-260), as well as reductions totaling $1.2 million related Summer school and civic education programs.

From FY 2008-09 to FY 2009-10, appropriations from the State Education Fund increased by another $157.3 million (31.7 percent). This increase primarily consists of $145.7 million to cover a portion of the costs of projected student enrollment increases and the required minimum increase in base per pupil funding. In addition, $11.2 million was added to provide the required inflationary increase for categorical programs, and $1.0 million was appropriated to restore funding for the Summer School Grant Program.

As summarized in Table 2, appropriations from the State Education Fund for FY 2008-09 and FY 2009-10 significantly exceed annual fund revenues (by $136.8 million and $303.2 million, respectively). In fact, based on Legislative Council Staff's March 2009 revenue forecast, State Education Fund revenues are not projected to be sufficient to support existing appropriations for FY 2009-10. Based on these preliminary projections, S.B. 09-256 requires each school district and the State Charter School Institute to set aside a portion of their total program funding to a fiscal emergency restricted reserve. The amounts set aside (totaling $110 million statewide) may not be spent until after January 29, 2010, thereby allowing the General Assembly an opportunity to consider whether a mid-year reduction in public school finance appropriations is warranted. For more information, see the "Recent Legislation" section for the Department of Education.

TABLE 1 History of Appropriations from the State Education Fund				
Description	**Cumulative: FY 01-02 thru FY 06-07**	**FY 07-08**	**FY 08-09**	**FY 09-10**
Public School Finance:				
Funding for public school finance related to: enrollment changes, per pupil funding increases, and statutory formula changes	$1,405,339,533	$325,331,078	$327,557,968	$505,248,987
Full-day kindergarten funding and Colorado Preschool Program expansion (H.B. 08-1388)	Included above	Included above	32,706,892	Included above
Hold-harmless Full-day Kindergarten Funding (H.B. 08-1388)	n/a	n/a	7,356,409	7,705,498
Facility school funding (H.B. 08-1388)	Included above	Included above	18,475,256	20,817,769
Administration and technical support related to Colorado Preschool Program expansion and full-day kindergarten (H.B. 08-1388)	0	0	0	0
Declining enrollment study (H.B. 08-1388)	n/a	n/a	0	200,000
Mid-year appropriation adjustments	222,777,793	(66,268,045)	1,958,352	n/a
Subtotal: School Finance	**1,628,117,326**	**259,063,033**	**388,054,877**	**533,972,254**
Percent of Total Appropriations	*87.7%*	*85.9%*	*78.1%*	*81.6%*
Categorical Programs	**118,754,743**	**35,517,385**	**77,375,526**	**88,528,135**
Percent of Total Appropriations	*6.4%*	*11.8%*	*15.6%*	*13.5%*
School Capital Construction:				
Full-day Kindergarten Capital Construction Grant Program (H.B. 08-1388)	n/a	n/a	0	0
Charter school capital construction	37,084,995	5,000,000	5,135,000	5,000,000
School Capital Construction Expenditures Reserve	25,471,112	0	n/a	n/a
School Construction and Renovation Fund	7,500,000	0	n/a	n/a
Charter School Debt Reserve Fund	1,000,000	0	0	0
Subtotal: Capital Construction	**71,056,107**	**5,000,000**	**5,135,000**	**5,000,000**
Percent of Total Appropriations	*3.8%*	*1.7%*	*1.0%*	*0.8%*
Professional Development and Instructional Support:				
Closing the Achievement Gap	0	0	1,701,000	1,800,000
Stipends for nationally board certified teachers (H.B. 08-1384)	n/a	n/a	0	0
Alternative Teacher Compensation Plan Grants (H.B. 08-1388)	n/a	n/a	0	0
Content Specialists	n/a	n/a	433,480	448,250
Science and Technology Education Center Grant Program	1,400,000	0	0	0
Civic education	400,000	200,000	2,305	0
National credential fee assistance	243,000	125,000	125,000	0
School Leadership Academy Program (H.B. 08-1386)	n/a	n/a	87,983	75,000
Teaching and learning conditions survey (H.B. 08-1384)	n/a	n/a	85,000	0
Financial literacy	118,228	40,000	40,000	40,000
Colorado History Day	30,000	10,000	10,000	10,000
Teacher Pay Incentive Program	12,630,000	0	0	0
Subtotal: Professional Development and Instructional Support	**14,821,228**	**375,000**	**2,484,768**	**2,373,250**
Percent of Total Appropriations	*0.8%*	*0.1%*	*0.5%*	*0.4%*

TABLE 1
History of Appropriations from the State Education Fund

Description	Cumulative: FY 01-02 thru FY 06-07	FY 07-08	FY 08-09	FY 09-10
Other Grants, Distributions, and Assistance:				
School Counselor Corps Grant Program (H.B. 08-1370)	n/a	n/a	5,000,000	5,000,000
Regional service cooperatives (S.B. 08-38)	n/a	n/a	198,545	1,067,182
Summer School Grant Program	1,945,800	1,000,000	27,105	1,000,000
Child Nutrition School Lunch Protection Program (S.B. 08-123)	n/a	n/a	850,000	850,000
STEM After-school Education Pilot Grant Program (H.B. 07-1243)	n/a	0	0	0
First responder school mapping (H.B. 08-1267)	n/a	n/a	150,000	0
Interstate compact on educational opportunities for military children (H.B. 08-1317)	n/a	n/a	32,185	30,185
Funding for new textbooks	14,144,066	0	0	0
Aid for declining enrollment districts with new charter schools	1,000,000	0	0	0
Hold-harmless Facility School Student Funding (H.B. 08-1388)	n/a	n/a	587,504	n/a
Facility Summer School Grant Program	500,000	500,000	n/a	n/a
Family Literacy Education Grant Program	200,000	200,000	0	0
Subtotal: Other Grants, Distributions, and Assistance	**17,789,866**	**1,700,000**	**6,845,339**	**7,947,367**
Percent of Total Appropriations	*1.0%*	*0.6%*	*1.4%*	*1.2%*
Accountability/ Reform:				
Colorado Student Assessment Program	0	0	15,719,422	15,727,544
Preschool to postsecondary alignment (S.B. 08-212)	n/a	n/a	792,453	573,707
Division of On-line Learning (S.B. 07-215)	n/a	0	0	96,449
Facility Schools Unit and Facility Schools Board (H.B. 08-1204)	n/a	n/a	523,568	0
School Improvement Grant Program	5,350,000	0	0	0
Review and update of non-English assessments	411,953	0	0	0
Longitudinal assessment data analyses	388,000	0	0	0
Modifications to accountability reports	75,000	0	0	0
Study non-English assessments	50,000	0	0	0
Study administration of ACT	50,000	0	0	0
Subtotal: Accountability/ Reform	**6,324,953**	**0**	**17,035,443**	**16,397,700**
Percent of Total Appropriations	*0.3%*	*0.0%*	*3.4%*	*2.5%*
TOTAL	**$1,856,864,223**	**$301,655,418**	**$496,930,953**	**$654,218,706**
Annual Dollar Change		*($35,289,605)*	*$195,275,535*	*$157,287,753*
Percent Annual Change		*-10.5%*	*64.7%*	*31.7%*

TABLE 2
Comparison of State Education Fund Revenues and Expenditures/Appropriations ($ millions)

Description	FY 07-08	FY 08-09	FY 09-10
Beginning Fund Balance	$225.1	$353.8	$216.9
Actual/Projected Revenues/1	430.3	360.1	351.0
Actual Expenditures/ Approp./2	(301.7)	(496.9)	(654.2)
Ending Fund Balance	353.8	216.9	(86.3)

/1 Projected State Education Fund revenues for FY 2008-09 and FY 2009-10 are based on the amount of General Fund revenues anticipated to be directed to the Fund in the March 2009 Legislative Council Staff revenue forecast, as well as projections of interest earnings based on the State Education Fund model utilized by Legislative Council and Joint Budget Committee staff.
/2 Actual expenditures and fund balance are reflected for FY 2007-08; appropriations are reflected for FY 2008-09 and FY 2009-10.

E. HIGHWAY USERS TAX FUND OFF-THE-TOP APPROPRIATION

The Highway Users Tax Fund (HUTF) includes revenues from gas and special-fuel taxes, fines, license plate fees, driver's license fees, motor vehicle title and registration fees, and passenger-mile taxes. Article X, Section 18 of the Colorado Constitution limits expenditures from gas taxes and license and registration fees exclusively to the construction, maintenance, and supervision of state highways. HUTF "off-the-top" refers to the portion of the HUTF that is spent for highway supervision.

The Colorado State Patrol, along with the Ports of Entry, receive HUTF revenues for highway supervision activities before any other distributions are made. The appropriations for the State Patrol and the Ports of Entry are taken "off-the-top" before the formula allocation of HUTF to the State Highway Fund, counties, and cities. Section 43-4-201 (3) (a) (I) (B), C.R.S., limits the annual growth of off-the-top appropriations for highway supervision to no more than 6.0 percent, regardless of any increase or decrease in overall highway-related revenues. The off-the-top growth limit is calculated based on the previous year's off-the-top appropriations. The limit is not a proportion of revenues to, or distributions from, the HUTF, nor is there a specific monetary cap.

The following table shows the "off-the-top" appropriations from the HUTF for FY 2009-10 as compared to FY 2008-09, and the limit for FY 2009-10:

Statutory HUTF Off-the-Top Appropriations Limit Section 43-4-201, C.R.S.	
FY 2008-09 HUTF Off-the-Top Appropriations Base	$102,748,266
Multiplied by the 6 percent allowable growth	1.06
FY 2009-10 HUTF Off-the-Top Appropriations Limit	$108,913,162
FY 2009-10 HUTF Off-the-Top Appropriations:	
Department of Public Safety, State Patrol	$92,811,631
Department of Revenue, Ports of Entry	13,636,363
Capital Construction	1,217,719
Total FY 2009-10 HUTF Off-the-Top Appropriations	**$107,665,713**
Over / (Under) FY 2009-10 HUTF Off-the-Top Appropriations Limit	($1,247,449)

F. SEVERANCE TAX TRUST FUND - OPERATIONAL ACCOUNT FUNDS OVERVIEW

Section 39-29-108 (2), C.R.S., provides that 50 percent of severance tax revenues be credited into the Severance Tax Trust Fund, for the Department of Natural Resources, and 50 percent of the revenues be used by the Department of Local Affairs for grants and distributions to local governments affected by mining activities.

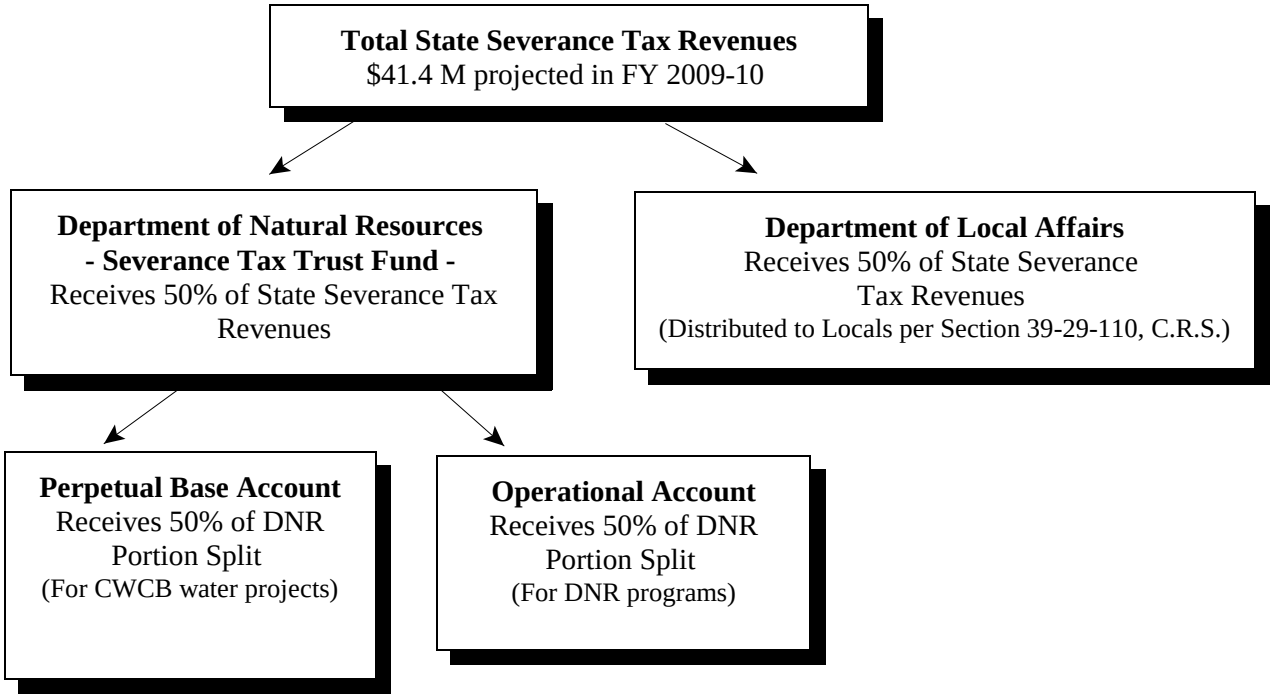
With respect to the Severance Tax Trust Fund:

- Section 39-29-109 (2) (a), C.R.S., provides that 50 percent of revenues deposited into the Severance Tax Trust Fund shall be allocated to the Perpetual Base Account of the Severance Tax Trust Fund (or 25 percent of total severance tax revenues), which is used by the Colorado Water Conservation Board (CWCB) for water construction projects.

- Section 39-29-109 (2) (b), C.R.S., provides that the other 50 percent of Severance Tax Trust Fund revenues (or 25 percent of total severance tax revenues) shall be allocated to the Operational Account to fund programs that "promote and encourage sound natural resource planning, management, and development related to minerals, energy, geology, and water".

The following table illustrates the State's distribution of severance tax revenues.

Total Severance Tax Statutory Allocations



House Bill 08-1398 significantly changed the administration of the Operational Account beginning in FY 2008-09. The bill divided programs funded from the Operational Account into two tiers. The tier 1 programs support the day-to-day operations of the Department of Natural Resources, including paying salaries for employees. The tier 2 programs support grants, loans, research, and construction. The required reserve for tier 1 programs was reduced from twice the annual appropriations to one times the appropriations. A new reserve requirement was established for tier 2 programs equal to 15 percent of the authorized expenditures. The distribution of funding for tier 2 programs is staggered with 40 percent released July 1, 30 percent released January 4, and the final 30 percent released April 1. Tier 2 programs are subject to proportional reduction if mid-year revenue projections indicate there are insufficient funds.

Low income energy assistance programs were reauthorized in the new structure for tier 2 programs by H.B. 08-1387. The separate reserve requirement for low income energy assistance programs was eliminated. These programs have a slightly different schedule for the release of funds than other tier 2 programs.

Historically, severance tax revenues have been highly variable. The table on the next page provides an overview of projected revenues and expenditures from the Operational Account based on the June 2009 Legislative Council Staff revenue forecast.

	Severance Tax Trust Fund Operational Account							
		Statutory Site	Actual FY 07-08		Appropriation FY 08-09		Estimated FY 09-10	
1	Beginning balance		$42,130,155		$51,005,593		$63,905,036	
2	Revenue		39,457,043		71,986,237 (est.)		10,343,705 (est.)	
3	Public School Energy Fund	39-29-109.5	(89,096)		TBD		TBD	
4	**TOTAL Available for Expenditure**		**81,498,102**	100.0%	**122,991,830**	100.0%	**74,248,741**	100.0%
5	Roll-forwards		0		747,210	0.6%	0	
	Tier 1	39-29-109.3 (1)						
6	Oil and Gas Conservation Commission	(a)	2,300,213	2.8%	2,891,167	2.4%	3,095,122	4.2%
7	Colorado Geological Survey	(b)	2,197,478	2.7%	2,358,358	1.9%	2,510,057	3.4%
8	Division of Reclamation, Mining, and Safety	(c)	3,925,306	4.8%	4,292,402	3.5%	4,167,386	5.6%
9	Colorado Water Conservation Board	(d)	1,292,890	1.6%	1,319,250	1.1%	1,319,250	1.8%
10	Division of Wildlife	(e)	0	0.0%	1,519,927	1.2%	1,618,264	2.2%
11	Division of Parks and Outdoor Recreation	(f)	0	0.0%	1,984,058	1.6%	1,324,592	1.8%
12	**SUBTOTAL Tier 1**		7,415,674	9.1%	11,473,995	9.3%	10,939,549	14.7%
	Tier 2	39-29-109.3 (2)						
13	Water Conservation Board Litigation Fund		0		0		0	
14	Underground water storage		0		0		0	
15	Water infrastructure development	(a)	6,000,000		7,000,000		5,775,000	
16	Soil Conservation Districts matching grants	(b)	0		450,000		450,000	
17	Water efficiency grants	(c)	800,000		1,800,000		0	
18	Species Conservation Trust Fund	(d) & (e)	0		12,513,886		4,500,000	
19	Low income energy assistance	(f)	12,000,000		13,000,000		3,250,000	
20	Renewable energy - Higher ed consortium	(g)	2,000,000		2,000,000		0	
21	Renewable energy - Agriculture	(h)	500,000		500,000		500,000	
22	Interbasin water compacts	(i)	1,626,835		1,145,067		745,067	
23	CO Water Research Institute - CSU	(j)	150,000		500,000		0	
24	Forest restoration grants	(k)	0		1,000,000		1,000,000	
25	Tamarisk control	(l)	0		1,000,000		0	
26	Acquatic Nuisance Species Fund	(m)	0		5,956,636		4,006,005	
27	Healthy Forests and Vibrant Communities	(n) (I) (A)	0		0		1,450,000	
28	Wildland-urban Interface Training Fund	(n) (I) (B)	0		0		50,000	
29	**SUBTOTAL Tier 2**		23,076,835	28.3%	46,865,589	38.1%	21,726,072	29.3%
30	**TOTAL Expenditures**		**$30,492,509**		**$59,086,794**		**$32,665,621**	
31	**Ending Balance**		51,005,593		63,905,036		41,583,120	
32	Tier 1 Reserve	39-29-109.3 (3)	14,831,348		11,473,995		10,939,549	
33	Tier 2 Reserve	39-29-109.3 (3)	0		7,029,838		3,258,911	
34	Low income energy assistance reserve		13,000,000		0		0	
35	**TOTAL Reserve Requirement**		27,831,348	34.1%	18,503,833	15.0%	14,198,459	19.1%
36	**UNOBLIGATED BALANCE**		**$23,174,245**	28.4%	**$45,401,203**	36.9%	**$27,384,661**	36.9%

(est.) = estimate. Revenue Estimates based on Legislative Council's June 2009 Economic Forecast, not including interest.
TBD = To be determined

G. TOBACCO REVENUE ALLOCATION

This appendix describes the allocation of the revenues that Colorado receives from the tobacco Master Settlement Agreement and from the tobacco taxes imposed by Amendment 35 to the Colorado Constitution.

Tobacco-settlement Revenue Allocation

Colorado receives two sets of payments from the tobacco manufacturers who participate in the 1998 Master Settlement Agreement. These payments, which support a diverse set of generally health-related programs, are comprised of: (1) a perpetual stream of "base" payments, which began in 2000; and (2) a ten-year stream of "strategic contribution" payments, which began in April 2008. Statute distinguishes a third payment category known as "disputed" payments, which have arisen from Colorado's ongoing dispute with participating manufacturers over enforcement of the State's tobacco escrow laws. This dispute led several manufacturers, beginning in April 2006, to annually withhold a portion of their payments. In February 2009, the manufacturers released some of these disputed payments to the State.

The core tobacco-settlement-program funding rules are contained in Section 24-75-1104.5, C.R.S., which creates the following allocation process:

1. *Determine the total amount of tobacco-settlement revenue to allocate among all settlement programs during the fiscal year.* In most fiscal years, the total amount of settlement money allocated to settlement programs equals the total settlement payments received by the State during the prior year, though the dollars distributed are a combination of moneys received during the prior fiscal year and the current fiscal year. However, in several fiscal years, the amount distributed may be less than the prior year's revenues.

2. *Determine the amount of settlement revenue to allocate to individual tobacco-settlement programs.* Settlement programs are divided into two tiers. Most tier 1 programs receive a statutorily established percentage of the total allocation, but several receive a fixed amount. After tier 1 programs have received their share of the total, the remainder is allocated among tier 2 programs, with each tier 2 program receiving a statutorily established percentage of the remainder.

3. *Adjust the allocations determined in step 2.* Statute prescribes several adjustments that decrease and, in a few cases, increase the amount of settlement money allocated to certain settlement programs in specified years.

4. *Determine the appropriation to individual settlement programs.* Steps 1, 2 and 3 determine the amount *allocated* to settlement programs, however, most programs cannot spend their allocation without an appropriation. In most cases the appropriation is equal to the allocation but in some cases the relationship is more complex.

Details concerning these allocation rules are as follows:

1. Determine the total amount of tobacco-settlement revenue to allocate among all settlement programs. Table 1 presents the formulas that determine the total amount of settlement revenue allocated to tobacco-settlement programs in FY 2008-09 and subsequent years. It shows that the moneys distributed during a given year are a combination of current-year and prior-year revenue.

Table 1

Fiscal Year	Total Allocation to Tobacco-Settlement Programs
2008-09	Payments received during FY 2007-08, excluding $15.4 million + $15.4 million of the payments received during FY 2008-09
2009-10	$84.6 million of the payments received during FY 2008-09 + $15.4 million of the payments received during FY 2009-10 (Payments received during FY 2008-09 in excess of $100.0 million, including a $7.4 million disputed payment, were transferred to the General Fund to augment FY 2008-09 General Fund revenues. Table 2 shows the dollar amounts transferred.)
2010-11 and 2011-12	Non-disputed payments received during the prior fiscal year, excluding $80.4 million + $80.4 million of the payments received during the current year (Any disputed payments received during FY 2010-11 or FY 2011-12 will be transferred to the General Fund to augment General Fund revenues. In addition, $65.0 million of the non-disputed payments received during FY 2009-10 will be transferred to the General Fund to augment FY 2009-10 revenues. Table 2 shows the dollar amount expected to be transferred.)
2012-13 to 2016-17	Payments received during the prior year, excluding $80.4 million + $80.4 million of the payments received during the current year
2017-18	Payments received during FY 2016-17, excluding $80.4 million + $65.0 million of the payments received during the current year (The mismatch between the $80.4 million exclusion from the FY 2016-17 payment and the $65.0 million inclusion from the FY 2017-18 payment reflects the ending of Strategic Contribution Payments.)
2017-18 and later	Payments received during the prior year, excluding $65 million + $65.0 million of the payments received during the current year

The funding arrangement in the above table, under which the settlement dollars distributed to programs in a given fiscal year are a combination of dollars received during the prior year and dollars received during the current year, began with the FY 2007-08 distributions to settlement programs. It followed the decision by tobacco manufacturers to withhold disputed amounts from the April 2007 payment. Prior to FY 2007-08, the settlement dollars distributed to programs came entirely from prior year settlement revenues. Knowing that strategic contribution payments would begin in April 2008 and wanting to minimize the impact of the withholding upon settlement programs, the General Assembly enacted H.B. 07-1359, which distributed $15.4 million of the April 2008 strategic contribution payment to programs in FY 2007-08 rather than FY 2008-09 and continued to annually "accelerate" the use of $15.4 million of strategic contribution payments until the payments ended in April 2017. During the 2009 legislative session, the General Assembly enacted S.B. 09-269 which accelerated the use of another $65.0 million dollars of settlement payments during FY 2009-10 and transferred the accelerated moneys to the General Fund. This acceleration will continue indefinitely. Senate Bill 09-269 also placed a $100.0 million ceiling on the amount of settlement money allocated among programs in FY 2009-10, transferring the excess to the General Fund. The bill also specified that all disputed payments received before July 1, 2011 are to be transferred to the General Fund, rather than being allocated among settlement programs. This resulted in the following transfers to the General Fund:

Table 2

Source of Transfer	Amount Transferred to General Fund
Transfers during FY 2008-09:	
Disputed payment received in February 2009	$7,411,531
$100.0 million ceiling on the revenue allocated among settlement programs in FY 2009-10	5,419,647
Total FY 2008-09 transfers	$12,831,178
Transfers during FY 2009-10:	
Disputed payments to be received during FY 2009-10, if any	Unknown
Settlement revenue expected to be received in April 2010	65,000,000
Total FY 2009-10 transfers	$65,000,000

2. Determine the amount of settlement revenue to allocate to individual tobacco-settlement programs. Section 24-75-1104.5, C.R.S., divides tobacco-settlement programs into two tiers. Settlement moneys are first allocated among the tier 1 programs, which will collectively utilize about 65 percent of the total during FY 2009-10, and the remainder is then allocated among the tier 2 programs. Table 3 lists the Tier 1 settlement programs and provides an overview of each program's statutory funding rule:

Table 3

Tier 1 Program	Portion of the Total Allocation
Children's Basic Health Plan	24%, not to exceed $30 million and not less than $17.5 million.
Nurse Home Visitor Program	13% in FY 2008-09 and FY 2009-10, rising 1% annually thereafter to 19% in FY 2015-16. The allocation cannot exceed $19 million in any year.
Fitzsimons lease purchase	8%, not to exceed $8 million
Read-to-achieve Grant Program	5%, not to exceed $8 million
Tony Grampsas Youth Services Program	4%, not to exceed $5 million
HIV/AIDS Drug Assistance Program	3.5%, not to exceed $5 million
Comprehensive Primary and Preventive Care Grant Program	3%, not to exceed $5 million
HIV and AIDS Prevention Grant Program	2%, not to exceed $2 million
State Veterans	1%, not to exceed $1 million. (10% of the State Veterans allocation is retained in the State Veterans Trust Fund and the remaining 90%, plus interest earned by the trust, is expended. See H.B. 09-1329.)
Autism Treatment Fund	$1,000,000 annually (fixed)
Child Mental Health Treatment Act	$300,000 annually (fixed)
Dental Loan Repayment Program	$200,000 annually (fixed)

For simplicity, Table 3 excludes the allocation to the Office of the State Auditor, for auditing settlement programs. The Auditor's allocation equals 0.1 percent of the settlement payment received in the prior calendar year and is subtracted proportionately from the allocations to most tier 1 programs.

Tobacco-settlement revenue that is not allocated to tier 1 programs (the "remainder") is allocated among tier 2 programs in the percentages detailed in Table 4:

Table 4

Tier 2 Program	Percentage of Remainder
University of Colorado Health Sciences Center	49.0%
Mental health services for juvenile and adult offenders	12.0%
Comprehensive Primary and Preventive Care Grant Program	8.5%
Local public health services	7.0%
Children's Basic Health Plan	5.0%
Supplemental state contribution for group benefit plans	4.5%
Colorado Immunization Program	4.0%
Alcohol and drug abuse and treatment programs	3.0%
Short-term Grants for Innovative Health Programs	6.0%
Medicaid shortfalls at Children's Hospital	1.0%
Total	**100.0%**

The cash fund that supports Short-term Grants for Innovative Health Programs also receives transfers of the following amounts at the end of each fiscal year: (1) income earned during the year by the cash funds that support most of the other tier 2 programs; and (2) moneys that were allocated to some of the other settlement programs but were not expended.

3. Adjust the allocations determined in step 2. Senate Bills 09-208, 09-210 and 09-269 adjust the allocations resulting from Tables 3 and 4 by requiring the General Fund (GF) transfers listed in Table 5:

Table 5

Adjustment	FY 2008-09 GF impact	FY 2009-10 GF impact
Transfers in Senate Bill 09-208:		
$61,186 from the FY 2008-09 allocation for Alcohol and Drug Abuse Community Prevention and Treatment to the GF	$61,186	$0
$246,350 from the FY 2008-09 allocation for Offender Mental Health Services to the GF	246,350	0
Transfers in Senate Bill 09-210:		
$977,356 from the FY 2008-09 tier-two allocation for Comprehensive Primary and Preventive Care Grants to the GF	977,356	0
$2,400,000 from the FY 2009-10 tier-one allocation for Comprehensive Primary and Preventive Care Grants to the GF	0	2,400,000
$149,070 from the FY 2008-09 allocation to Local Public Health Agencies to the GF	149,070	0
$65,000 from the FY 2008-09 allocation to the AIDS Drug Assistance Program to the GF	65,000	0

Adjustment	FY 2008-09 GF impact	FY 2009-10 GF impact
Transfers in Senate Bill 09-269:		
$1,100,000 from the FY 2009-10 allocation for Short-term Innovative Health Program Grants to the GF	1,100,000	0
$1,000,000 from the GF to the Children's Basic Health Plan Trust for FY 2009-10	(1,000,000)	0
$478,000 from the GF to the Nurse Home Visitor Program for FY 2009-10	(478,000)	0
Total Transfers to the General Fund	**$1,120,962**	**$2,400,000**

Note that in several cases the transfers in Table 5 affect programs in FY 2009-10 but affect the General Fund in FY 2008-09. Also note that Table 5 excludes the impact of S.B. 09-208 on the Short-term Innovative Health Program Grant Fund. Senate Bill 09-208 transferred $4,352,319 from the Innovative Fund to the General Fund during FY 2008-09, thus augmenting FY 2008-09 General Fund revenue. However, a portion of this transfer derives from the balance accumulated in the Innovative Fund prior to FY 2008-09 and a portion derives from the Innovative Fund's FY 2008-09 allocation, so one cannot determine how much came from each source.

In addition to the adjustments listed in Table 5, several bills enacted during the 2007 legislative session diverted tobacco-settlement moneys from Short-term Innovative Health Program Grants to other programs. Table 6 shows the amounts diverted in FY 2008-09 through FY 2011-12, after which the diversions stop.

Table 6

Diversions from Short-term Innovative Health Program Grants				
Department Bill Citation	**Amount Diverted**			
	FY 2008-09	**FY 2009-10**	**FY 2010-11**	**FY 2011-12**
Department of Human Services and Department of Public Safety HB 07-1057, Juvenile Justice Family Advocate Program Sections 26-22-103 and 25-36-101 (3), C.R.S.	$221,717	$221,717	$221,717	$0
Department of Health Care Policy and Financing SB 07-004, Early Intervention Services Coordinated Payment Sections 25.5-1-124 and 25-36-101 (6), C.R.S.	29,784	29,784	0	0
Department of Human Services SB 07-146, Veterans Mental Health Services Pilot Program Sections 27-1-305 and 25-36-101 (7), C.R.S.	300,000	300,000	0	0
Department of Public Health and Environment SB 07-232, Health Care Professional Loan Repayment Program, as amended by H.B. 09-1111 Sections 25-20.5-706 and 25-36-101 (10), C.R.S.	90,070	90,070	90,070	90,070
Total	**$641,571**	**$641,571**	**$311,787**	**$90,070**

Tables 7 and 8 detail the FY 2008-09 and FY 2009-10 net allocations of tobacco-settlement moneys to tier 1 and tier 2 programs based on the above allocation rules.

Table 7

Tier 1 Program	FY 2008-09 Allocation	FY 2009-10 Allocation
Legislative Department		
Office of the State Auditor	**$83,214**	**$103,640**
Department of Education		
Read-to-achieve Grant Program (as amended by S.B. 09-269 and S.B. 09-256)	**5,174,508**	**4,990,663**
Department of Health Care Policy and Financing		
Comprehensive Primary and Preventive Care Grant Program	3,104,705	594,398
Children's Basic Health Plan	24,837,640	24,955,183
State share of funding required for the Children with Autism Act	1,000,000	1,000,000
Subtotal - Department of Health Care Policy and Financing	**28,942,345**	**26,549,581**
Department of Higher Education		
Fitzsimons lease purchase	**8,000,000**	**8,000,000**
Department of Military and Veterans Affairs		
Colorado State Veterans	**998,551**	**998,133**
Department of Human Services		
Child Mental Health Treatment Act	**300,000**	**300,000**
Department of Public Health and Environment		
Dental Loan Repayment Program	200,000	200,000
AIDS and HIV Prevention Grant Program	1,997,101	1,996,265
AIDS Drug Assistance Program	3,557,156	3,493,464
Tony Grampsas Youth Services Program	4,139,607	3,992,530
Nurse Home Visitor Program	13,453,722	13,453,724
Subtotal - Department of Public Health and Environment	**23,347,586**	**23,135,983**
Total	**$66,846,204**	**$64,078,000**

Table 8

Tier 2 Program	FY 2008-09 Allocation	FY 2009-10 Allocation
Department of Higher Education		
University of Colorado, Health Sciences Center	**$17,997,300**	**$17,150,000**
Department of Health Care Policy and Financing		
Comprehensive Primary and Preventive Care Grant Program	2,144,625	575,000
Medicaid shortfalls at Children's Hospital	367,292	350,000
Children's Basic Health Plan Trust	1,836,459	1,750,000
Subtotal - Department of Health Care Policy and Financing	**4,348,376**	**2,675,000**
Department of Human Services		

Tier 2 Program	FY 2008-09 Allocation	FY 2009-10 Allocation
Mental Health Services for juvenile and adult offenders	4,161,152	4,200,000
Alcohol and drug abuse programs	1,040,689	1,050,000
Subtotal - Department of Human Services	**5,201,841**	**5,250,000**
Department of Personnel and Administration		
Supplemental state contribution for group benefit plans	**1,652,813**	**1,575,000**
Department of Public Health and Environment		
Local public health agencies	2,421,973	2,450,000
Colorado Immunization Program	1,469,167	1,400,000
Short-term Grants for Innovative Health Programs	1,562,180	358,429
Subtotal - Department of Public Health and Environment	**5,453,320**	**4,208,429**
Total	**$34,653,650**	**$30,858,429**

4. Determine the appropriation to individual settlement programs. Steps 1, 2, and 3 determine the *allocation* of settlement moneys to programs. In many cases the program's appropriation equals the program's allocation, but for tier 1 programs with cash funds, the appropriation may diverge from the allocation because: (1) the program's cash fund can earn income that can be expended in subsequent years; or (2) the program's cash fund can carry unexpended appropriations forward to be appropriated again in subsequent years. Annual appropriations corresponding to forecasts of the above allocations must be enacted into law several months before the end of the prior fiscal year. Supplemental appropriations enacted during the following legislative session align appropriations with the settlement payments that Colorado actually receives, though tier 1 programs with cash funds can sometimes use the cash funds to avoid supplemental adjustments.

The Supplemental Appropriations and Overexpenditures Account

House Bill 07-1359 diverted $24.4 million of the April 2007 base payment into the Health Care Supplemental Appropriations and Overexpenditures Account of the Tobacco Litigation Settlement Cash Fund. Pursuant to H.B. 07-1359, S.B. 08-127, and H.B. 09-1223, $6.2 million of this account could be used until April 2009 for FY 2006-07 and FY 2007-08 overexpenditures or supplemental appropriations to the Children's Basic Health Plan and the remainder can be used until April 2010 for FY 2006-07 through FY 2009-10 overexpenditures or supplemental appropriations for the Colorado Benefits Management System. Moneys remaining in the account on April 16, 2010, will be transferred to the General Fund. Table 9 summarizes the appropriations from this account through June 30, 2009.

Table 9

Appropriations from the Supplemental Appropriations and Overexpenditures Account Bill / Purpose	Amount
Original balance in the account	$24,400,000
HB 08-1285, Funding for the Children's Basic Health Plan Trust	(1,239,129)
HB 08-1287, Refinance FY 2004-05 CBMS (Colorado Benefits Management System) appropriations (this is the actual expenditure)	(1,172,530)

Appropriations from the Supplemental Appropriations and Overexpenditures Account Bill / Purpose	Amount
SB 09-187 and S.B. 09-189*, Refinance FY 2006-07 and FY 2007-08 CBMS appropriations	(3,728,466)
SB 09-187 and S.B. 09-189*, Refinance of FY 2008-09 CBMS appropriations	(2,803,573)
SB 09-187 and S.B. 09-189*, Refinance FY 2008-09 CBMS appropriations and pay CBMS Vendor Transition Expenses	(1,007,401)
SB 09-189, Federal sanction for FY 2004-05 food stamp overpayments	(380,860)
SB 09-189, Refinance FY 2005-06 CBMS appropriations	(989,947)
SB 09-189, Federal sanction for FY 2004-05 food stamp overpayments	(10,082,040)
SB 09-259, Federal sanction for FY 2005-06 food stamp overpayments	(2,843,859)
Total appropriations from the account	**($24,247,805)**
Original Balance - Combined Appropriations	$152,195

*The appropriation was divided between the FY 2008-09 supplemental bills for the Department of Health Care Policy and Financing and the Department of Human Services.

Amendment 35 Revenue Allocation

Pursuant to Section 21 of Article X of the Colorado Constitution and Section 24-22-117, C.R.S., revenues from the tobacco taxes imposed by Amendment 35, which was approved by voters in November 2004, are allocated among Amendment 35 programs in the fixed percentages shown in the Table 10. This table also shows projected dollar allocations, based on March 2009 Legislative Council Staff tobacco-tax revenue projections.

Table 10

Amendment 35 Fund or Program / Purpose	Percent	FY 2008-09 Allocation	FY 2009-10 Allocation
Health Care Expansion Fund, to provide funding to the Children's Basic Health Plan and Medicaid	46.0%	$74,244,000	$70,610,000
Primary Care Fund, to provide funding to clinics and hospitals that offer health care services to the uninsured or medically indigent	19.0%	30,666,000	29,165,000
Tobacco Education Programs Fund, to support grants for tobacco education, prevention and cessation	16.0%	25,824,000	24,560,000
Prevention, Early Detection and Treatment Fund, to support grants for cancer, cardiovascular and pulmonary disease	16.0%	25,824,000	24,560,000
Old Age Pension Fund	1.5%	2,421,000	2,302,500
Local governments, to compensate for lost revenue from tobacco taxes	0.9%	1,452,600	1,381,500
Immunizations performed by small local public health agencies	0.3%	484,200	460,500
Pediatric Specialty Hospital Fund to provide funding to Children's Hospital in Denver for Medicaid and indigent care	0.3%	484,200	460,500
Total	**100.0%**	**$161,400,000**	**$153,500,000**

The projected decline in total dollars between FY 2008-09 and FY 2009-10 reflects the anticipated effect of the April 1, 2009 federal tobacco tax increase. Note that appropriations to Amendment 35 programs often

exceed the revenue allocation because most programs have cash funds and these funds (1) earn interest that can be appropriated in subsequent years and (2) can carry unexpended appropriations from a given year to subsequent years, allowing them to be appropriated again.

Two bills and a joint resolution enacted during the 2009 session altered the use of Amendment 35 revenues:

- **Senate Bill 09-270** credits interest and income earned by the cash funds that receive Amendment 35 tobacco tax revenue to the General Fund for FY 2008-09 through FY 2011-12. The transfers are projected to total $6,271,000 for FY 2008-09 and $3,946,000 for FY 2009-10.

- **Senate Joint Resolution 09-035** declared a state fiscal emergency for FY 2009-10, thus activating a constitutional provision that allows Amendment 35 tobacco-tax revenues to be used for any health-related purpose upon declaration of a state fiscal emergency by a two-thirds vote of each chamber of the General Assembly and approval of the Governor. The resolution only applies to FY 2009-10.

- **Senate Bill 09-271** utilized the state fiscal emergency declared by S.J.R. 09-035 to alter the allocation of Amendment 35 revenues by appropriating $27.4 million of tobacco-tax moneys to the Department of Health Care Policy and Financing for Medical Services Premiums, comprised of $12.0 million from the Tobacco Education Programs Fund, $8.0 million from the Prevention, Early Detection and Treatment Fund, and $7.4 million from the Primary Care Fund. The bill also reduces FY 2009-10 General Fund appropriations for Medical Services Premiums by $27.5 million.

Recent Legislation

For more information on the following tobacco bills, see the "Recent Legislation" sections at the end of the Department of Labor and the Department or Public Health and Environment:

Master Settlement Agreement Bills:

S.B. 09-208
S.B. 09-210
S.B. 09-269

Amendment 35 Bills:

S.J.R. 09-035
S.B. 09-270
S.B. 09-271

H. AMOUNTS DEEMED EXEMPT FROM THE RESTRICTION ON GENERAL FUND APPROPRIATIONS SET FORTH IN SECTION 24-75-201.1, C.R.S.

From FY 1991-92 through FY 2008-09, Section 24-75-201.1, C.R.S., restricted annual state General Fund appropriations to the lesser of: (1) an amount equal to five percent of Colorado personal income, or (2) six percent over the total General Fund appropriations for the previous fiscal year. During this time period, the lesser amount has been six percent over the previous year's General Fund appropriations, so this restriction was commonly called the "six percent limit". It was 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.

Senate Bill 09-228 amended Section 24-75-201.1, C.R.S., to simply restrict annual state General Fund appropriations to an amount equal to five percent of Colorado personal income. Therefore, beginning in FY 2009-10, the six percent limit is no longer applicable.

Section 24-75-201.1 (1) (a) (III), C.R.S., specifies that the statutory limitation on General Fund appropriations shall not apply to:

A. Any state General Fund appropriation which, as a result of any requirement of *federal law*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service;

B. Any state General Fund appropriation which, as a result of any requirement of a final state or federal *court order*, is made for any new program or service or for any increase in the level of service for an existing program beyond the existing level of service; or

C. Any state General Fund appropriation of any moneys which are derived from any increase in the rate or amount of any *tax or fee* which is approved by a majority of the registered electors of the state voting at any general election.

In addition, some other General Fund transfers and appropriations are not subject to the statutory limitation for reasons other than the exceptions listed in Section 24-75-201.1 (1) (a) (III), C.R.S. For example, pursuant to Section 24-75-302 (2), C.R.S., General Fund transfers to the Capital Construction Fund are not subject to the statutory limitation; and the General Fund appropriation related to the senior citizen and disabled veteran property tax exemption is not subject to the statutory limitation because enactment of Article X, Section 3.5 (3) of the Colorado Constitution constitutes voter approval of a weakening of the limitation. These other amounts are noted in each relevant department section of this report.

The tables included in this Appendix list the General Fund amounts that were exempt from or were not subject to the statutory limitation on General Fund appropriations in FY 2008-09 and FY 2009-10. These amounts are organized into three sections, described below.

Section 1 - Rebates and Expenditures

The quarterly revenue forecasts prepared by the Legislative Council Staff often include dollar amounts referred to as "rebates and expenditures". These amounts reflect various annual expenditures that are exempt from or not subject to the statutory limitation on General Fund appropriations pursuant to statutory or constitutional provisions. These statutory and constitutional obligations include the following:

- the Old Age Pension program [Article XXIV, Section 1 of the Colorado Constitution];
- cigarette tax rebates to local governments [Section 39-22-623 (1) (a) (II) (A), C.R.S.];
- fire and police pension payments for local governments [Section 31-30.5-307 (3), C.R.S.];
- Old Age Heat or Fuel Property Tax Assistance Grants [Section 39-31-102 (1), C.R.S.];
- loans to school districts [Sections 22-54-110 and 29-15-112, C.R.S.]; and
- General Fund appropriations related to certain tobacco tax revenues[(Article X, Section 21 of the Colorado Constitution, often referred to as Amendment 35].

Section 2 - Senior and Disabled Veteran Property Tax Homestead Exemption

In the 2000 general election, Colorado voters approved a constitutional amendment that reduces property taxes for qualifying senior citizens. The property tax reduction, or "homestead exemption", is available to senior citizens 65 years of age or older who have owned and lived in their homes for at least ten years. In the 2006 general election, Colorado voters approved a constitutional amendment extending the homestead exemption to veterans who are 100 percent disabled as a result of a service-connected disability. The cost of the exemption is borne by the State rather than by local governments or other property owners.

Section 3 - Amounts Deemed Exempt

These amounts represent the level of funds that are appropriated for purposes that are exempt from the statutory limitation on General Fund appropriations as reflected in Section 24-75-201.1, C.R.S.

General Fund Appropriations Deemed Exempt from Statutory Restriction			
	Department	**Amount**	**Reason**
FY 2008-09			
Section 1 - Rebates and Expenditures			
Old Age Pensions/1	Human Services	$98,600,000	Voter Approved
Volunteer Firefighter Benefit Plans/2	Local Affairs	4,044,623	Other
Cigarette Tax Rebate/2	Revenue	13,300,000	Other
Old Age Heat or Fuel and Property Tax Assistance Grant/2	Revenue	17,300,000	Other
Fire and Police Pension Association (FPPA) - Old Hire Plans	Treasury	0	Other
Loans to School Districts/1	Treasury	5,500,000	Other
Pediatric Spec. Hosp. (Amendment 35)/2	Health Care Policy and Financing	495,000	Voter Approved
Immunizations (Amendment 35)/2	Public Health and Environment	495,000	Voter Approved
Revenue Forecast Adjustment		(8,500,000)	
Total Rebates and Expenditures		**$131,234,623**	
Section 2 - Homestead Exemption			
Senior Citizen and Disabled Veteran Property Tax Exemption/2	Treasury	86,200,000	Voter Approved
Revenue Forecast Adjustment		(1,000,000)	Other
Total Homestead Exemption		**$85,200,000**	
Section 3 - Amounts Deemed Exempt			
Office of Child's Representative/2	Judicial	241,158	Court Order
Total Amounts Deemed Exempt		**$241,158**	
FY 2008-09 TOTAL		**$216,675,781**	

General Fund Appropriations Deemed Exempt from Statutory Restriction			
	Department	**Amount**	**Reason**
FY 2009-10			
Section 1 - Rebates and Expenditures			
Old Age Pensions/1	Human Services	$106,800,000	Voter Approved
Volunteer Firefighter Benefit Plans/3	Local Affairs	4,141,912	Other
Cigarette Tax Rebate/3	Revenue	12,200,000	Other
Old Age Heat or Fuel and Property Tax Assistance Grant/3	Revenue	8,600,000	Other
Fire and Police Pension Association (FPPA) - Old Hire Plans	Treasury	0	Other
Loans to School Districts/1	Treasury	6,700,000	Other
Pediatric Spec. Hosp. (Amendment 35)/3	Health Care Policy and Financing	504,000	Voter Approved
Immunizations (Amendment 35)/3	Public Health and Environment	504,000	Voter Approved
Total Rebates and Expenditures		**$139,449,912**	
Section 2 - Homestead Exemption			
Senior Citizen and Disabled Veteran Property Tax Exemption/3	Treasury	1,000,000	Voter Approved
Revenue Forecast Adjustment		0	
Total Homestead Exemption		**$1,000,000**	
Section 3 - Amounts Deemed Exempt			
Total Amount Deemed Exempt		**$0**	
FY 2009-10 TOTAL		**$140,449,912**	

/1 These amounts are constitutionally or statutorily diverted prior to being deposited in the General Fund; therefore, they are not appropriated from the General Fund in any bill.
/2 These amounts are included in H.B. 08-1375, the General Appropriations Act for FY 2008-09.
/3 These amounts are included in S.B. 09-259, the General Appropriations Act for FY 2009-10.

I. LETTERS REQUESTING INFORMATION FROM STATE DEPARTMENTS

Historically, Long Bill footnotes described the General Assembly's intent regarding an appropriation; placed a condition or limitation on an appropriation; explained any assumptions used in determining the specific amount of an appropriation; or requested information. However, pursuant to House Bill 08-1321, the Long Bill no longer contains footnotes that request information. In their place, the Joint Budget Committee submits requests for information to executive departments via letters to the Governor and other elected officials. Copies of these letters are included in the following pages.

STATE OF COLORADO

SENATORS
Moe Keller, Chairman
Abel Tapia
Al White

REPRESENTATIVES
Jack Pommer, Vice-Chairman
Mark Ferrandino
Don Marostica

STAFF DIRECTOR
John Ziegler

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

April 27, 2009

Hon. Bill Ritter, Governor
136 State Capitol
Denver, CO 80203-1792

Dear Governor Ritter:

The General Assembly recently passed the FY 2009-10 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the state departments will comply with these requests to the fullest extent possible.

Please notify us by May 15th if you do not intend to comply with any requests.

Sincerely,

Moe Keller

Senator Moe Keller
Chairman

cc:
Executive Agency Directors
Todd Saliman, Office of State Planning and Budgeting
John Ziegler, Joint Budget Committee Staff

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

1. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2009, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that are applied for or received during FY 2009-10, and that are not otherwise included in the Long Bill.

2. **Department of Corrections, Totals; Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division, and Division of Youth Corrections; Department of Public Safety, Division of Criminal Justice** -- It is the intent of the Joint Budget Committee that the impacts of the Governor's Recidivism Reduction and Offender Diversion Package funded by the General Assembly in 2007, be analyzed using contract funding appropriated for this purpose to the Department of Public Safety, Division of Criminal Justice. The evaluation should specifically address: the Short-term Intensive Residential Remediation Treatment Program (STIRRT) in the Department of Human Services, Diversion Community Corrections Beds in the Department of Public Safety, Mental Health Beds in the Department of Public Safety, and any new programs or services created or implemented through additional budgetary flexibility provided to the Division of Youth Corrections in the Department of Human Services. It is the intent of the General Assembly that the contractor compare the outcomes for offenders who participate in these programs with outcomes for offenders in predetermined control groups. The Department of Public Safety, Division of Criminal Justice, in conjunction with other state departments, is requested to submit an annual progress report to the Joint Budget Committee by November 1 of each year. This report is requested to include a summary of the number of offenders served by each program and a summary of the program evaluation techniques that will be used to examine the effectiveness of each program. The Department of Public Safety, Division of Criminal Justice, is requested to submit a final report to the Joint Budget Committee on or before November 1, 2012. The final report should specifically address whether any of the interventions funded were cost-effective and, based on this, recommendations for continuation, modification or elimination of each program.

3. **Department of Education, Assistance to Public Schools, Categorical Programs; and Department of Higher Education, Division of Occupational Education, Colorado Vocational Act Distributions pursuant to Section 23-8-102, C.R.S.** -- The Department of Education is requested to work with the Department of Higher Education and to provide to the Joint Budget Committee information concerning the distribution of state funds available for each categorical program, excluding grant programs. The information for special education - children with disabilities, English language proficiency programs, public school transportation, Colorado Vocational Act distributions, and small attendance center aid is requested to include the following: (a) a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2008-09 and the maximum allowable distribution pursuant to state law and/or State Board of Education rule; and (b) a comparison of the state and federal funding distributed to each district or administrative unit for each program in fiscal year 2007-08 and actual district expenditures for each program. The information for special education services - gifted and talented children is requested to include a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2007-08 and actual district expenditures.

4. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Local Affairs, Division of Emergency**

Management, Disaster Response and Recovery -- The Division of Emergency Management is requested to work with the Office of State Planning and Budgeting and provide a an annual report to the Joint Budget Committee by November 1, 2009 concerning revenues credited to and expenditures made from the Disaster Emergency Fund in FY 2008-09. The report is requested to include the following: (a) amounts authorized to be transferred to the Disaster Emergency Fund, by Executive Order and fund source; (b) amounts actually transferred to the Fund, by date and fund source; and (c) actual expenditures from the Fund, by date and declared disaster emergency.

5. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Personnel and Administration, Division of Human Resources, Human Resource Services** -- The Department shall comply with the statutory provisions of Section 24-50-110 (1) (d), C.R.S., and is requested to provide other state departments with the information necessary to comply with this statute. The Office of State Planning and Budgeting and the Department of Personnel are requested to work with the departments to improve the timeliness and accuracy of information about state personnel. Improvements, at a minimum, should include: updating personnel information on a centralized computerized data base; accurate reporting of filled FTE positions; number of reclassifications that are approved, turnover rates by agency; tracking of FTE positions funded to FTE positions filled; an accurate count of part-time and temporary FTE positions; and elimination of unused FTE positions. The Department and the Office of State Planning and Budgeting are requested to submit a consolidated statewide personnel report to the General Assembly by September 1, 2009. This report should include, by line item and Department, a summary of vacant positions, the length of time each position has been vacant, and the number of reclassifications that were approved in FY 2008-09. In addition, the report should include a reconciliation between personal services appropriations and actual expenditures for FTE, state temporaries, sick/annual leave payout, and other personal services by division.

6. **Department of Health Care Policy and Financing, Medicaid Mental Health Community Programs; and Department of Human Services, Division of Child Welfare, Mental Health and Alcohol and Drug Abuse Services, and Division of Youth Corrections** - The Departments are requested to provide the following data by October 1, 2009, by county, for the state's ten largest counties, using the most recent actual data consistently available:

   (1) county child welfare expenditures, including both child welfare block and core services expenditures;
   (2) youth corrections expenditures;
   (3) mental health capitation payments to BHOs for children, identifying amounts for children in foster care and children served based on income (AFDC);
   (4) number of children eligible for mental health capitation payments, identifying children based on foster care status and children eligible based on income (AFDC);
   (5) mental health capitation encounter data (numbers receiving services and estimated expenditures) for children in foster care and children eligible based on income (AFDC);
   (6) expenditures of Alcohol and Drug Abuse treatment dollars, by county, for children receiving child welfare services, specifying, at a minimum, funding allocated by the state for this specific purpose;
   (7) Any other data, readily available, that might shed light on the extent to which multiple state funding sources support services for children currently in the child

welfare system and those who exhibit similar needs to children in the child welfare system, although they may be served in other systems (such as youth corrections).

DEPARTMENT OF CORRECTIONS

7. **Department of Corrections, Management, External Capacity Subprogram, Payments to House State Prisoners** -- The Department is requested to provide a report to the Joint Budget Committee on or before November 1, 2009, summarizing transfers that were made within this subprogram pursuant to the flexibility authorized by footnote.

8. **Department of Corrections, Management, External Capacity Subprogram, Payments to House State Prisoners** -- The Department of Corrections is requested to require private prison providers to break-out their respective operating expenses and capital construction costs in the invoices that they submit to the Department for housing Colorado inmates. The Department of Corrections is further requested to submit a report to the Joint Budget Committee by November 1, 2009, summarizing this information for each of the private prison providers reimbursed from the External Capacity Subprogram.

9. **Department of Corrections, Institutions, Youthful Offender System Subprogram** -- The Department of Corrections is requested to submit a report to the Joint Budget Committee by November 1, 2009, justifying the ongoing need for the Youthful Offender System. The report is requested to summarize the cost effectiveness of the program, including the cost per offender, taking into consideration drop-out rates and recidivism rates for the program.

10. **Department of Corrections, Community Services, Community Supervision Subprogram, Community Supervision, Psychotropic Medication** -- The Department is requested to submit a report to the Joint Budget Committee on or before February 1, 2010, summarizing the outcomes of offenders who were provided psychotropic medication from this line item. The report is requested to include the number of mentally ill offenders who receive medication from this line item, the regression rate of the offenders, and the number of offenders who commit new crimes. The report is requested to compare these outcomes with the population of mentally ill offenders in community corrections programs in FY 2005-06.

11. **Capital Construction, Department of Corrections, Capital Construction, Correctional Industries, Minor Construction Projects** -- The Department of Corrections is requested to submit an annual report to the Capital Development and Joint Budget Committees detailing expenditures made from this appropriation.

DEPARTMENT OF EDUCATION

12. **Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding** -- The Department is requested to provide to the Joint Budget Committee, on or before November 1, 2009, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year 2008-09: (a) data reflecting the ratio of the total funded pupil count for the Program to the total funded pupil count for kindergarten; (b) data indicating the number of three-year-old children who participated in the Program; (c) data indicating the number of children who participated in the Program for a full-day rather than a half-day; and (d) the state and local shares of total program funding that is attributable to the Program.

13. **Department of Education, Assistance to Public Schools, Grant Programs, Distributions, and Other Assistance** -- The Department is requested to provide information to the Joint Budget Committee by November 1, 2009, concerning the allocation of funding to eligible boards of cooperative services (BOCES) pursuant to Section 22-2-122 (3), C.R.S. Specifically, the Department is requested to detail the sources of funds and the allocations made to each BOCES in fiscal year 2008-09.

GOVERNOR-LIEUTENANT GOVERNOR-STATE PLANNING AND BUDGETING

14. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Govenror, Governor's Energy Office** -- Senate Bill 07-246 requires a post-enactment review be conducted to determine the Department's efficacy in implementing the desired result and benefit of the act to advance energy efficiency and renewable energy throughout the state. The Department is requested to submit an annual report by November 1 of each year to the Joint Budget Committee on the status of the Department's efficacy in implementing the desired result and benefit of the provisions of S.B. 07-246. At a minimum, the report should include a narrative overview of the programs implemented with descriptions of each and should itemize how the moneys appropriated have been applied, by program, to advance energy efficiency and renewable energy throughout the state.

15. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting** -- The Department is requested to submit a report related to the Government Efficiency Management (GEM) Study to the Joint Budget Committee by November 1 of each year. At a minimum, the report should be provided electronically and should include a narrative overview explaining how the moneys appropriated have been applied to harness greater governmental efficiency and cost-avoidance. The report should itemize how the moneys appropriated have been implemented, by fiscal year, by applicable department or departments if there are multiple-agency initiatives, to identify ways to improve customer service, eliminate unnecessary or redundant services, and implement innovative ways to deliver essential services. The report should also include all budget change requests submitted to the General Assembly related to the GEM Study and aggregated into a single spreadsheet, by fiscal year, by Department, by fund source, including FTE.

16. **Governor - Lieutenant Governor - State Planning and Budgeting, Economic Development Programs, Bioscience Discovery Evaluation** -- The Department is requested to submit an annual report to the Joint Budget Committee by November 1 of each year. At a minimum, the report shall specify the following information with regard to the bioscience research projects that received funding under the program during the preceding fiscal year: (1) the amount of funding distributed to each bioscience research project and a description of each bioscience research project; (2) the manner in which each bioscience research project applied the funding received under the program; and (3) the results achieved by each bioscience research project, including identifiable monetary returns to the grantee and others since the receipt of the grant.

DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

17. **Department of Health Care Policy and Financing, Executive Director's Office** -- The Department is requested to submit monthly Medicaid expenditure and caseload reports on

the Medical Services Premiums and mental health capitation line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan, the Medicare Modernization Act State Contribution Payment, and the Old Age Pension State Medical Program within the monthly report.

18. **Department of Health Care Policy and Financing, Information Technology Contracts and Projects, Information Technology Contracts** -- The Department is requested to submit updated implementation cost estimates for Senate Bill 08-006 if the Centers for Medicare and Medicaid Services approve a state plan amendment to suspend Medicaid eligibility, rather than eliminate eligibility, for confined persons during fiscal year 2009-10.

19. **Department of Health Care Policy and Financing, Medical Services Premiums** -- The Department is requested to submit a report on the managed care organizations' capitation rates for each population and the estimated blended rate for each aid category in effect for FY 2008-09 to the Joint Budget Committee by September 1, 2009. The Department is requested to include in the report a copy of each managed care organization's certification that the reimbursement rates are sufficient to assure the financial stability of the managed care organization with respect to delivery of services to the Medicaid recipients covered in their contract pursuant to Section 25.5-5-403 (1) (l), C.R.S.

20. **Department of Health Care Policy and Financing, Medicaid Mental Health Community Programs, Mental Health Capitation Payments** -- The Department is requested to report in their annual budget submission the amount of expenditures for each year for anti-psychotic pharmaceuticals.

21. **Department of Health Care Policy and Financing, Medicaid Mental Health Community Programs, Mental Health Capitation Payments**: The Department is requested to submit a report to the Joint Budget Committee by August 1, 2009 regarding any changes to capitation rates for the mental health program that were made on or before July 1, 2009 in order to reduce capitation rates to the mid-range of the actuarially sound range. This information is requested by behavioral health region contractor and by aid category. Within the report, the Department is requested to provide the Committee with information on how these adjustments will impact rates for calendar year 2010. The Department is also requested to provide the Committee with estimated savings in FY 2009-10 from any capitation adjustments.

22. **Department of Health Care Policy and Financing, Indigent Care Program, Safety Net Provider Payments** -- The Department is requested to submit a report by February 1, 2010 to the Joint Budget Committee, estimating the disbursement to each hospital from the Safety Net Provider Payment line item for FY 2009-10.

23. **Department of Health Care Policy and Financing, Indigent care Program, Children's Basic Health Plan Premium Costs** -- The Department is requested to submit a report to the Joint Budget Committee by November 1, 2009 regarding the year-to-date per capita costs for the children served in the Children's Basic Health Plan. The Department is requested to provide the following information: (1) the current caseload by capitation rate served in each HMO; (2) the contracted capitation rates for each aid category; (3) the current number of

children served in the self-funded network; and (4) the current claim costs for the children served in the self-funded network.

24. **Department of Health Care Policy and Financing, Indigent Care Program, Children's Basic Health Plan Premium Costs** -- The Department is requested to submit a report by November 1, 2009 regarding the implementation of the Vaccines for Children program for clients served by the Children's Basic Health Plan. The Department is requested to provide information in the report regarding the amount of administrative costs associated with implementing this program and the amount of savings achieved or projected.

25. **Department of Health Care Policy and Financing, Other Medical Services, S.B. 97-101 Public School Health Services** -- The Department is requested to submit a report by November 1 of each year to the Joint Budget Committee on the services that receive reimbursement from the federal government under the S.B. 97-101 public school health service program. The report should include information on the type of services, how those services meet the definition of medical necessity, and the total amount of federal dollars that was distributed to each school under the program. The report should also include information on how many children were served by the program.

DEPARTMENT OF HIGHER EDUCATION

26. **Department of Higher Education, Colorado Commission on Higher Education, Administration** -- The Department should continue its efforts to provide data on the efficiency and effectiveness of state financial aid in expanding access to higher education for Colorado residents. The Department is requested to provide to the Joint Budget Committee by January 1 of each year an evaluation of financial aid programs, which should include, but not be limited to: 1) an estimate of the amount of federal, institutional, and private resources (including tax credits) devoted to financial aid; 2) the number of recipients from all sources; 3) information on typical awards; and 4) the typical debt loads of graduates. To the extent possible, the Department should differentiate the data based on available information about the demographic characteristics of the recipients. To the extent that this information is not currently available, the Department is requested to provide a reasonable estimate, or identify the additional costs that would be associated with collecting the data.

27. **Department of Higher Education, Colorado Commission on Higher Education, Administration** -- The Department is requested to submit a report to the Joint Budget Committee by January 1 each year documenting the base level of institutional financial aid at each institution and demonstrating that at least 20 percent of any increase in undergraduate resident tuition revenues in excess of inflation is being devoted to need-based financial assistance pursuant to Section 23-18-202 (3) (c), C.R.S.

28. **Department of Higher Education, Colorado Commission on Higher Education, Administration** -- The Department, in cooperation with the Colorado Commission on Higher Education, the higher education institutions, and the Office of State Planning and Budgeting, is requested to submit a report to the Joint Budget Committee by September 15, 2009, presenting options for how to measure and ensure access and affordablity if governing boards are granted greater flexibility in setting tuition rates.

DEPARTMENT OF HUMAN SERVICES

29. **Department of Human Services, Executive Director's Office, General Administration, Injury Prevention Program** -- The Department is requested to provide information regarding the cost-effectiveness of this program. Such information should include: Actual and planned annual expenditures for this line item, by program; the actual number of workers' compensation claims filed, by type of injury and by program; and the related costs associated with workers' compensation claims filed, by type of injury and by program. This information should be provided to the Joint Budget Committee annually on or before October 15.

30. **Department of Human Services, Office of Information Technology Services, Colorado Benefits Management System (CBMS)** -- The Department is requested to submit a summary of change request activity related to the Colorado Benefits Management System. This summary should include the number of change requests completed, the number in progress, and the number that have been submitted but not yet started. Change requests requiring the expenditure of more than fifty thousand dollars ($50,000) should be described in detail. The report should be provided to the Joint Budget Committee annually on or before November 1.

31. **Department of Human Services, Office of Operations; Department Totals** -- The Department is requested to examine its cost allocation methodology and report its findings to demonstrate that all state-wide and departmental indirect costs are appropriately collected and applied. The Department is requested to submit a report to the Joint Budget Committee on or before November 15, 2009, that should include: (1) Prior year actual indirect costs allocated by division and corresponding earned revenues by type (cash, reappropriated, and federal); (2) the amount of such indirect costs applied within each division and to Department administration line items in the Executive Director's Office, Office of Operations, and Office of Information Technology Services; (3) a comparison between indirect amounts applied and the amounts budgeted in the Long Bill; and (4) a schedule identifying areas in which collections could potentially be increased and a description of the obstacles to such increases where the discrepancy between the potential and actual collections is $50,000 or more.

32. **Department of Human Services, Division of Child Welfare; and Totals** – The Department is requested to provide a report to the Joint Budget Committee by October 1 of each fiscal year concerning the amount of federal revenues earned by the State for the previous fiscal year, pursuant to Title IV-E of the Social Security Act, as amended; the amount of money that was expended for the previous state fiscal year, including information concerning the purposes of the expenditures; and the amount of money that was credited to the Excess Federal Title IV-E Reimbursements Cash Fund created in Section 26-1-111(2)(d)(II)(C), C.R.S.

33. **Department of Human Services, Division of Child Welfare** -- The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning the gross amount of payments to child welfare service providers, including amounts that were paid using revenues other than county, state, or federal tax revenues. The Department is requested to identify amounts, by source, for the last two actual fiscal years.

34. **Department of Human Services, Division of Child Welfare, Training** -- The Department is requested to provide additional information on the State's child welfare training efforts and the need for child welfare training funds, including the following: (1) the number of individuals employed and annual rate of turnover, by county, for child welfare caseworkers and supervisors and any other job classification for which the Department provides training; and (2) the number of training sessions provided and anticipated to be required annually, based on the data provided on county employees and turnover. This report is requested to be submitted by June 30, 2010.

35. **Department of Human Services, Division of Child Welfare, Child Welfare Services** -- The Department is requested to provide to the Joint Budget Committee, by November 1 of each year, information concerning actual expenditures for the last two fiscal years for services that are now funded through this consolidated line item. Such data should include the following: (a) program services expenditures and the average cost per open involvement per year: (b) out-of-home placement care expenditures and the average cost per child per day; and (c) subsidized adoption expenditures and the average payment per child per day.

36. **Department of Human Services, Division of Child Care, Child Care Assistance Program** -- The Department is requested to submit a report to the Joint Budget Committee by January 15, 2010 concerning the Child Care Assistance Program. The report is requested to address whether the Department, after consultation with counties and other interested parties, would recommend that eligibility for this program and/or provider reimbursement rates be set by the State. This recommendation could include eligibility/reimbursement rates that vary by region (metro, rural, mountain resort), even if they were set by the state. The Department is requested to include in the report: (1) an analysis of the programmatic and fiscal implications of such a change on program participants, providers, counties and state government; (2) how any recommended changes might be phased-in; and (3) what statutory modifications would be required. The report is requested to take into account the results of the State Auditor's Office audit of the Child Care Assistance Program required pursuant to H.B. 07-1062.

37. **Department of Human Services, Office of Self Sufficiency, Colorado Works Program, Works Program Evaluation** -- The Department is requested to submit a summary of the activities conducted under the Works Program Evaluation activity. The summary should include specific questions which the Department set out to answer, the methodologies used, the results obtained, and suggestions on how the results can be used to improve the Works program. The report should be provided to the Joint Budget Committee and the House and Senate Health and Human Services Committees by November 1 of each year.

38. **Department of Human Services, Services for People with Disabilities, Division of Vocational Rehabilitation** -- The Department is requested to provide an update, by November 1, 2009, on the Division of Vocational Rehabilitation's efforts to operate within existing funding constraints. This is requested to include information on the effectiveness of restrictions imposed during FY 2008-09 and the status of "order of selection" restrictions on new applicants.

39. **Department of Human Services, Services for People with Disabilities, Division of Vocational Rehabilitation, Rehabilitation Programs -- Local Funds Match** – The Department is requested to provide a report to the Joint Budget Committee, by November

1 of each year, that details deferred cash and reappropriated funds revenue on its books as of the close of the preceding fiscal year.

40. **Department of Human Services, Division of Youth Corrections, Administration** -- The Division is requested to continue its efforts to provide outcome data on the effectiveness of its programs. The Division is requested to provide to the Joint Budget Committee, by January 1 of each year, an evaluation of Division placements, community placements, and nonresidential placements. The evaluation should include, but not be limited to, the number of juveniles served, length of stay, and recidivism data per placement.

41. **Department of Human Services, Division of Youth Corrections, Administration** -- The Department is requested to provide a report to the Joint Budget Committee on January 1, 2010 that tracks and compares recidivism rates between those juveniles receiving drug and alcohol treatment and those not receiving treatment, while sentenced to commitment.

42. **Department of Human Services, Division of Youth Corrections, Community Programs, Purchase of Contract Placements** -- The Division is requested to provide a report to the Joint Budget Committee on November 1, 2009. This report should include the following information: (1) the amount spent serving youths in residential and non-residential settings from this line item in FY 2008-09; (2) the type of services purchased with such expenditures; (3) the number of committed and detained youths treated with such expenditures; (4) baseline data that will serve to measure the effectiveness of such expenditures; and (5) an evaluation of the effectiveness of this footnote in addressing the need for flexibility in treating and transitioning youth from residential to non-residential settings.

43. **Department of Human Services, Division of Youth Corrections, Community Programs, S.B. 91-94 Programs** -- The Department is requested to submit to the Joint Budget Committee no later than November 1 of each year a report that includes the following information by judicial district and for the state as a whole: (1) comparisons of trends in detention and commitment incarceration rates; (2) profiles of youth served by S.B. 91-94; (3) progress in achieving the performance goals established by each judicial district; (4) the level of local funding for alternatives to detention; and (5) identification and discussion of potential policy issues with the types of youth incarcerated, length of stay, and available alternatives to incarceration.

44. **Department of Human Services, Totals** -- The Department is requested to submit annually, on or before November 1 of each year, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for state fiscal years 2008-09, 2009-10, and 2010-11 (the actual, estimate, and request years): (a) the total amount of federal funds available, and anticipated to be available, to Colorado, including funds rolled forward from previous state fiscal years; (b) the amount of federal funds expended, estimated, or requested to be expended for these years by Long Bill line item; (c) the amount of funds expended, estimated, or requested to be expended for these years, by Long Bill line item where applicable, to be reported to the federal government as either maintenance of effort or matching funds associated with the expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the four percent federal requirement related to quality activities and the federal requirement related to targeted funds.

45. **Department of Human Services, Totals** -- The Department is requested to submit a report concerning the status of federal Temporary Assistance for Needy Families (TANF) funds. The requested report should include the following: (a) an analysis of the TANF Long Term Reserve, including estimated TANF funds available for appropriation, estimated TANF appropriations by Long Bill line item, and the estimated closing Long Term Reserve balance, for each of the most recent actual fiscal year, the current fiscal year, and the request fiscal year; (b) an analysis of the TANF maintenance of effort (MOE) payments, showing the actual and forecast MOE expenditures, by program, for the most recent actual fiscal year, the current fiscal year, and the request fiscal year; and (c) an analysis of the counties' TANF reserve balances that includes, for each county, for the most recent actual fiscal year, the starting Works Program Reserve Account balance, the annual allocation, the total expenditures, the net transfers to child care and child welfare, any amounts remitted to the state under the provisions of S.B. 08-177, and the closing reserve balance. The report should be provided to the Joint Budget Committee annually on or before November 1.

DEPARTMENT OF NATURAL RESOURCES

46. **Department of Natural Resources, Executive Director's Office** -- The Department of Natural Resources has committed resources and FTE to examining energy impacts on the Eastern Plains and throughout Colorado. The Joint Budget Committee is requesting a report from the Department of Natural Resources by November 1, 2009, explaining the impact on native ecosystems, prairie wildlife, and the impact on rural lifestyle, including farming and ranching.

47. **Department of Natural Resources, Oil and Gas Conservation Commission, Emergency Response** -- The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.

48. **Department of Natural Resources, Oil and Gas Conservation Commission, Special Environmental Protection and Mitigation Studies** -- The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.

49. **Department of Natural Resources, Parks and Outdoor Recreation** -- The division of Parks and Outdoor Recreation is requested to provide the Joint Budget Committee with a report on division sources of revenue as well as the expenditures of revenues by revenue type. The report should provide an analysis of lottery funds used for operations and capital projects. The report is requested to be submitted by September 1, 2009.

50. **Capital Construction, Department of Natural Resources, Division of Wildlife** -- It is the intent of the Joint Budget Committee that the Division better inform members of the General Assembly regarding the purchase of property and easements. As soon as the Division starts to consider a property acquisition or easement in a given county, the Division is directed to contact all members of the General Assembly who represent any portion of the county where the proposed acquisition or easement is to occur. Such notification shall include the specific location of the property or easement to be acquired, the mechanism for funding the proposal and the justification for seeking the acquisition or easement.

DEPARTMENT OF PERSONNEL AND ADMINISTRATION

51. **Department of Personnel and Administration, Division of Accounts and Control - Controller, State Purchasing Office** -- The Department is requested to submit a report on alternative procurement options for the State. The report should include an analysis and recommendations on potential advantages and disadvantages related to the State contracting with private providers for procurement services and/or entering into an interstate compact with other states in order to receive greater procurement discounts as a result of higher volume of purchases. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2009.

DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

52. **Department of Public Health and Environment, Air Quality Control Division** -- The Department is requested to submit a report on the Air Quality Control Division. This report is requested to include a summary of the Division's current and anticipated workload, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2009.

53. **Department of Public Health and Environment, Water Quality Control Division** -- The Department is requested to submit a report on the Water Quality Control Division. This report is requested to include a summary of the Division's current and anticipated workload, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2009.

54. **Department of Public Health and Environment, Hazardous Materials and Waste Management Division, Contaminated Site Cleanups** -- The Department is requested to submit a report on its CERCLA program. This report is requested to include detailed expenditures for the program, including out-year estimates by project and associated project financing. The report should also include an analysis of long-term funding needs of the State in responding to, litigating, and cleaning up CERCLA sites, including estimated long-term maintenance costs for these sites. The report should also provide information on the Hazardous Substance Response Fund balance and out-year fiscal estimates. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2009.

55. **Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Special Purpose Disease Control Programs, Immunization** -- The Department is requested to submit a report to the Joint Budget Committee by November 1, 2009, detailing how immunization promotion funding was spent during FY 2008-09. The report should include the following information: (1) the location, number of children *vaccinated*, and total grant amount for each immunization outreach clinic funded; and (2) the expenditures for and major purchases of the media campaign.

56. **Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Special Purpose Disease Control Programs, Ryan White Act** -- The Department is requested to report annually to the Joint Budget Committee with regard

to the AIDS drug assistance program. The report should be submitted on or before October 20, 2009. The report should include, but not be limited to: (1) the total and average monthly number of clients served, with a description of the demographic profile of the client population; (2) the total and average monthly costs to provide pharmaceutical products to those clients; (3) a listing of the pharmaceuticals on the formulary, the manufacturer of each product, and the respective average price for a month's supply of each product; and (4) the total amount of available funds, including state General Fund support, federal Title I and Title II support; and any other source as appropriate.

57. **Department of Public Health and Environment, Prevention Services Division, Prevention Partnerships, Tony Grampsas Youth Services Program, Prevention Services Programs** -- The Department is requested to submit a report to the Joint Budget Committee on the Tony Grampsas Youth Services Program by December 1, 2009. This report should include the following information for Fiscal Year 2008-09: (1) Names of all applicants and the amount requested by each; (2) names of all grantees, amount of each grantee's award, period covered by each grant, the number of years each grantee has previously received grants, the number of persons served under the grant, a brief description of the funded program; and (3) the most recently available report evaluating the effectiveness of programs operated by grantees.

DEPARTMENT OF PUBLIC SAFETY

58. **Department of Public Safety, Colorado State Patrol** -- The Department is requested to submit to the Joint Budget Committee a detailed summary of FTE assigned to the field and to special programs on an annual basis beginning on November 1, 2006. Each annual report should include comparative information about the historical assignment of all uniformed positions, vacant positions, State Patrol Academy graduates, employee turnover (including service and disability retirements), and trooper deployment.

59. **Department of Public Safety, Colorado Bureau of Investigation** -- The Department is requested to submit to the Joint Budget Committee a detailed report on the allocation of resources within the CBI Laboratory and Investigative Services subdivision on an annual basis beginning on November 1, 2009. Each annual report should include the number of field investigators, laboratory investigators (including information on laboratory staff disciplines), and associated staff within the subdivision for the prior year as well as estimates for the current year and the budget year.

60. **Department of Public Safety, Totals** -- The Department is requested to submit to the Joint Budget Committee a detailed report on the Department's use of HUTF funds, by division and program, on an annual basis beginning on November 1, 2008. Each annual report should include the amount of HUTF spent and the FTE employed for each program in the prior fiscal year, including detail on Colorado State Patrol FTE performing work for other divisions.

DEPARTMENT OF REGULATORY AGENCIES

61. **Department of Regulatory Agencies, Executive Director's Office and Administrative Services, Leased Space** -- The Department is requested to submit to the Joint Budget Committee on or before October 1, 2009, a report detailing the date the lease was signed, the cost per square foot, the projected yearly escalations through the end of the lease, the number

of FTE, associated divisions, and date the FTE were moved into the space, and the cost and time used to build out the space.

62. **Department of Regulatory Agencies, Public Utilities Commission, Personal Services** -- The Department is requested to submit to the Joint Budget Committee, on or before November 1, 2009, a summary of the meetings and conferences attended by the Electricity Transmission Planning staff, and an outline of meetings and conferences to be attended during the remainder of FY 2009-10.

63. **Department of Regulatory Agencies, Division of Registrations, Office of Expedited Settlement Program Costs** -- The Department is requested to submit to the Joint Budget Committee, on or before November 1, 2009, a report detailing the method being used to track the number of legal service hours billed to the Office of Expedited Settlement by the Department of Law and the number of hours billed to the Office of Expedited Settlement for the current fiscal year broken out by board.

DEPARTMENT OF REVENUE

64. **Department of Revenue, Information Technology Division, Colorado State Titling and Registration System** -- The Department is requested to provide, for the fiscal year starting July 1, 2009, quarterly reports to the Joint Budget Committee on the fund balance, revenues, and expenditures in the Colorado State Titling and Registration Account created in Section 42-1-211 (2), C.R.S., a sub-account of the Highway Users Tax Fund. The reports should come as soon as possible after the end of the quarters that end on September 30, 2009, December 31, 2009, March 31, 2010, and June 30, 2010.

65. **Department of Revenue, Taxation Business Group, Taxation and Compliance Division** -- The Department is requested to provide to the Joint Budget Committee, as soon as possible after the end of the fiscal year that ends on June 30, 2009, but no later than September 30, 2009, a report detailing the amount of additional General Fund revenue realized in during FY 2008-09 by the General Assembly's funding of the program to allow senior auditors to travel eight weeks each out-of-state to audit companies that are based out-of-state. The Department is requested to provide a similar report for the fiscal year that ends June 30, 2010.

66. **Department of Revenue, Taxation Business Group, Taxation and Compliance Division** -- The Department is requested to provide to the Joint Budget Committee, as soon as possible after the end of the fiscal year that ends on June 30, 2010, but no later than September 30, 2010, a report detailing the amount of additional General Fund revenue realized in FY 2009-10 by the General Assembly's funding of an expanded out-of-state tax compliance and enforcement program.

67. **Department of Revenue, State Lottery Division**-- The Department is requested to submit a report to the Joint Budget Committee, by September 30, 2009, on the employment location of senior management employees of the State Lottery Division, pursuant to Section 24-35-202 (1), C.R.S., which requires the Lottery headquarters to be located in the city of Pueblo. This report should identify each position in senior management of the Division, and where the primary offices of the incumbents in those positions are located.

DEPARTMENT OF TRANSPORTATION

68. **Department of Transportation, Administration** -- The Department is requested to complete state budget forms for Administration personal services that provide information for each office or section within the Administration line item. This information should be sufficiently detailed to allow calculation for Option 8 purposes. PERA and Medicare should also be provided by the individual section or office. Additionally, the Department should include subtotals for salary and FTE for each of the offices within the Administration line item information currently supplied.

69. **Department of Transportation, Administration** -- By August 1, 2010, the Department is requested to provide a report to the Joint Budget Committee regarding the effectiveness of the expansion of the Office of Organizational Learning and Development in reducing turnover and increasing retention of Department staff.

70. **Department of Transportation, Administration** -- The Department is requested to submit, with the November 1, 2009 budget request, decision items for any changes made within the Administration program line during either FY 2008-09 or FY 2009-10 that the Department wishes to have recognized during the FY 2010-11 figure setting process.

STATE OF COLORADO

SENATORS
Moe Keller, Chairman
Abel Tapia
Al White

REPRESENTATIVES
Jack Pommer, Vice-Chairman
Mark Ferrandino
Don Marostica

STAFF DIRECTOR
John Ziegler

JOINT BUDGET COMMITTEE
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LEGISLATIVE SERVICES BUILDING
Denver, CO 80203
Telephone 303-866-2061
www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm

April 27, 2009

Hon. John Suthers, Attorney General
Colorado Department of Law
1525 Sherman St.
Denver, CO 80203

Dear Attorney General Suthers:

The General Assembly recently passed the FY 2009-10 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following request for information. This request is associated with a specific Long Bill line item and includes details and a deadline. It is the hope of the Joint Budget Committee that the Department of Law will comply with the attached request to the fullest extent possible. Please notify us by May 15th if you do not intend to comply with the request.

Sincerely,

Moe Keller

Senator Moe Keller
Chairman

cc:
Hugh Wilson, Director of Administration, Colorado Department of Law
Amy Luong, Budget Analyst, Colorado Department of Law
Cynthia Coffman, Deputy Attorney General, Colorado Department of Law
John Ziegler, Joint Budget Committee

DEPARTMENT OF LAW

1. **Department of Law, Criminal Justice and Appellate, Medicaid Fraud Grant** -- The General Assembly requests that the Department of Law's Medicaid Fraud Control Unit produce a progress report on the Department's efforts to reduce Medicaid fraud and abuse in Colorado. The report should include: (1) the most recent estimates on the total amount of Medicaid fraud and abuse in Colorado; (2) a summary of total fines, costs, and restitutions recovered, attributable to the Medicaid Fraud Control Unit's efforts; (3) a detailed explanation of the Medicaid Fraud Control Unit's participation in global or national Medicaid fraud settlements, including total awards received due to them; and (4) evidence of the effectiveness of the Medicaid Fraud Control Unit in reducing the amount of Medicaid fraud and abuse in Colorado. The Medicaid Fraud Control Unit is requested to submit the report to the Joint Budget Committee by November 1, 2009.

STATE OF COLORADO

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April 27, 2009

Hon. Mary Mullarkey, Chief Justice of the Colorado Supreme Court
2 E. 14th Ave., 4th Floor
Denver, CO 80203-1792

Dear Chief Justice Mullarkey:

The General Assembly recently passed the FY 2009-10 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the Judical Department will comply with these requests to the fullest extent possible.

Please notify us by May 15th if you do not intend to comply with any requests.

Sincerely,

Moe Keller

Senator Moe Keller
Chairman

cc:
Gerry Marroney, State Court Administrator
Ted Tow, Executive Director, Colorado District Attorneys' Council
John Ziegler, Joint Budget Committee

JUDICIAL DEPARTMENT

1. **Judicial Department, Courts Administration** -- The Department is requested to review and analyze the impact of Colorado Supreme Court Rule 16 on state expenditures, and to determine whether amendments to Rule 16 and/or statutory changes are warranted. Specifically, the Department is requested to collect and analyze data concerning rates currently charged to state agencies by each district attorney's office for duplicating discoverable material, the methodology used by each office to calculate these rates, as well as the timing and frequency of rate changes. The Department is requested to determine the following: (a) whether existing rates are consistent with Part V (c) of Rule 16 and appropriately reimburse district attorneys' duplication costs; and (b) whether the existing process of establishing these rates allows state agencies to effectively manage their resources. Finally, the Department is requested to provide a report to the Joint Budget Committee and to the House and Senate Judiciary Committees by November 1, 2009, summarizing its findings, including any recommended rule changes and/or statutory changes.

2. **Judicial Department, Courts Administration; Office of the Child's Representative** -- The State Court Administrator's Office is requested to work with the Office of the Child's Representative (OCR) to explore options for providing the OCR with timely access to filing and appointment information for the purpose of allowing the OCR to better monitor its caseload and manage its annual appropriation. The Department is requested to provide a report to the Joint Budget Committee by September 1, 2009, describing the status of its efforts to provide timely filing and appointment information.

3. **Judicial Department, Trial Courts, District Attorney Mandated Costs** -- District Attorneys in each judicial district shall be responsible for allocations made by the Colorado District Attorney's Council's Mandated Cost Committee. Any increases in this line item shall be requested and justified in writing by the Colorado District Attorney's Council, rather than the Judicial Department, through the regular appropriation and supplemental appropriation processes. As part of its annual budget request, the Judicial Department is requested to include a report by the Colorado District Attorney's Council detailing how the District Attorney Mandated Costs appropriation is spent, how it is distributed, and the steps taken to control these costs.

4. **Judicial Department, Probation and Related Services** -- The Judicial Department is requested to provide by November 1 of each year a report on pre-release rates of recidivism and unsuccessful terminations and post-release recidivism rates among offenders in all segments of the probation population, including the following: adult and juvenile intensive supervision; adult and juvenile minimum, medium, and maximum supervision; and the female offender program. The Department is requested to include information about the disposition of pre-release failures and post-release recidivists, including how many offenders are incarcerated (in different kinds of facilities) and how many return to probation as the result of violations.

5. **Judicial Department, Probation and Related Services, Offender Treatment and Services** -- The Judicial Department is requested to provide by November 1 of each year a detailed report on how this appropriation is used, including the amount spent on testing, treatment, and assessments for offenders.

STATE OF COLORADO

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Moe Keller, Chairman
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April 27, 2009

Hon. Bernie Buescher, Secretary of State
Colorado Secretary of State's Office
1700 Broadway
Denver, CO 80290

Dear Secretary Buescher:

The General Assembly recently passed the FY 2009-10 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the Department of State will comply with these requests to the fullest extent possible.

Please notify us by May 15th if you do not intend to comply with any requests.

Sincerely,

Moe Keller

Senator Moe Keller
Chairman

cc:
Heather Lizotte, Budget/Finance, Colorado Secretary of State's Office
John Ziegler, Joint Budget Committee

DEPARTMENT OF STATE

1. **Department of State, Administration, Personal Services** -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2009, as part of the Department's annual budget request, a breakdown of how FTE and funds are distributed throughout the Administration Division.

2. **Department of State, Administration, Address Confidentiality Program** -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2009, an annual budget report for the Address Confidentiality Program. The report should reflect monthly expenditures, the number of participants served, and the number of pieces of participants' mail processed monthly.

3. **Department of State, Information Technology Services, Information Technology, Personal Services** -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2009, information concerning expenditures related to the Department's new accounting system. The report should include the status of the new accounting system and its costs. The requested information should be submitted as part of the Department of State's annual budget request.

STATE OF COLORADO

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Moe Keller, Chairman
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April 27, 2009

Hon. Cary Kennedy, State Treasurer
140 State Capitol
Denver, CO 80203-1792

Dear Treasurer Kennedy:

The General Assembly recently passed the FY 2009-10 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the Treasury Department will comply with these requests to the fullest extent possible.

Please notify us by May 15th if you do not intend to comply with any requests.

Sincerely,

Moe Keller

Senator Moe Keller
Chairman

cc:
Eric Rothaus, Deputy Treasurer
John Ziegler, Joint Budget Committee

DEPARTMENT OF TREASURY

1. **Department of the Treasury, Administration** -- The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the performance of the state's investments. The report should include comparisons to relevant benchmarks and a detailed discussion of the benchmarks. This report should be submitted as a part of the State Treasurer's annual budget request.

2. **Department of the Treasury, Administration** -- The State Treasurer is requested to provide to the Joint Budget Committee, by November 1, 2009, information concerning expenditures related to the Department's bank services contract(s) which are paid through deductions from interest earned on bank account balances. The State Treasurer is requested to include actual expenditures for FY 2008-09 as well as projected expenditures for FY 2009-10. The requested report should be submitted as part of the State Treasurer's annual budget request.

3. **Department of the Treasury, Administration** -- The State Treasurer is requested to provide to the Joint Budget Committee, by November 1, 2009, information concerning state revenues and expenditures related to the issuance of tax and revenue anticipation notes for school districts pursuant to Section 29-15-112, C.R.S. The State Treasurer is requested to include actual data for FY 2008-09, as well as projected data for FY 2009-10. The requested information should be submitted as part of the State Treasurer's annual budget request.

4. **Department of the Treasury, Special Purpose, CoverColorado** -- Pursuant to Section 10-8-530 (4) (c) (I), C.R.S., the Executive Director of CoverColorado is required to report annually to the Joint Budget Committee concerning actual program receipts and expenditures. In addition, the Department is requested to work with the Executive Director to provide reports to the Joint Budget Committee by October 1, 2009, and by February 1, 2010, that contain enrollment, revenue, expenditure, and assessment projections for the CoverColorado program for FY 2009-10 and FY 2010-11.

5. **Department of the Treasury, Special Purpose, Fire and Police Pension Association - Old Hire Plans** -- The Fire and Police Pension Association is requested to submit an annual report of operations and investments for state-supported programs to the Joint Budget Committee by October 1, 2009. This report shall include the following: (1) the amount of additional funding the State is required to transfer to the Association pursuant to Section 31-30.5-307 (5) (b), C.R.S., assuming such payment is made on April 30, 2012, along with a description of the actuarial assumptions used to calculate this amount; (2) the current estimated unfunded liability for each local plan still eligible to receive state assistance; and (3) the projected remaining funded period for each local plan still eligible to receive state assistance.

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