

**STATE OF COLORADO**

**JOINT BUDGET COMMITTEE**



**APPROPRIATIONS REPORT:**

**Fiscal Year 2010-11**

**Representative Jack Pommer, Chairman**

**Senator Maryanne "Moe" Keller, Vice-Chairman**

**Representative Mark Ferrandino**

**Senator Abel Tapia**

**Representative Kent Lambert**

**Senator Al White**

**JOINT BUDGET COMMITTEE STAFF**  
**200 EAST 14TH AVENUE, THIRD FLOOR**  
**DENVER, COLORADO 80203**  
**(303) 866-2061**

John Ziegler ..... Staff Director  
Melodie Beck ..... Chief Legislative Analyst  
Amanda Bickel ..... Chief Legislative Analyst  
Carolyn Kampman ..... Chief Legislative Analyst  
Eric Kurtz ..... Chief Legislative Analyst  
Steve Allen ..... Senior Legislative Analyst  
Viktor Bojilov ..... Senior Legislative Analyst  
Patrick Brodhead ..... Senior Legislative Analyst  
Bernie Gallagher ..... Senior Legislative Analyst  
Megan Davisson ..... Legislative Analyst  
Craig Harper ..... Legislative Analyst  
David Meng ..... Legislative Analyst  
Kevin Neimond ..... Legislative Analyst  
Caroline Smith ..... Legislative Analyst  
Sarietha Ormsby ..... General Professional IV  
Jessi Neuberg ..... Administrative Assistant

# FISCAL YEAR 2010-11 APPROPRIATIONS REPORT

## TABLE OF CONTENTS

<b>INTRODUCTION</b> .....	1
<b>PART I: OVERVIEW OF REVENUES AND EXPENDITURES</b>	
A. General Fund Overview .....	3
B. Article X, Section 20 (TABOR) Overview .....	8
C. Overview Charts:	
Sources of General Fund Revenue (FY 2010-11) .....	10
History of Appropriations by Funding Source (FY 2001-02 to FY 2010-11) .....	11
Comparison of Appropriations by Program (FY 2000-01 and FY 2010-11):	
Total Funds .....	12
General Fund .....	13
<b>PART II: SUMMARY TABLES</b>	
A. FY 2010-11 Operating Appropriations by Department and Fund Source .....	14
B. Four-Year Summary of Appropriations:	
Total Funds .....	15
General Fund .....	16
Cash Funds .....	17
Reappropriated Funds/Cash Funds Exempt .....	18
Federal Funds .....	19
FTE .....	20
<b>PART III: APPROPRIATION DETAIL BY DEPARTMENT</b>	
Agriculture .....	21
Corrections .....	37
Education .....	68
Governor-Lt. Governor-State Planning and Budgeting .....	104
Health Care Policy and Financing .....	122
Higher Education .....	169
Human Services .....	198

## TABLE OF CONTENTS (CONTINUED)

### PART III: APPROPRIATION DETAIL BY DEPARTMENT (CONTINUED)

Judicial Department .....	267
Labor and Employment .....	303
Law (Attorney General's Office) .....	323
Legislative Branch .....	344
Local Affairs .....	354
Military and Veterans Affairs .....	371
Natural Resources .....	382
Personnel and Administration .....	412
Public Health and Environment .....	432
Public Safety .....	469
Regulatory Agencies .....	490
Revenue .....	516
State .....	557
Transportation .....	568
Treasury .....	582
Capital Construction .....	594

### APPENDICES

A. Glossary of Terms .....	605
B. Common Policies .....	608
C. 2010 Session Supplemental Adjustments to Appropriations for FY 2008-09 and Prior Years .....	614
D. Summary of State Education Fund Appropriations .....	619
E. Highway Users Tax Fund Off-the-top Appropriation .....	623
F. Severance Tax Trust Fund - Operational Account Funds Overview .....	624
G. Tobacco Revenue Allocation .....	627
H. Amounts Exempt from Restriction on General Fund Appropriations .....	636
I. Letters Requesting Information from State Departments .....	640

INDEX .....	641
-------------	-----

# 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 2010 Regular Session. This report provides an overview of state general tax revenues and expenditures, comparative and historical information regarding appropriations made during the 2010 Regular Session, and a detailed explanation of major funding changes for each state department. The FY 2010-11 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 2010-11 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 2009-10 and FY 2010-11. The format reflects appropriations by bill and by division or program area. Narrative sections describe major changes in funding from FY 2009-10 to FY 2010-11, factors impacting departmental budgets, fund sources for each division, and division activities. This section also includes brief summaries of bills adopted in the 2009 and 2010 Regular Sessions that contained an appropriation or implemented a major policy change.

The footnotes to the 2010 Long Bill (H.B. 10-1376) can be found at the end of each departmental section in the 2010 Session Laws, or they can be accessed via the internet at the following address:

<http://www.leg.state.co.us/CLICS/CLICS2010A/csl.nsf/lbcontainer/HB10-1376?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](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 2010 Regular Session adjustments to operating and capital construction appropriations for years prior to FY 2009-10
- D - Table summarizing appropriations from the State Education Fund
- E - Table summarizing appropriations from the Highway Users Tax Fund
- F - Summary of severance tax allocations
- G - Summary of tobacco settlement allocations
- H - Summary of General Fund moneys that were deemed exempt from the restrictions on General Fund appropriations
- 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 2010 Legislative Council Staff's revenue estimate, which was used to prepare the FY 2010-11 budget.

### Summary of Actions Taken to Balance the FY 2009-10 Budget:

The June 2009, September 2009, December 2009, and March 2010 revenue forecasts prepared by Legislative Council Staff reflected lower General Fund revenues than had been forecasted in March 2009. 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 2009-10. The following Table 1 highlights the major actions taken during the 2010 regular session to balance the FY 2009-10 budget. Each bill can be referenced for specific information about the changes within each category.

<b>Table 1</b> <b>Summary of Highlights of Actions Taken to Balance FY 2009-10 Budget</b>		
Type of Action	Dollar Amount (millions)	Bills
Cash Fund Transfers	\$124.7	HBs 10-1323, 10-1325, 10-1327, 10-1339, and 10-1389
Revenue Increases	14.7	HBs 10-1189, 10-1190, 10-1191, 10-1192, 10-1194, and 10-1195
Net Supplemental Reductions (offset for FMAP reclassification) <sup>1</sup>	443.3	HBs 10-1297 through 10-1317 and 10-1376
Separate Legislation	38.8	HBs 10-1320, 10-1321, 10-1322, 10-1324, and 10-1326
Total Actions	\$621.5	
<sup>1</sup> The total supplemental reduction for FY 2009-10 was \$786.3 million. This amount was reduced by \$343.0 million to account for reclassification of the Federal Medicaid Assistance Percentage (FMAP) enhanced match that the State was permitted to pay under the American Recovery and Reinvestment Act. This calculation resulted in a net supplemental reduction of \$443.3 million. The total supplemental amount was reduced because the enhanced FMAP rate was accounted for in General Fund overviews during the 2009 regular session but the appropriation was not reduced until the 2010 regular session.		

## FY 2009-10 and FY 2010-11 General Fund Overview:

Table 2 provides an overview of General Fund revenues, spending obligations, and ending reserves for both FY 2009-10 and FY 2010-11. Please note that some of these amounts will change in the future with revised revenue forecasts and/or actions of the General Assembly.

<b>Table 2</b>		
<b>General Fund Overview (In Millions)</b>		
<b>Description</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>
<b><u>General Fund Available</u></b>		
Beginning General Fund Reserve	\$443.3	\$331.6
Gross General Fund Nonexempt Revenues	6,729.7	6,690.3
Gross General Fund Exempt Revenues	0.0	428.8
Transfer to Older Coloradans Cash Fund	(10.9)	(10.9)
Transfers from/(to) Other Funds	(51.9)	87.9
Excess Article X, Section 20 Revenues	<u>0.0</u>	<u>0.0</u>
Total General Fund Available	\$7,110.2	\$7,527.7
<b><u>General Fund Obligations</u></b>		
Capital Construction Transfer	\$2.0	\$11.8
Rebates and Expenditures	146.2	154.5
Senior & Disabled Veteran Property Tax Homestead Exemption	1.4	1.8
Amounts Deemed Exempt from Statutory Restrictions	0.0	0.0
Estimated Federal Medical Assistance Percentage (FMAP) Changes	(2.4)	(3.1)
General Fund Appropriations	<u>6,631.4</u>	<u>6,940.3</u>
Total General Fund Obligations	\$6,778.6	\$7,105.3
<b>Ending General Fund Reserve (Available Funds Less Obligations)</b>	<b>\$331.6</b>	<b>\$422.4</b>
<b><u>General Fund Reserve Information</u></b>		
Statutorily Required General Fund Reserve	\$132.6	\$277.6
General Fund Reserve in Excess of Statutory Requirement	\$199.0	\$144.8

*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. 09-277 permitted the General Fund reserve to decrease to 2.0 percent for FY 2009-10.

*Gross General Fund Nonexempt Revenues* - These figures represent estimates of the total General Fund revenues as reflected in the March 2010 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 2010 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 identifies miscellaneous statutory transfers to or from the General Fund. There is an explanation in each section of this report that identifies 2009 and 2010 session bills that transferred moneys to the General Fund and the associated amounts.

*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 2010 Legislative Council Staff revenue estimate, the State is not expected to have excess revenues in FY 2009-10 or FY 2010-11.

*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 2009-10 and FY 2010-11.

*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 2009-10 and FY 2010-11 represent the estimates as reflected in the March 2010 Legislative Council Staff's revenue estimate (also shown in Appendix H) and adjusted by S.B. 09-276 and S.B. 10-190. Senate Bills 09-276 and 10-190 suspended the senior property tax exemption for FY 2009-10 and FY 2010-11 but left the disabled veteran exemption in place.

*Amounts Deemed Exempt from Statutory Restrictions* - 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 2009-10 and FY 2010-11.

*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. Senate Bill 09-277 permitted the General Fund reserve to decrease to 2.0 percent for FY 2009-10.

*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.

Section 24-75-201.1 (1) (a) (III), C.R.S. 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 2010-11. The table also shows the General Fund appropriations that are exempt from or not subject to the statutory limitation on General Fund appropriations for FY 2010-11, and the difference between General Fund appropriations and the restricted amount for FY 2010-11.

<b>Table 3</b> <b>Section 24-75-201.1, C.R.S., Statutory Restriction on Appropriations (in Millions)</b>	
Calendar Year 2008 Personal Income (base as defined in Section 24-75-201.1 (1) (a) (VII), C.R.S.)	\$212,320.0
Multiplied by 5.0 Percent	<u>X 0.05</u>
FY 2010-11 General Fund Appropriations Limitation	\$10,616.0
FY 2010-11 General Fund Appropriations	\$6,966.5
Less: General Fund Appropriations Exempt From/ Not Subject to Statutory Limitation	<u>(26.2)</u>
FY 2010-11 General Fund Appropriations Subject to Limitation	\$6,940.3
Over/(Under) FY 2010-11 General Fund Appropriations Limitation	(\$3,675.7)

While Section 24-75-201.1, C.R.S., would theoretically allow General Fund appropriations of \$10,616.0 million, the March 2010 Legislative Council Staff revenue forecast indicates that General Fund revenues will only support an appropriation of \$7,085.1 million from the General Fund for FY 2010-11. The General Assembly appropriated \$6,940.3 million that is subject to the statutory limit, leaving an anticipated excess reserve of \$144.8 million for FY 2010-11.

## **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 (the Taxpayer's Bill of Rights or "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.

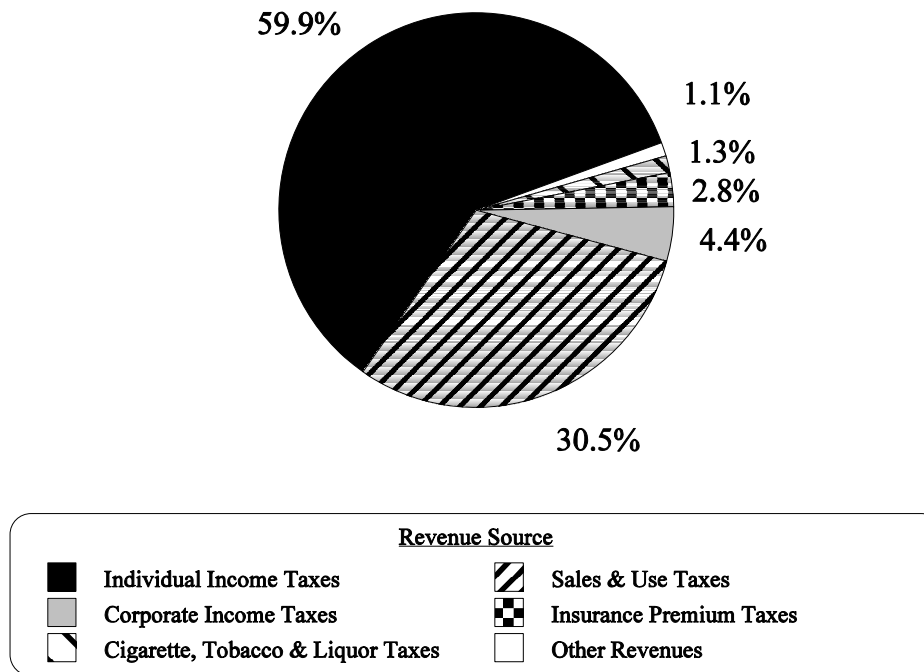
The measure requires the Director of Research of the Legislative Council Staff to prepare an excess state revenues legislative report that includes the amount of excess state revenues that the State retained and a description of how the excess state revenues were expended.

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.

<b>Table 4</b> <b>"Referendum C" General Fund Exempt Appropriations by Programs in H.B. 10-1376 (Long Bill)</b> <b>(Dollars in Millions)</b>				
<b>Department</b>	<b>Long Bill Line Item/Bill Number</b>	<b>FY 08-09</b>	<b>FY 09-10</b>	<b>FY 10-11</b>
Education	State Share of Districts' Total Program Funding	\$0.0	\$0.0	\$161.4
Health Care Policy and Financing	Medical Services Premiums Totals	0.0	0.0	161.4
Higher Education	College Opportunity Fund Program - Stipends	0.0	0.0	101.3
Local Affairs	Volunteer Firefighter Retirement Plans	0.0	0.0	4.2
Treasury	Fire and Police Pension Association - Old Hire Plans	0.0	0.0	0.0
Transportation	H.B. 10-1389 - Capital Construction Transfer Bill	0.0	0.0	0.5
	<b>Total General Fund Exempt</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$428.8</b>

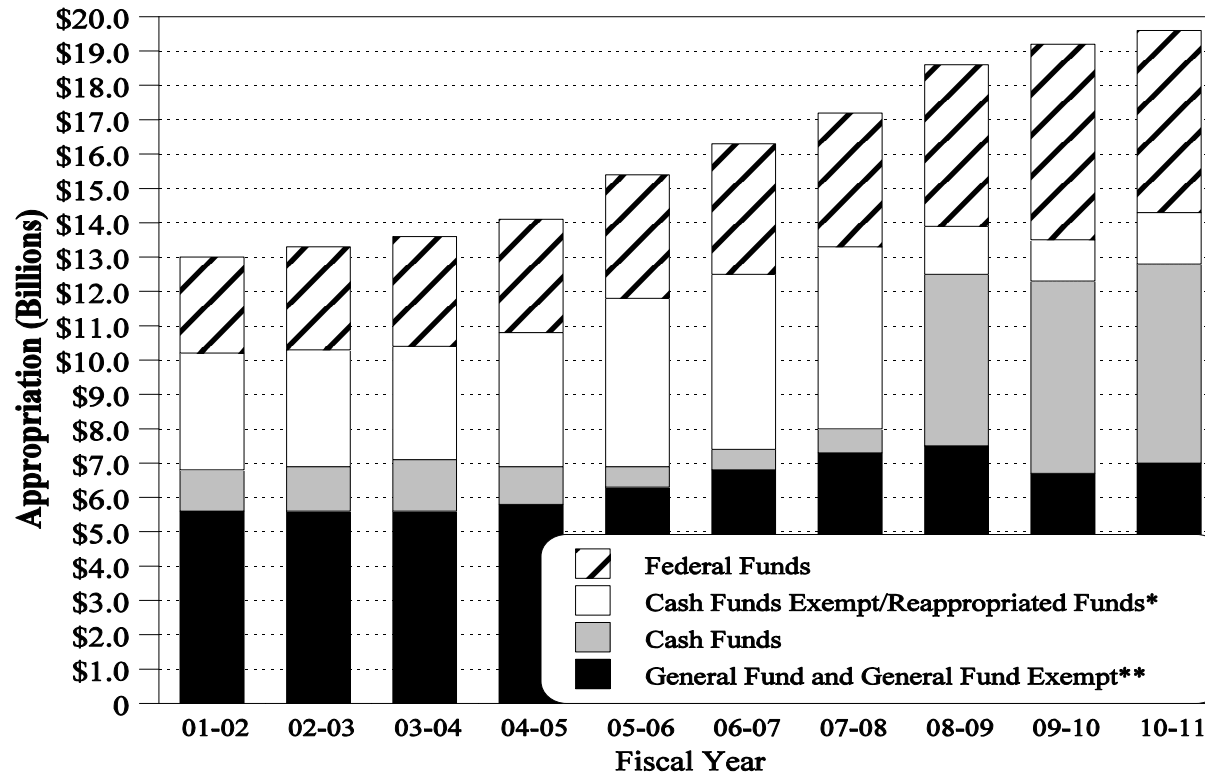
**COLORADO STATE BUDGET  
SOURCES OF GENERAL FUND REVENUE  
(Fiscal Year 2010-11)**

**Estimated Gross General Fund Revenues = \$7,119.0 Billion\***



\* Source: Colorado Legislative Council Staff's March 2010 Economic and Revenue Forecast. These percentages are net of income tax receipts that are transferred to the State Education Fund (\$367.9 million).

# **COLORADO STATE OPERATING BUDGET HISTORY OF APPROPRIATIONS BY FUNDING SOURCE (Fiscal Years 2001-02 through 2010-11)**



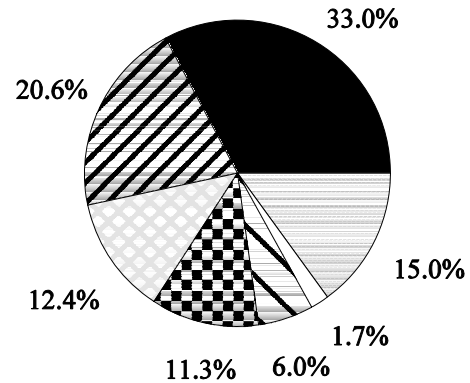
**NOTE:** Appropriated amounts have not been adjusted for inflation.

\* Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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, FY 2009-10, and FY 2010-11.

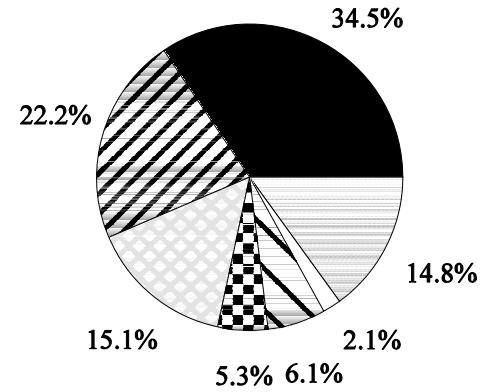
\*\* General Fund Exempt amounts are reflected for FY 2005-06, FY 2006-07, FY 2007-08, FY 2008-09, FY 2009-10, and FY 2010-11.

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

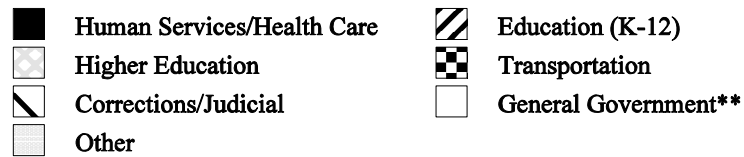
**FY 2000-01 = \$12.35 billion\***



**FY 2010-11 = \$19.54 billion\***



### Departments

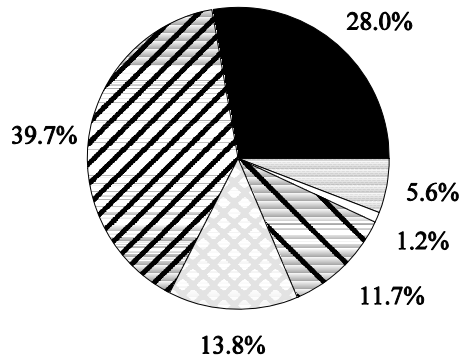


\* Total percentages may not sum to 100.0 percent due to rounding.

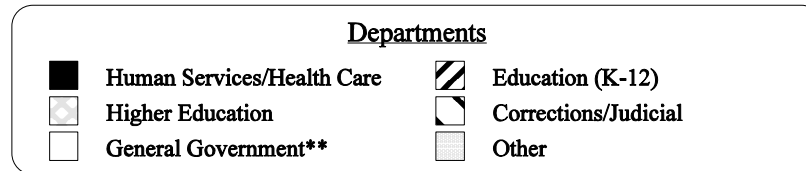
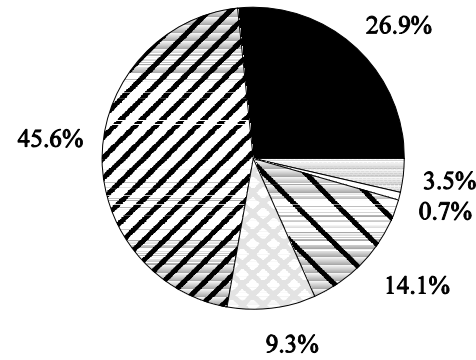
\*\* Includes the Governor's Office, the Legislature, and the Department of Personnel and Administration.

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

**FY 2000-01 = \$5.40 billion\***



**FY 2010-11 = \$6.97 billion\***



\* Total percentages may not sum to 100.0 percent due to rounding.

\*\* Includes the Governor's Office, the Legislature, and the Department of Personnel and Administration.

## PART II: SUMMARY TABLES

### A. FY 2010-11 OPERATING APPROPRIATIONS BY DEPARTMENT AND FUND SOURCE

Department	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	TOTAL
Agriculture	\$4,956,274	\$28,575,452	\$1,126,997	\$4,020,154	\$38,678,877
Corrections	647,180,811	40,465,186	42,549,814	257,931	730,453,742
Education	3,176,663,441	569,464,505	22,732,752	569,850,639	4,338,711,337
Governor	11,291,137	26,031,709	130,811,782	33,209,586	201,344,214
Health Care Policy and Financing	1,232,196,603	607,038,213	20,889,306	2,723,969,690	4,584,093,812
Higher Education	644,870,589	1,601,678,889	586,167,393	109,482,271	2,942,199,142
Human Services	639,803,262	344,632,848	429,957,794	738,717,337	2,153,111,241
Judicial	332,423,582	108,528,846	7,478,592	6,814,742	455,245,762
Labor and Employment	0	59,616,360	1,691,337	95,561,803	156,869,500
Law	9,615,003	9,900,454	31,089,374	1,469,096	52,073,927
Legislature	34,796,446	202,831	1,000,316	0	35,999,593
Local Affairs	10,561,511	203,509,756	7,243,477	96,977,419	318,292,163
Military and Veterans Affairs	5,320,408	1,408,881	803,509	213,758,894	221,291,692
Natural Resources	26,419,333	191,814,141	7,972,361	19,728,647	245,934,482
Personnel and Administration	5,476,140	9,579,235	157,149,679	0	172,205,054
Public Health and Environment	27,541,461	129,530,277	26,479,698	256,596,843	440,148,279
Public Safety	82,654,286	126,160,853	21,699,460	27,917,989	258,432,588
Regulatory Agencies	1,510,435	68,203,204	6,825,033	1,231,398	77,770,070
Revenue	70,714,586	630,786,977	1,537,481	815,619	703,854,663
State	0	21,583,341	0	0	21,583,341
Transportation	0	658,329,628	4,986,153	369,101,388	1,032,417,169
Treasury	<u>2,550,137</u>	<u>354,449,680</u>	<u>0</u>	<u>0</u>	<u>356,999,817</u>
<b>OPERATING TOTAL /1</b>	<b>\$6,966,545,445</b>	<b>\$5,791,491,266</b>	<b>\$1,510,192,308</b>	<b>\$5,269,481,446</b>	<b>\$19,537,710,465</b>

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

## B. FOUR-YEAR SUMMARY OF APPROPRIATIONS:

### TOTAL FUNDS

Department	FY 2007-08 Appropriation	FY 2008-09 Appropriation	FY 2009-10 Appropriation	FY 2010-11 Appropriation
Agriculture	\$36,343,350	\$39,050,930	\$38,843,498	\$38,678,877
Corrections	710,611,718	753,884,358	742,980,190	730,453,742
Education	3,957,180,035	4,371,057,290	4,725,438,549	4,338,711,337
Governor	70,777,257	135,455,255	123,540,645	201,344,214
Health Care Policy and Financing	3,571,189,627	3,892,474,674	4,320,001,681	4,584,093,812
Higher Education	2,555,973,789	2,639,891,885	2,627,663,370	2,942,199,142
Human Services	2,033,711,435	2,139,923,470	2,144,727,107	2,153,111,241
Judicial	390,126,495	433,774,947	441,595,052	455,245,762
Labor and Employment	160,004,291	161,288,257	177,028,794	156,869,500
Law	46,038,992	47,777,945	49,339,112	52,073,927
Legislature	33,863,925	35,902,707	36,544,775	35,999,593
Local Affairs	228,645,092	263,367,107	394,429,210	318,292,163
Military and Veterans Affairs	172,664,889	203,354,874	203,227,824	221,291,692
Natural Resources	211,142,943	234,769,579	225,920,833	245,934,482
Personnel and Administration	190,266,484	148,884,216	176,507,609	172,205,054
Public Health and Environment	460,801,638	469,965,999	428,940,743	440,148,279
Public Safety	224,565,711	245,735,484	249,790,343	258,432,588
Regulatory Agencies	72,348,057	77,722,749	79,893,774	77,770,070
Revenue	604,476,068	687,174,978	692,073,355	703,854,663
State	20,782,602	27,569,394	21,022,851	21,583,341
Transportation	1,062,120,060	1,277,611,752	973,508,750	1,032,417,169
Treasury	<u>397,833,647</u>	<u>389,434,258</u>	<u>295,616,667</u>	<u>356,999,817</u>
<b>TOTAL</b>	<b>\$17,211,468,105</b>	<b>\$18,676,072,108</b>	<b>\$19,168,634,732</b>	<b>\$19,537,710,465</b>

# FOUR-YEAR SUMMARY OF APPROPRIATIONS:

## GENERAL FUND

Department	FY 2007-08 Appropriation	FY 2008-09 Appropriation	FY 2009-10 Appropriation	FY 2010-11 Appropriation
Agriculture	\$7,325,509	\$7,223,168	\$6,055,836	\$4,956,274
Corrections	624,606,171	642,348,257	565,603,106	647,180,811
Education	3,023,327,981	3,215,359,907	3,239,325,619	3,176,663,441
Governor	17,294,433	13,443,436	13,862,984	11,291,137
Health Care Policy and Financing	1,481,718,670	1,579,411,116	1,150,198,522	1,232,196,603
Higher Education	747,717,300	661,973,800	428,761,033	644,870,589
Human Services	649,483,006	680,013,238	651,948,502	639,803,262
Judicial	299,604,040	327,079,558	323,814,931	332,423,582
Labor and Employment	0	0	0	0
Law	8,675,523	8,855,044	9,225,846	9,615,003
Legislature	32,740,151	34,889,177	35,137,319	34,796,446
Local Affairs	10,989,371	12,352,639	10,912,921	10,561,511
Military and Veterans Affairs	5,530,793	5,685,713	5,407,887	5,320,408
Natural Resources	30,258,368	31,057,499	26,634,588	26,419,333
Personnel and Administration	11,439,122	5,784,722	5,576,326	5,476,140
Public Health and Environment	23,932,469	26,586,357	27,076,170	27,541,461
Public Safety	73,311,297	79,735,441	81,989,417	82,654,286
Regulatory Agencies	1,416,831	1,465,862	1,457,251	1,510,435
Revenue	95,291,960	100,649,490	73,749,339	70,714,586
State	0	0	0	0
Transportation	0	0	0	0
Treasury	<u>114,153,460</u>	<u>86,966,576</u>	<u>1,680,359</u>	<u>2,550,137</u>
<b>OPERATING SUBTOTAL</b>	<b>\$7,258,816,455</b>	<b>\$7,520,881,000</b>	<b>\$6,658,417,956</b>	<b>\$6,966,545,445</b>
Capital Construction Fund /1	7,132,239	441,529	0	0
<b>LESS:</b> Amount Exempt From Statutory Restrictions on Increases in Appropriations	<u>(152,409,139)</u>	<u>(122,075,781)</u>	<u>(26,841,912)</u>	<u>(26,209,165)</u>
<b>GRAND TOTAL</b>	<b>\$7,113,539,555</b>	<b>\$7,399,246,748</b>	<b>\$6,631,576,044</b>	<b>\$6,940,336,280</b>

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

## FOUR-YEAR SUMMARY OF APPROPRIATIONS:

### CASH FUNDS

Department	FY 2007-08 Appropriation	FY 2008-09 Appropriation /1	FY 2009-10 Appropriation /1	FY 2010-11 Appropriation /1
Agriculture	\$19,248,656	\$26,796,487	\$27,018,443	\$28,575,452
Corrections	2,974,432	43,346,045	44,731,991	40,465,186
Education	15,090,644	640,392,536	636,538,236	569,464,505
Governor	8,776,099	38,831,138	28,043,418	26,031,709
Health Care Policy and Financing	3,439,333	389,157,525	590,847,026	607,038,213
Higher Education	23,204,523	1,224,926,051	1,433,870,516	1,601,678,889
Human Services	110,605,461	350,103,548	351,463,783	344,632,848
Judicial	77,689,182	98,439,018	105,630,825	108,528,846
Labor and Employment	36,406,500	62,309,957	60,585,018	59,616,360
Law	6,817,942	8,117,746	9,292,899	9,900,454
Legislature	90,000	207,030	223,640	202,831
Local Affairs	29,959,987	190,783,749	258,601,220	203,509,756
Military and Veterans Affairs	119,124	1,308,889	1,407,940	1,408,881
Natural Resources	49,707,409	179,001,019	174,744,140	191,814,141
Personnel and Administration	14,676,758	6,667,669	10,828,867	9,579,235
Public Health and Environment	40,390,291	164,440,239	145,250,938	129,530,277
Public Safety	13,869,163	117,842,353	119,897,125	126,160,853
Regulatory Agencies	61,289,916	66,343,403	68,839,045	68,203,204
Revenue	53,730,841	583,661,442	615,399,703	630,786,977
State	16,820,907	27,569,394	21,022,851	21,583,341
Transportation	84,007,659	512,824,049	614,161,434	658,329,628
Treasury	<u>2,642,009</u>	<u>302,467,682</u>	<u>293,936,308</u>	<u>354,449,680</u>
<b>TOTAL</b>	<b>\$671,556,836</b>	<b>\$5,035,536,969</b>	<b>\$5,612,335,366</b>	<b>\$5,791,491,266</b>

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 2007-08 Appropriation Cash Funds Exempt	FY 2008-09 Appropriation /1 Reappropriated Funds	FY 2009-10 Appropriation /1 Reappropriated Funds	FY 2010-11 Appropriation /1 Reappropriated Funds
Agriculture	\$5,861,194	\$1,065,306	\$1,800,473	\$1,126,997
Corrections	79,809,826	42,294,502	42,698,918	42,549,814
Education	421,921,521	17,651,668	22,701,205	22,732,752
Governor	31,676,275	50,198,695	48,776,564	130,811,782
Health Care Policy and Financing	364,968,810	23,663,618	24,443,505	20,889,306
Higher Education	1,764,573,730	582,085,866	362,747,643	586,167,393
Human Services	634,002,276	429,630,630	438,101,302	429,957,794
Judicial	10,541,809	5,966,106	7,718,876	7,478,592
Labor and Employment	20,402,867	1,621,481	12,832,151	1,691,337
Law	29,450,172	29,708,104	29,557,289	31,089,374
Legislature	1,033,774	806,500	1,183,816	1,000,316
Local Affairs	107,433,892	5,324,722	11,928,255	7,243,477
Military and Veterans Affairs	1,580,665	653,509	803,509	803,509
Natural Resources	114,273,379	7,377,769	7,305,823	7,972,361
Personnel and Administration	164,029,604	136,431,825	160,102,416	157,149,679
Public Health and Environment	186,347,402	69,325,687	33,233,774	26,479,698
Public Safety	113,814,201	21,669,859	21,337,368	21,699,460
Regulatory Agencies	8,486,488	8,595,150	8,382,793	6,825,033
Revenue	453,907,053	1,392,448	1,398,939	1,537,481
State	3,851,101	0	0	0
Transportation	536,695,262	3,923,580	3,950,128	4,986,153
Treasury	<u>281,038,178</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b>\$5,335,699,479</b>	<b>\$1,439,387,025</b>	<b>\$1,241,004,747</b>	<b>\$1,510,192,308</b>

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 2007-08 Appropriation	FY 2008-09 Appropriation	FY 2009-10 Appropriation	FY 2010-11 Appropriation
Agriculture	\$3,907,991	\$3,965,969	\$3,968,746	\$4,020,154
Corrections	3,221,289	25,895,554	89,946,175	257,931
Education	496,839,889	497,653,179	826,873,489	569,850,639
Governor	13,030,450	32,981,986	32,857,679	33,209,586
Health Care Policy and Financing	1,721,062,814	1,900,242,415	2,554,512,628	2,723,969,690
Higher Education	20,478,236	170,906,168	402,284,178	109,482,271
Human Services	639,620,692	680,176,054	703,213,520	738,717,337
Judicial	2,291,464	2,290,265	4,430,420	6,814,742
Labor and Employment	103,194,924	97,356,819	103,611,625	95,561,803
Law	1,095,355	1,097,051	1,263,078	1,469,096
Legislature	0	0	0	0
Local Affairs	80,261,842	54,905,997	112,986,814	96,977,419
Military and Veterans Affairs	165,434,307	195,706,763	195,608,488	213,758,894
Natural Resources	16,903,787	17,333,292	17,236,282	19,728,647
Personnel and Administration	121,000	0	0	0
Public Health and Environment	210,131,476	209,613,716	223,379,861	256,596,843
Public Safety	23,571,050	26,487,831	26,566,433	27,917,989
Regulatory Agencies	1,154,822	1,318,334	1,214,685	1,231,398
Revenue	1,546,214	1,471,598	1,525,374	815,619
State	110,594	0	0	0
Transportation	441,417,139	760,864,123	355,397,188	369,101,388
Treasury	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL</b>	<b>\$3,945,395,335</b>	<b>\$4,680,267,114</b>	<b>\$5,656,876,663</b>	<b>\$5,269,481,446</b>

## FOUR-YEAR SUMMARY OF APPROPRIATIONS:

### FTE

Department	FY 2007-08 Appropriation	FY 2008-09 Appropriation	FY 2009-10 Appropriation	FY 2010-11 Appropriation
Agriculture	284.0	291.8	293.0	287.1
Corrections	6,310.9	6,583.9	6,547.6	6,751.8
Education	476.1	536.1	563.3	553.0
Governor	121.5	376.7	368.9	1,046.0
Health Care Policy and Financing	257.3	269.2	287.6	294.8
Higher Education	19,277.9	19,803.3	20,954.9	21,397.5
Human Services	5,489.3	5,528.1	5,491.1	5,177.4
Judicial	3,854.2	4,084.7	3,947.8	4,084.4
Labor and Employment	1,099.5	1,124.7	1,123.7	1,047.0
Law	378.4	392.4	398.6	414.5
Legislature	277.1	277.1	277.1	277.1
Local Affairs	184.0	180.5	186.5	176.3
Military and Veterans Affairs	1,383.8	1,386.9	1,386.9	1,384.9
Natural Resources	1,515.4	1,546.8	1,538.8	1,474.8
Personnel and Administration	567.5	392.9	393.6	391.3
Public Health and Environment	1,188.2	1,224.8	1,289.5	1,227.7
Public Safety	1,319.6	1,350.9	1,358.5	1,349.0
Regulatory Agencies	556.7	576.1	595.4	578.4
Revenue	1,480.0	1,496.8	1,490.7	1,521.5
State	125.5	127.1	133.9	134.6
Transportation	3,316.0	3,365.5	3,366.5	3,307.5
Treasury	<u>26.0</u>	<u>29.5</u>	<u>31.5</u>	<u>31.5</u>
<b>TOTAL</b>	<b>49,488.9</b>	<b>50,945.8</b>	<b>52,025.4</b>	<b>52,908.1</b>

## PART III: EXPENDITURE AND APPROPRIATION DETAIL BY DEPARTMENT

### DEPARTMENT OF AGRICULTURE

The Department of Agriculture regulates, promotes and supports various agriculture activities throughout Colorado through a wide range of services including: regulation and certification of the livestock industry; regulation of the use of pesticides and pesticide applicators; administration of Inspection and Consumer Services Programs; brand inspections; oversight of conservation services throughout the state; promotion of Colorado's agricultural industries; and administration of the State Fair and fairgrounds. The Department is comprised of the Commissioner's Office and Administrative Services, the Agricultural Services Division, the Agricultural Markets Division, the Brand Board, Special Purpose, the Colorado State Fair, and the Conservation Board.

#### Department Budget: Recent Appropriations

Funding Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$7,325,509	\$7,223,168	\$6,055,836	\$4,956,274
Cash Funds/1	19,248,656	26,796,487	27,018,443	28,575,452
Cash Funds Exempt/1	5,861,194	n/a	n/a	n/a
Reappropriated Funds/1	n/a	1,065,306	1,800,473	1,126,997
Federal Funds	<u>3,907,991</u>	<u>3,965,969</u>	<u>3,968,746</u>	<u>4,020,154</u>
<b>Total Funds</b>	<b>\$36,343,350</b>	<b>\$39,050,930</b>	<b>\$38,843,498</b>	<b>\$38,678,877</b>
Full Time Equiv. Staff	284.0	291.8	293.0	287.1

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 2010-11 consists of 12.8 percent General Fund, 73.9 percent cash funds, 2.9 percent reappropriated funds, and 10.4 percent federal funds. Some of the most important factors driving the budget are reviewed below.

#### Funding from Unclaimed Property Program

House Bill 08-1399 (Buescher/Isgar) reallocated the interest earned on the sale of unclaimed securities from the Unclaimed Property Tourism Trust Fund to the Colorado Travel and Tourism Promotion Fund once the debt on the State Fair's Event Center was paid off. The debt was paid off on February 27, 2009, and since then the Department has been able to fully cash fund the State Fair's operational and administrative expenses as a result

of securing a steady funding source from unclaimed property moneys. Pursuant to Section 38-13-116.7 (3), C.R.S., revenue from the interest earned on the proceeds from the sale of unclaimed securities is allocated as follows:

- ▶ 65.0 percent is credited into the Agriculture Management Fund – for use by the Commissioner of Agriculture to fund the cost of agricultural programs and staff;
- ▶ 25.0 percent is credited to the Colorado State Fair Authority Cash Fund – for use by the Colorado State Fair Authority for the operation, maintenance, administration and support of the Colorado State Fair and fairgrounds; and,
- ▶ 10.0 percent remains in the Colorado Travel and Tourism Promotion Fund for use by the Governor's Colorado Tourism Office to promote agritourism in coordination with the Commissioner.

## State Economy

Due to the economic downturn, the Department's General Fund appropriations have declined every fiscal year since FY 2008-09. The Department has been able to offset some of these reductions with money from the Agricultural Management Fund. The following table shows the Department's General Fund expenditures and appropriations since FY 2006-07.

Recent Department of Agricultural General Fund Appropriations					
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund Appropriation	\$5,221,517	\$7,325,509	\$7,223,168	\$6,055,836	\$4,956,274
Change from Previous Year	n/a	40.3%	(1.4)%	(16.2)%	(18.2)%

## Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$38,843,498</b>	<b>\$6,055,836</b>	<b>\$27,018,443</b>	<b>\$1,800,473</b>	<b>\$3,968,746</b>	<b>293.0</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	8,179,985	1,865,352	2,313,035	1,134,458	2,867,140	31.7
Agricultural Services Division	12,629,938	3,132,907	8,272,645	621,015	603,371	152.3
Agricultural Markets Division	1,107,786	434,425	628,361	45,000	0	5.2
Brand Board	3,996,418	0	3,996,418	0	0	66.3
Special Purpose	2,859,286	0	2,859,286	0	0	5.4
Colorado State Fair	8,498,698	0	8,498,698	0	0	26.9
Conservation Board	1,571,387	623,152	450,000	0	498,235	5.2

<b>Department of Agriculture</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<u>Breakdown of Total Appropriation by Bill</u>						
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
HB 10-1297	(269,403)	(805,119)	(122,713)	679,867	(21,438)	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$38,678,877</b>	<b>\$4,956,274</b>	<b>\$28,575,452</b>	<b>\$1,126,997</b>	<b>\$4,020,154</b>	<b>287.1</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Commissioner's Office and Administrative Services	8,306,876	1,605,213	2,698,689	1,081,997	2,920,977	27.7
Agricultural Services Division	12,525,339	2,727,380	9,197,498	0	600,461	150.3
Agricultural Markets Division	1,110,390	0	1,065,390	45,000	0	5.2
Brand Board	4,023,791	0	4,023,791	0	0	66.3
Special Purpose	2,621,125	0	2,621,125	0	0	5.5
Colorado State Fair	8,518,959	0	8,518,959	0	0	26.9
Conservation Board	1,572,397	623,681	450,000	0	498,716	5.2
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	38,517,046	6,257,528	27,220,596	1,018,768	4,020,154	287.1
SB 10-038	28,112	0	28,112	0	0	0.0
SB 10-072	2,959	0	2,959	0	0	0.0
SB 10-106	22,531	0	22,531	0	0	0.0
HB 10-1377	108,229	(1,301,254)	1,301,254	108,229	0	0.0
<b>Increase/(Decrease)</b>	<b>(\$164,621)</b>	<b>(\$1,099,562)</b>	<b>\$1,557,009</b>	<b>(\$673,476)</b>	<b>\$51,408</b>	<b>(5.9)</b>
Percentage Change	(0.4)%	(18.2)%	5.8%	(37.4)%	1.3%	(2.0)%

### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations include a reduction of \$529,000 (\$164,000 General Fund, \$334,000 cash funds and \$31,000 federal funds) related to FY 2009-10 furloughs.
2. Supplemental appropriations include a reduction of \$621,000 General Fund and an increase of \$621,000 reappropriated funds for the one-time refinance of the Inspection and Consumer Services Programs using the Agriculture Management Fund.

## **FY 2010-11 Appropriation Highlights:**

1. The appropriation adds \$529,000, including \$164,000 General Fund, to restore one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.
2. The appropriation refinances \$1.3 million General Fund with \$1.3 million cash funds from the Inspection and Consumer Services Cash Fund to fully cash fund the Inspection and Consumer Services Programs in the Agricultural Services Division for FY 2010-11 pursuant to H.B. 10-1377 (Lambert/Tapia).
3. The appropriation refinances \$452,000 General Fund in the Agricultural Markets Division using the Agriculture Management Fund. In addition, the appropriation from the Agriculture Management Fund for other purposes is reduced by \$452,000.
4. The appropriation adds 0.1 FTE, supported by the continuously appropriated Vaccine and Service Fund, for the continued implementation of S.B. 09-154 (Hodge/Curry).
5. The appropriation includes a reduction of a total of \$626,000, including \$307,000 General Fund, and transfers 6.0 FTE to the Governor's Office of Information Technology for the statewide information technology (IT) staff consolidation.

## **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 Department programs, including accounting, budgeting, and human resources. The funding sources for this division are General Fund, various cash funds, and federal grants. Reappropriated funds are received from various cash funds within the Department for centrally appropriated items.

<b>Commissioner's Office and Administrative Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$8,313,462	\$1,996,652	\$2,350,325	\$1,075,606	\$2,890,879	31.7
SB 09-118	2,474	0	2,474	0	0	0.0
HB 10-1297	<u>(135,951)</u>	<u>(131,300)</u>	<u>(39,764)</u>	<u>58,852</u>	<u>(23,739)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,179,985</b>	<b>\$1,865,352</b>	<b>\$2,313,035</b>	<b>\$1,134,458</b>	<b>\$2,867,140</b>	<b>31.7</b>

Commissioner's Office and Administrative Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$8,179,985	\$1,865,352	\$2,313,035	\$1,134,458	\$2,867,140	31.7
Statewide IT common policy adjustments	614,172	405,249	208,923	0	0	0.0
Restore FY 2009-10 furlough reductions	65,860	43,218	0	0	22,642	0.0
Fund source adjustment	0	(14,164)	0	14,164	0	0.0
Statewide IT staff consolidation	(404,224)	(288,222)	0	(116,002)		(4.0)
Centrally-appropriated line items	(80,716)	(83,556)	(3,009)	(58,852)	64,701	0.0
State PERA contribution reduction	(47,940)	(31,464)	0	0	(16,476)	0.0
Indirect cost assessment	(16,580)	0	0	0	(16,580)	0.0
Operating reduction	(4,012)	(4,012)	0	0	0	0.0
Postage adjustment	(574)	(124)	0	0	(450)	0.0
<b>HB 10-1376</b>	<b>\$8,305,971</b>	<b>\$1,892,277</b>	<b>\$2,518,949</b>	<b>\$973,768</b>	<b>\$2,920,977</b>	<b>27.7</b>
SB 10-072	905	0	905	0	0	0.0
HB 10-1377	<u>0</u>	<u>(287,064)</u>	<u>178,835</u>	<u>108,229</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,306,876</b>	<b>\$1,605,213</b>	<b>\$2,698,689</b>	<b>\$1,081,997</b>	<b>\$2,920,977</b>	<b>27.7</b>
<b>Increase/(Decrease)</b>	\$126,891	(\$260,139)	\$385,654	(\$52,461)	\$53,837	(4.0)
Percentage Change	1.6%	(13.9)%	16.7%	(4.6)%	1.9%	(12.6)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1297 reduced the General Fund appropriation by \$131,300, reflecting common policy adjustments and the refinancing of General Fund with Agriculture Management Fund dollars, among other changes.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**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 reappropriated funds.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to OIT. The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; leased space; and Capitol complex leased space.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

**Operating reduction:** The appropriation includes a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

**Postage adjustment:** The appropriation eliminates a one-time increase associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

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

---

## **Agricultural Services Division**

This division administers the majority of the Department's major programs and is comprised of four distinct programs listed below. The primary source of funding is from three cash funds: the Agricultural Productions Inspection Fund, the Inspection and Consumer Services Cash Fund; and the Plant Health, Pest Control and Environmental Protection Fund. General Fund makes up approximately 21.8 percent of funding for this division.

*Inspection and Consumer Services Programs:* These programs ensure compliance with product quality standards through licensing and inspection; certify commercial (large and small) weights and measurement devices; and analyze fertilizer and animal feed for chemical contaminants.

*Fruit and Vegetable Inspection:* This program performs mandatory and non-mandatory inspections to determine grade, size, and quality of fruits and vegetables being sold in Colorado.

*Animal Industry:* This program provides for the: monitoring of the health of livestock and other animals used in various fields of agriculture, and if needed, the prevention and control of livestock disease; licensing and inspection of pet animal facilities; implementation of pest control; and investigation of animal cruelty claims.

*Plant Industry:* This program: manages statewide pest control programs; registers pesticides and pesticide applicators; inspects plants and plant byproducts intended for domestic or international export; oversees the organic certification program; and inspects nursery stock for quality and health.

<b>Agricultural Services Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$12,684,395	\$3,782,691	\$8,302,399	\$0	\$599,305	151.3
SB 09-118	47,179	0	47,179	0	0	1.0
HB 10-1297	<u>(101,636)</u>	<u>(649,784)</u>	<u>(76,933)</u>	<u>621,015</u>	<u>4,066</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$12,629,938</b>	<b>\$3,132,907</b>	<b>\$8,272,645</b>	<b>\$621,015</b>	<b>\$603,371</b>	<b>152.3</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$12,629,938	\$3,132,907	\$8,272,645	\$621,015	\$603,371	152.3
Restore FY 2009-10 furlough reductions	283,712	92,003	186,208	0	5,501	0.0
Fund source adjustment	0	621,015	0	(621,015)	0	0.0
State PERA contribution reduction	(206,544)	(66,932)	(135,604)	0	(4,008)	0.0
Statewide IT staff consolidation	(122,296)	(18,806)	(103,490)	0	0	(2.0)
Annualize prior year funding	(110,609)	(4,255)	(106,354)	0	0	0.0
Indirect cost assessment	(95,426)	0	(91,023)	0	(4,403)	0.0
Operating reduction	(14,362)	(14,362)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$12,364,413</b>	<b>\$3,741,570</b>	<b>\$8,022,382</b>	<b>\$0</b>	<b>\$600,461</b>	<b>150.3</b>
SB 10-038	28,112	0	28,112	0	0	0.0
SB 10-072	2,054	0	2,054	0	0	0.0
SB 10-106	22,531	0	22,531	0	0	0.0
HB 10-1377	<u>108,229</u>	<u>(1,014,190)</u>	<u>1,122,419</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$12,525,339</b>	<b>\$2,727,380</b>	<b>\$9,197,498</b>	<b>\$0</b>	<b>\$600,461</b>	<b>150.3</b>
<b>Increase/(Decrease)</b>	<b>(\$104,599)</b>	<b>(\$405,527)</b>	<b>\$924,853</b>	<b>(\$621,015)</b>	<b>(\$2,910)</b>	<b>(2.0)</b>
Percentage Change	(0.8)%	(12.9)%	11.2%	(100.0)%	(0.5)%	(1.3)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1297 reduced \$621,015 General Fund and increased \$621,015 reappropriated funds for the refinance of the Inspection and Consumer Services Programs with Agriculture Management Fund dollars, among other changes.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Fund source adjustment:** The appropriation eliminates a one-time refinance of Inspection and Consumer Services Programs.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to OIT. The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

**Annualize prior year funding:** The appropriation includes: a reduction of \$100,069 cash funds for the one-time expenses related to purchasing a measurement standards truck in FY 2009-10; a reduction of \$1,230 cash funds for the out-year impact of S.B. 09-118 (Gibbs/Fischer); and a reduction of \$9,310 (\$4,255 General Fund and \$5,055 cash funds) for a one-time increase associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

**Operating reduction:** The appropriation includes a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

**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 coordinates various market orders, promotes Colorado agricultural products through programs like Colorado Proud, and works to assist start-up or expanding food processing companies within the state. For FY 2010-11 all General Fund in this division was refinanced with Agricultural Management Fund dollars. The remaining cash funds are 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 2009-10 Appropriation:						
SB 09-259	\$1,121,079	\$446,927	\$629,152	\$45,000	\$0	5.2

<b>Agricultural Markets Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
HB 10-1297	<u>(13,293)</u>	<u>(12,502)</u>	<u>(791)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,107,786</b>	<b>\$434,425</b>	<b>\$628,361</b>	<b>\$45,000</b>	<b>\$0</b>	<b>5.2</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,107,786	\$434,425	\$628,361	\$45,000	\$0	5.2
Restore FY 2009-10 furlough reductions	13,293	12,502	791	0	0	0.0
Fund source adjustment	0	(437,548)	437,548	0	0	0.0
State PERA contribution reduction	(9,684)	(9,108)	(576)	0	0	0.0
Indirect cost assessment	(734)	0	(734)	0	0	0.0
Operating reduction	(176)	(176)	0	0	0	0.0
Postage adjustment	(95)	(95)	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$1,110,390</u></b>	<b><u>\$0</u></b>	<b><u>\$1,065,390</u></b>	<b><u>\$45,000</u></b>	<b><u>\$0</u></b>	<b><u>5.2</u></b>
<b>TOTAL</b>	<b>\$1,110,390</b>	<b>\$0</b>	<b>\$1,065,390</b>	<b>\$45,000</b>	<b>\$0</b>	<b>5.2</b>
<b>Increase/(Decrease)</b>	<b>\$2,604</b>	<b>(\$434,425)</b>	<b>\$437,029</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Percentage Change</b>	<b>0.2%</b>	<b>(100.0)%</b>	<b>69.6%</b>	<b>0.0%</b>	<b>n/a</b>	<b>0.0%</b>

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1297 reflected the actual impact of FY 2009-10 furloughs.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Fund source adjustment:** The appropriation includes the refinance of General Fund with cash funds from the Agriculture Management Fund.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

**Operating reduction:** The appropriation includes a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

**Postage adjustment:** The appropriation eliminates a one-time increase associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

## Brand Board

The Brand Board serves the livestock industry and assists the public with problems related to livestock management. The Brand Board also administers and records livestock brands, and inspects cattle, horse, and alternative livestock brands (such as deer and elk) to verify ownership at the time of sale, transport, or slaughter. The Brand Board is entirely funded with cash funds from the Brand Inspection Fund and the Alternative Livestock Farm Cash Fund. 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$4,036,382	\$0	\$4,036,382	\$0	\$0	66.3
HB 10-1297	<u>(39,964)</u>	<u>0</u>	<u>(39,964)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,996,418</b>	<b>\$0</b>	<b>\$3,996,418</b>	<b>\$0</b>	<b>\$0</b>	<b>66.3</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$3,996,418	\$0	\$3,996,418	\$0	\$0	66.3
Restore FY 2009-10 furlough reductions	100,933	0	100,933	0	0	0.0
State PERA contribution reduction	(73,560)	0	(73,560)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$4,023,791</u></b>	<b><u>\$0</u></b>	<b><u>\$4,023,791</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>66.3</u></b>
<b>TOTAL</b>	<b>\$4,023,791</b>	<b>\$0</b>	<b>\$4,023,791</b>	<b>\$0</b>	<b>\$0</b>	<b>66.3</b>
<b>Increase/(Decrease)</b>	\$27,373	\$0	\$27,373	\$0	\$0	0.0
Percentage Change	0.7%	n/a	0.7%	n/a	n/a	0.0%

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1297 reflected the actual impact of FY 2009-10 furloughs.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

## Special Purpose

This Long Bill section provides appropriations from four cash funds:

- ▶ The Agriculture Management Fund provides funding for Department programs and staff. In FY 2010-11, approximately \$488,000 is being used to refinance the General Fund in this division.
- ▶ The Colorado Wine Development Fund allows the Wine Promotion Board to promote wines produced in Colorado.
- ▶ The Vaccine and Service Fund provides for the vaccination of calves against brucellosis.
- ▶ The Brand Estray Fund funds the maintenance and sale or return of stray livestock.

Special Purpose						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$2,862,369	\$0	\$2,862,369	\$0	\$0	4.5
SB 09-154	0	0	0	0	0	0.9
HB 10-1297	<u>(3,083)</u>	<u>0</u>	<u>(3,083)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,859,286</b>	<b>\$0</b>	<b>\$2,859,286</b>	<b>\$0</b>	<b>\$0</b>	<b>5.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$2,859,286	\$0	\$2,859,286	\$0	\$0	5.4
Increase spending authority	215,200	0	215,200	0	0	0.0
Restore FY 2009-10 furlough reductions	3,083	0	3,083	0	0	0.0
Fund source adjustment	(452,779)	0	(452,779)	0	0	0.0
State PERA contribution reduction	(3,197)	0	(3,197)	0	0	0.0
Indirect cost assessment	(351)	0	(351)	0	0	0.0
Annualize prior year funding	(117)	0	(117)	0	0	0.1
<b>HB 10-1376</b>	<b><u>\$2,621,125</u></b>	<b><u>\$0</u></b>	<b><u>\$2,621,125</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>5.5</u></b>
<b>TOTAL</b>	<b>\$2,621,125</b>	<b>\$0</b>	<b>\$2,621,125</b>	<b>\$0</b>	<b>\$0</b>	<b>5.5</b>
<b>Increase/(Decrease)</b>						
	(\$238,161)	\$0	(\$238,161)	\$0	\$0	0.1
Percentage Change	(8.3)%	n/a	(8.3)%	n/a	n/a	1.9%

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1297 reflected the actual impact of FY 2009-10 furloughs.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Increase spending authority:** The appropriation increases the Wine Promotion Board line item by \$100,093 and the Vaccine and Service Fund line item by \$115,107 cash funds to accurately reflect moneys available in FY 2010-11.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Fund source adjustment:** The appropriation includes a decrease in spending authority from the Agriculture Management Fund as these moneys are used to replace General Fund in the Agricultural Markets program cost line item.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

**Annualize prior year funding:** The appropriation includes an increase of 0.1 FTE for the Vaccine and Service Fund related to the out-year impact of S.B. 09-154 (Hodge/Curry).

---

## Colorado State Fair

This program includes personal services and operating expenses associated with the Colorado State Fair, which is administered by the eleven member State Fair Authority. The State Fair is designated as a Type 1 agency pursuant to Section 35-65-401 (1) (a), C.R.S. This division is entirely cash funded from the Colorado State Fair Authority Cash Fund, and revenue is from fees collected during the eleven day state fair and from non-fair events held at the fairgrounds during the rest of the year. Fair attendance for the 2009 State Fair was 496,651, which was an increase of 2.0 percent over the attendance at the 2008 State Fair.

Colorado State Fair						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$8,460,876	\$0	\$8,460,876	\$0	\$0	26.9
HB 10-1297	<u>37,822</u>	<u>0</u>	<u>37,822</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,498,698</b>	<b>\$0</b>	<b>\$8,498,698</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>

Colorado State Fair						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$8,498,698	\$0	\$8,498,698	\$0	\$0	26.9
Restore FY 2009-10 furlough reductions	33,105	0	33,105	0	0	0.0
Indirect cost assessment	11,252	0	11,252	0	0	0.0
State PERA contribution reduction	(24,096)	0	(24,096)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$8,518,959</u></b>	<b><u>\$0</u></b>	<b><u>\$8,518,959</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>26.9</u></b>
<b>TOTAL</b>	<b>\$8,518,959</b>	<b>\$0</b>	<b>\$8,518,959</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
<hr/>						
<b>Increase/(Decrease)</b>	\$20,261	\$0	\$20,261	\$0	\$0	0.0
Percentage Change	0.2%	n/a	0.2%	n/a	n/a	0.0%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1297 reflected the actual impact of FY 2009-10 furloughs.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

---

### 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 primary sources of funding are General Fund, cash funds from the Operational Account of the Severance Tax Trust Fund (which are continuously appropriated and are included for informational purposes only) and federal grant dollars from the U.S. Department of Agriculture Natural Resources Conservation Service.

Conservation Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$1,584,685	\$634,685	\$450,000	\$0	\$500,000	5.2
HB 10-1297	<u>(13,298)</u>	<u>(11,533)</u>	<u>0</u>	<u>0</u>	<u>(1,765)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,571,387</b>	<b>\$623,152</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$498,235</b>	<b>5.2</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,571,387	\$623,152	\$450,000	\$0	\$498,235	5.2
Restore FY 2009-10 furlough reductions	13,298	11,533	0	0	1,765	0.0
State PERA contribution reduction	(9,696)	(8,412)	0	0	(1,284)	0.0
Operating reduction	(2,132)	(2,132)	0	0	0	0.0
Postage adjustment	(460)	(460)	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$1,572,397</u></b>	<b><u>\$623,681</u></b>	<b><u>\$450,000</u></b>	<b><u>\$0</u></b>	<b><u>\$498,716</u></b>	<b><u>5.2</u></b>
<b>TOTAL</b>	<b>\$1,572,397</b>	<b>\$623,681</b>	<b>\$450,000</b>	<b>\$0</b>	<b>\$498,716</b>	<b>5.2</b>
<b>Increase/(Decrease)</b>	\$1,010	\$529	\$0	\$0	\$481	0.0
Percentage Change	0.1%	0.1%	0.0%	n/a	0.1%	0.0%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1297 reflected the actual impact of FY 2009-10 furloughs.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating reduction:** The appropriation includes a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

**Postage adjustment:** The appropriation eliminates a one-time increase associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

## Recent Legislation

### 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. 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 until FY 2011-12 the transfer of \$500,000 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. This transfer was originally authorized in H.B. 08-1398 (Buescher/Johnson).

**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. Prevents moneys in the Veterinary Vaccine and Service Fund from being transferred or reverted to the General Fund or to any other fund. Appropriates 0.9 FTE to be supported from moneys in the continuously appropriated Veterinary Vaccine and Service Fund.

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

### 2010 Session Bills

**S.B. 10-038:** Authorizes the Commissioner of Agriculture to contract with independent inspectors to conduct inspections of organic product producers and handlers. Expands the Organic Certification Advisory Board from nine to twelve members. Makes an appropriation of \$28,112 cash funds from the Plant Health, Pest Control, and Environmental Protection Cash Fund to the Agricultural Services Division.

**S.B. 10-072:** Creates the Colorado Seed Potato Act which requires potato growers who plant one or more acres of potatoes to use certified seed potatoes, with some exceptions. Requires growers to maintain certain records, which may be reviewed by an independent auditor. Authorizes the Commissioner of Agriculture to set fees, conduct inspections, issue subpoenas, impose civil penalties, and sue in court. Establishes Colorado State University as the certifying authority for Colorado grown seed potatoes. Seed potatoes grown outside of Colorado must be certified by the certifying authority for the location of origin. Creates the nine member Seed Potato Advisory Committee and the Seed Potato Cash Fund (Fund). Appropriates \$2,959 cash funds from the Fund to the Agricultural Services Division for FY 2010-11.

**S.B. 10-106:** Creates the thirteen member Colorado Food Systems Advisory Council (Council) for the purpose of identifying best practices in the food system, developing recommendations for local food economies and for food access, collaborating with local and regional food councils, and promoting the "Colorado Proud" marketing program. Requires the Council to meet four times per year and submit a report to the General Assembly. Creates the Food Systems Advisory Council Fund (Fund) and makes an appropriation of \$22,531 cash funds from the Fund for FY 2010-11.

**H.B. 10-1297:** Supplemental appropriation to the Department of Agriculture to modify appropriations for FY 2009-10.

**H.B. 10-1376:** General appropriations act for FY 2010-11.

**H.B. 10-1377:** Refinances the Inspection and Consumer Services Programs (ICS) entirely with cash funds for FY 2010-11 and FY 2011-12. The following are all the subprograms in ICS that are affected:

- Commercial fertilizers, plant amendments, and soil conditioners;
- Measurement standards;
- Large and small scales;
- Commercial feeding; and
- Farm products and farm commodity handlers.

# 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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$624,606,171	\$642,348,257	\$565,603,106	\$647,180,811
Cash Funds/1	2,974,432	43,346,045	44,731,991	40,465,186
Cash Funds Exempt/1	79,809,826	n/a	n/a	n/a
Reappropriated Funds/1	n/a	42,294,502	42,698,918	42,549,814
Federal Funds	<u>3,221,289</u>	<u>25,895,554</u>	<u>89,946,175</u>	<u>257,931</u>
<b>Total Funds</b>	<b>\$710,611,718</b>	<b>\$753,884,358</b>	<b>\$742,980,190</b>	<b>\$730,453,742</b>
Full Time Equiv. Staff	6,310.9	6,583.9	6,547.6	6,751.8

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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

### 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, private prisons, and transition community corrections placements.

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate
Year End Inmate Population	22,012	22,519	22,989	23,186	22,633	22,148
Percent Change	n/a	2.3%	2.1%	0.9%	(2.4)%	(2.1)%

### Population Impacts – Jail Backlog

Jail backlog occurs when inmates are sentenced to the DOC and the capacity does not exist in state prisons or private contract facilities to hold them. In these instances, counties hold the inmates in the county jail until the DOC has the capacity to take them. Pursuant to Section 17-1-112 (1), 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 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate
Average County Jail Backlog	801	635	442	411	483	443
Cost of Jail Backlog	\$13,860,374	\$11,340,364	\$8,037,697	\$7,595,058	\$8,900,288	\$8,149,692
Daily Reimbursement Rate	\$47.42	\$48.96	\$49.69	\$50.44	\$50.44	\$50.44
Percent Rate Increase/(Decrease)	n/a	3.2%	1.5%	1.5%	0.0%	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 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate
Average Daily Population*	3,797	4,440	4,596	5,425	5,130	4,326
Cost of Private Contracts	\$69,679,801	\$84,119,878	\$88,388,521	\$104,323,294	\$98,654,882	\$83,206,467
Daily Reimbursement Rate	\$50.28	\$51.91	\$52.69	\$52.69	\$52.69	\$52.69
Percent Rate Increase/(Decrease)	n/a	3.2%	1.5%	0.0%	0.0%	0.0%

\* 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 2004-05 Approp.	FY 2005-06 Approp.	FY 2006-07 Approp.	FY 2007-08 Approp.	FY 2008-09 Approp.	FY 2009-10 Approp.	FY 2010-11 Approp.
Capital Appropriation	\$0	\$0	\$9,000,000	\$52,357,136	\$13,719,901	\$11,594,814	\$2,012,428

## Parole Population Increase

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

	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Estimate
Year End Parole Population	6,551	7,947	8,783	9,016	9,130	9,449
Percent Change	n/a	21.3%	10.5%	2.7%	1.3%	3.5%

## Inmate and Parole Population Impacts – Community Services

An expanding inmate 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 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 are funded with appropriations to the Department. However, pursuant to H.B. 08-1352 and H.B. 10-1360, only certain parolees can be placed in a community return-to-custody facility rather than a state correctional facility, including those who:

- commit a technical violation that does not involve the commission of a crime;
- have no active felony warrants, felony detainers, or pending felony criminal charges; and
- are on parole for a class 4, 5, or 6 nonviolent felony (except menacing, stalking, any unlawful sexual behavior, or a crime against an at-risk adult or at-risk juvenile).

A parolee who commits a technical parole violation that does not involve the commission of a crime and was not on parole for a crime of violence may have his or her parole revoked for a period of no more than 90 days if he or she is assessed as below high risk. If he or she is assessed as high risk or greater, he or she may be revoked for a period up to 180 days. 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.

	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Approp.</b>
Community Corrections Supervision	\$11,822,877	\$11,202,655	\$12,916,652	\$12,823,512	\$14,049,939	\$13,177,880
Percent Change	n/a	(5.2)%	15.3%	(0.7)%	9.6%	(6.2)%
Community Return-to-Custody Beds	\$3,045,564	\$3,075,768	\$3,282,623	\$3,395,999	\$3,908,919	\$4,193,062
Percentage Change	n/a	1.0%	6.7%	3.5%	15.1%	7.3%
Parole Supervision	\$12,820,844	\$14,724,546	\$18,360,727	\$20,828,293	\$22,091,604	\$20,945,212
Percent Change	n/a	14.8%	24.7%	13.4%	6.1%	(5.2)%

## Summary of FY 2009-10 and FY 2010-11 Appropriations

<b>Department of Corrections</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Total Appropriation:</b>	<b>\$742,980,190</b>	<b>\$565,603,106</b>	<b>\$44,731,991</b>	<b>\$42,698,918</b>	<b>\$89,946,175</b>	<b>6,547.6</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	187,750,565	180,791,278	6,448,304	423,022	87,961	98.3
Institutions	373,177,931	282,423,192	1,606,000	47,465	89,101,274	4,870.9
Support Services	29,756,026	29,145,403	609,725	898	0	313.0
Inmate Programs	41,615,670	32,756,180	7,224,783	977,767	656,940	620.3
Community Services	39,011,597	38,731,888	35,795	143,914	100,000	434.9
Parole Board	1,755,165	1,755,165	0	0	0	17.5
Correctional Industries	55,203,147	0	14,097,295	41,105,852	0	163.0
Canteen Operation	14,710,089	0	14,710,089	0	0	29.7
<u>Breakdown of Total Appropriation by Bill</u>						
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

Department of Corrections						
	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
HB 10-1298	(18,166,691)	(112,236,421)	4,362,486	356,576	89,350,668	(90.1)
<b>FY 2010-11 Total Appropriation:</b>	<b>\$730,453,742</b>	<b>\$647,180,811</b>	<b>\$40,465,186</b>	<b>\$42,549,814</b>	<b>\$257,931</b>	<b>6,751.8</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management	162,349,754	157,311,796	4,621,921	340,437	75,600	99.2
Institutions	383,655,194	381,851,461	1,723,733	0	80,000	5,131.8
Support Services	31,306,611	30,708,980	594,560	3,071	0	256.6
Inmate Programs	41,526,926	35,817,358	4,712,320	934,015	63,233	629.0
Community Services	39,970,836	39,814,263	10,000	107,475	39,098	424.0
Parole Board	1,676,953	1,676,953	0	0	0	18.5
Correctional Industries	55,259,882	0	14,095,066	41,164,816	0	163.0
Canteen Operation	14,707,586	0	14,707,586	0	0	29.7
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	733,185,685	650,398,285	39,979,655	42,549,814	257,931	6,737.8
SB 06-206	399,514	399,514	0	0	0	0.0
SB 06-207	399,514	399,514	0	0	0	0.0
HB 06-1011	643,512	643,512	0	0	0	0.0
HB 06-1092	134,065	134,065	0	0	0	0.0
HB 06-1145	48,263	48,263	0	0	0	0.0

<b>Department of Corrections</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
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	26,813	26,813	0	0	0	0.0
SB 06S1-005	58,989	58,989	0	0	0	0.0
SB 07-096	187,592	187,592	0	0	0	0.0
HB 07-1040	485,531	0	485,531	0	0	0.0
HB 07-1326	160,005	160,005	0	0	0	0.0
SB 08-239	57,516	57,516	0	0	0	0.0
HB 08-1115	28,758	28,758	0	0	0	0.0
HB 08-1194	31,634	31,634	0	0	0	0.0
HB 08-1352	217,566	217,566	0	0	0	0.0
HB 10-1338	(2,541,810)	(2,541,810)	0	0	0	0.0
HB 10-1352	(1,523,589)	(1,523,589)	0	0	0	0.0
HB 10-1360	(1,786,164)	(1,786,164)	0	0	0	6.1
HB 10-1374	(194,281)	(194,281)	0	0	0	7.9
HB 10-1413	(131,125)	(131,125)	0	0	0	0.0
<b>Increase/(Decrease)</b>	(\$12,526,448)	\$81,577,705	(\$4,266,805)	(\$149,104)	(\$89,688,244)	204.2
<b>Percentage Change</b>	(1.7)%	14.4%	(9.5)%	(0.3)%	(99.7)%	3.1%

#### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations refinance \$89.0 million General Fund with federal funds related to the receipt of American Recovery and Reinvestment Act of 2009 (ARRA) funds.
2. Supplemental appropriations refinance \$2.5 million General Fund with canteen cash funds.
3. Supplemental appropriations include a reduction of \$5.1 million General Fund for reduced medical costs associated with the declining inmate population.
4. Supplemental appropriations include a reduction of \$4.6 million General Fund associated with savings resulting from the accelerated transition pilot program. The accelerated transition pilot program established an accelerated process for offenders convicted of a class 6, 5, 4, or 3 felony, currently parole eligible, and within six months of their mandatory release date to transition from prison to parole. In addition, the program allows for the transition of offenders from parole to the community once they had

completed 50.0 percent of their mandatory parole term as long as they were in compliance with their parole conditions.

5. Supplemental appropriations include a reduction of \$3.1 million General Fund and 52.3 FTE associated with unused double bunking of 76 beds at the Denver Women's Correctional Facility and 100 beds at the Buena Vista Correctional Facility.
6. Supplemental appropriations include a reduction of \$3.0 million General Fund and 34.8 FTE to eliminate an increase included in the FY 2009-10 Long Bill for academic and vocational education programs.
7. Supplemental appropriations include a reduction of \$2.5 million General Fund associated with reductions in inmate populations.
8. Supplemental appropriations include a reduction of \$1.8 million General Fund to eliminate the funding for parole wrap-around services.

**FY 2010-11 Appropriation Highlights:**

1. The appropriation provides \$89.0 million General Fund to restore a one-time refinance of General Fund with ARRA funds in FY 2009-10.
2. The appropriation provides \$9.4 million General Fund and 220.9 FTE to open one of the three towers at Colorado State Penitentiary II (CSP II) beginning in September 2010. The funding will allow the Department to open 316 beds at CSP II.
3. The appropriation provides \$6.3 million General Fund to restore one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.
4. The appropriation provides \$3.1 million General Fund and 52.3 FTE to restore one-time reductions in FY 2009-10 associated with double bunking 76 beds at the Denver Women's Correctional Facility and 100 beds at the Buena Vista Correctional Facility.
5. The appropriation provides \$1.4 million General Fund and 26.0 FTE for additional mental health services.
6. The appropriation provides \$0.9 million General Fund and 10.7 FTE to maintain the systems and facility at CSP II and the Denver Reception and Diagnostic Center (DRDC) new expansion area. This funding is separate from the funding to open one tower of CSP II; this funding includes only the minimal amount of staff necessary to maintain the systems and facility. These staff have not been duplicated in the appropriation for CSP II Tower I.
7. The appropriation includes a reduction of \$8.0 million General Fund to reflect a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

8. The appropriation includes a reduction of \$7.0 million General Fund to reflect savings associated with the accelerated transition pilot program.
9. The appropriation includes a reduction of \$3.0 million General Fund associated with moving all Colorado female inmates out of the High Plains Correctional Facility.
10. The appropriation includes a reduction of \$2.7 million General Fund and 1.7 FTE related to the impact of prior year decision items and legislation.
11. The appropriation includes a reduction of \$1.5 million General Fund and 12.7 FTE to reflect declining caseloads in parole and community corrections.
12. The appropriation includes a reduction of \$1.0 million General Fund and 32.7 FTE associated with the decommission of the Colorado Correctional Alternative Program (known as Boot Camp).
13. The appropriation includes a reduction of \$0.9 million General Fund for reduced medical costs associated with the declining inmate population.
14. The appropriation includes a reduction of \$0.5 million General Fund and 72.6 FTE for associated with the statewide information technology consolidation.

## 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.

	<b>Management</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1298	<u>(6,428,756)</u>	<u>(8,427,143)</u>	<u>1,857,540</u>	<u>133,486</u>	<u>7,361</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$187,750,565</b>	<b>\$180,791,278</b>	<b>\$6,448,304</b>	<b>\$423,022</b>	<b>\$87,961</b>	<b>98.3</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$187,750,565	\$180,791,278	\$6,448,304	\$423,022	\$87,961	98.3
Boot Camp decommission	1,235,084	1,235,084	0	0	0	0.0

<b>Management</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Double bunking	332,293	332,293	0	0	0	0.0
Restore FY 2009-10 furlough reductions	92,786	187,541	(100,708)	5,953	0	0.0
Accelerated transition pilot program	(6,313,929)	(6,313,929)	0	0	0	0.0
CSP II Tower I	(3,390,228)	(3,390,228)	0	0	0	0.0
High Plains Correctional Facility	(2,993,266)	(2,993,266)	0	0	0	0.0
Annualize prior year funding	(2,101,331)	(2,096,371)	(4,960)	0	0	0.0
Inmate caseload	(1,232,674)	458,241	(1,690,915)	0	0	0.0
Statewide IT staff consolidation	(643,561)	(643,561)	0	0	0	(1.0)
Centrally-appropriated line items	(620,638)	(494,688)	(125,950)	0	0	0.0
State PERA contribution reduction	(156,965)	(152,631)	0	(4,334)	0	0.0
Parole and community caseload	(71,243)	(71,243)	0	0	0	0.0
Operating reduction	(37,171)	(37,171)				
Grant funding	(415)	0	96,150	(84,204)	(12,361)	0.0
<b>HB 10-1376</b>	<b>\$171,849,307</b>	<b>\$166,811,349</b>	<b>\$4,621,921</b>	<b>\$340,437</b>	<b>\$75,600</b>	<b>97.3</b>
HB 10-1338	(2,541,810)	(2,541,810)	0	0	0	0.0
HB 10-1352	(1,523,589)	(1,523,589)	0	0	0	0.0
HB 10-1360	(4,738,823)	(4,738,823)	0	0	0	0.0
HB 10-1374	(428,528)	(428,528)	0	0	0	1.9
HB 10-1413	<u>(266,803)</u>	<u>(266,803)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$162,349,754</b>	<b>\$157,311,796</b>	<b>\$4,621,921</b>	<b>\$340,437</b>	<b>\$75,600</b>	<b>99.2</b>
<b>Increase/(Decrease)</b>	(\$25,400,811)	(\$23,479,482)	(\$1,826,383)	(\$82,585)	(\$12,361)	0.9
Percentage Change	(13.5)%	(13.0)%	(28.3)%	(19.5)%	(14.1)%	0.9%

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1298 included the following, among other changes:

- increased \$1.7 million cash funds to reflect greater grant funding from the State Criminal Alien Assistance Program (SCAAP);
- reduced \$5.0 million General Fund to reflect savings associated with the accelerated transition pilot program;
- reduced \$2.5 million General Fund associated with reductions in inmate populations;
- reduced \$330,000 General Fund associated with unused double bunking of beds; and
- reduced \$250,000 General Fund to reflect the actual impact of the FY 2009-10 furloughs.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Boot Camp decommission:** The appropriation includes adjustments related to the decommission of the Colorado Correctional Alternative Program (known as Boot Camp).

**Double bunking:** The appropriation restores one-time FY 2009-10 reductions associated with double bunking 76 beds at the Denver Women's Correctional Facility and 100 beds at the Buena Vista Correctional Facility.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Accelerated transition pilot program:** The appropriation reflects savings associated with the accelerated transition pilot program.

**CSP II Tower I:** The appropriation includes funding to open one of the three towers at CSP II beginning in September 2010. The funding would allow the Department to open 316 beds at CSP II. This decrease is associated with fewer inmates being housed in private prisons as a result of opening one tower of CSP II.

**High Plains Correctional Facility:** The appropriation reflects a reduction associated with moving all Colorado female inmates out of the High Plains Correctional Facility.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Inmate caseload:** The appropriation includes adjustments based on the projected inmate caseload.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: 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.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Parole and community caseload:** The appropriation reflects a reduction associated with the projected parole and community corrections caseload.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction for operating expenses.

**Grant funding:** The appropriation reflects anticipated changes in grant funding (cash funds and reappropriated funds) and federal funding.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1413, see also the "Recent Legislation" section at the end of the Department of Human Services.

## 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
<b>FY 2009-10 Appropriation:</b>						
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
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
HB 10-1298	<u>(6,871,507)</u>	<u>(95,944,401)</u>	<u>4,155</u>	<u>47,465</u>	<u>89,021,274</u>	<u>(51.3)</u>

Institutions						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>TOTAL</b>	<b>\$373,177,931</b>	<b>\$282,423,192</b>	<b>\$1,606,000</b>	<b>\$47,465</b>	<b>\$89,101,274</b>	<b>4,870.9</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$373,177,931	\$282,423,192	\$1,606,000	\$47,465	\$89,101,274	4,870.9
CSP II Tower I	11,931,833	11,931,833	0	0	0	212.6
Restore FY 2009-10 furlough reductions	3,938,164	3,938,164	0	0	0	0.0
Double bunking	2,731,735	2,731,735	0	0	0	51.3
Mental health	1,434,945	1,434,945	0	0	0	26.0
CSP II and DRDC operating	925,985	925,985	0	0	0	10.7
Postage adjustment	5,017	5,017	0	0	0	0.0
ARRA	0	89,021,274	0	0	(89,021,274)	0.0
Indirect cost assessment	0	(34,972)	34,972	0	0	0.0
State PERA contribution reduction	(6,128,646)	(6,128,646)	0	0	0	0.0
Reduction for five-year statutory appropriations	(3,359,318)	(2,956,548)	(402,770)	0	0	0.0
Boot Camp decommission	(2,153,021)	(2,153,021)	0	0	0	(32.7)
Medical adjustments	(900,647)	(900,647)	0	0	0	0.0
Accelerated transition pilot program	(598,688)	(598,688)	0	0	0	0.0
Statewide IT staff consolidation	(499,424)	(499,424)	0	0	0	(7.0)
Day surgery center	(201,920)	(201,920)	0	0	0	0.0
Laundry operating and dress out expenses	(126,794)	(126,794)	0	0	0	0.0
Grant funding	(47,465)	0	0	(47,465)	0	0.0
Operating reduction	(39,250)	(39,250)	0	0	0	0.0
Annualize prior year funding	(15,947)	(15,947)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$380,074,490</b>	<b>\$378,756,288</b>	<b>\$1,238,202</b>	<b>\$0</b>	<b>\$80,000</b>	<b>5,131.8</b>
SB 06-206	399,514	399,514	0	0	0	0.0
SB 06-207	399,514	399,514	0	0	0	0.0
HB 06-1011	643,512	643,512	0	0	0	0.0
HB 06-1092	134,065	134,065	0	0	0	0.0
HB 06-1145	48,263	48,263	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

	Institutions					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
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 07-096	187,592	187,592	0	0	0	0.0
HB 07-1040	485,531	0	485,531	0	0	0.0
HB 07-1326	160,005	160,005	0	0	0	0.0
SB 08-239	57,516	57,516	0	0	0	0.0
HB 08-1115	28,758	28,758	0	0	0	0.0
HB 08-1194	31,634	31,634	0	0	0	0.0
HB 08-1352	217,566	217,566	0	0	0	0.0
HB 10-1413	<u>135,678</u>	<u>135,678</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$383,655,194</b>	<b>\$381,851,461</b>	<b>\$1,723,733</b>	<b>\$0</b>	<b>\$80,000</b>	<b>5,131.8</b>
<b>Increase/(Decrease)</b>	\$10,477,263	\$99,428,269	\$117,733	(\$47,465)	(\$89,021,274)	260.9
Percentage Change	2.8%	35.2%	7.3%	(100.0)%	(99.9)%	5.4%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1298 included the following, among other changes:

- increased \$1.2 million General Fund to reflect the actual impact of the FY 2009-10 furloughs;
- refinanced \$89.0 million General Fund with federal ARRA funds;
- reduced \$5.0 million General Fund for lower medical costs associated with the declining inmate population;
- reduced \$2.8 million General Fund and 51.3 FTE for unused double bunking of beds; and
- reduced \$315,000 General Fund related to savings associated with the accelerated transition pilot program.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**CSP II Tower I:** The appropriation includes funding to open one of the three towers at CSP II beginning in September 2010. The funding will allow the Department to open 316 beds at CSP II.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Double bunking:** The appropriation restores one-time FY 2009-10 reductions associated with double bunking 76 beds at the Denver Women's Correctional Facility and 100 beds at the Buena Vista Correctional Facility.

**Mental health:** The appropriation includes funding for additional mental health services.

**CSP II and DRDC operating:** The appropriation includes funding to maintain the systems and facility at the Colorado State Penitentiary II (CSP II) and the Denver Reception and Diagnostic Center (DRDC) new expansion area.

**Postage adjustment:** The appropriation includes changes associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**ARRA:** The appropriation restores a one-time FY 2009-10 refinancing of General Fund with federal funds from the American Recovery and Reinvestment Act of 2009 (ARRA).

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Reduction for five-year statutory appropriations:** The appropriation includes adjustments to reflect the funding that will be provided to the Department statutorily in FY 2010-11 for criminal sentencing bills enacted in prior legislative sessions.

**Boot Camp decommission:** The appropriation includes adjustments related to the decommission of the Colorado Correctional Alternative Program (known as Boot Camp).

**Medical adjustments:** The appropriation includes reductions associated with medical expenses for inmates based on the projected decline in the inmate population.

**Accelerated transition pilot program:** The appropriation reflects savings associated with the accelerated transition pilot program.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

**Day surgery center:** The appropriation reflects savings associated with H.B. 10-1083, which authorizes the Department to enter into a lease-purchase agreement for a day surgery center at the Denver Reception and Diagnostic Center.

**Laundry operating and dress out expenses:** The appropriation includes reductions based on the projected inmate population decline for clothing and dress out expenses for inmates who are released from prison (clothing, bus ticket, and \$100 for each inmate).

**Grant funding:** The appropriation reflects anticipated changes in grant funding.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction for eligible operating expenses.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1413, see also the "Recent Legislation" section at the end of the Department of Human Services.

## Support Services

The Support Services Division includes business operations, personnel, offender services, communications, transportation, training, information systems, and facility services. 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1298	<u>(322,892)</u>	<u>(331,429)</u>	<u>8,524</u>	<u>13</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$29,756,026</b>	<b>\$29,145,403</b>	<b>\$609,725</b>	<b>\$898</b>	<b>\$0</b>	<b>313.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$29,756,026	\$29,145,403	\$609,725	\$898	\$0	313.0
Statewide IT staff consolidation	858,642	858,642	0	0	0	(61.6)
CSP II Tower I	584,250	584,250	0	0	0	3.7
Restore FY 2009-10 furlough reductions	502,719	502,719	0	0	0	0.0
Vehicle lease payments	393,281	378,155	15,126	0	0	0.0
Double bunking	511	511	0	0	0	0.0
Indirect cost assessment	0	28,118	(30,291)	2,173	0	0.0
State PERA contribution reduction	(416,916)	(416,916)	0	0	0	0.0
Operating reduction	(208,631)	(208,631)	0	0	0	0.0
Annualize prior year funding	(200,372)	(200,372)	0	0	0	0.5
Boot Camp decommission	(15,533)	(15,533)	0	0	0	0.0
Parole and community caseload	(7,254)	(7,254)	0	0	0	0.0
Transportation funding for inmate population decline	(5,665)	(5,665)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$31,241,058</b>	<b>\$30,643,427</b>	<b>\$594,560</b>	<b>\$3,071</b>	<b>\$0</b>	<b>255.6</b>

Support Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1360	<u>65,553</u>	<u>65,553</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$31,306,611</b>	<b>\$30,708,980</b>	<b>\$594,560</b>	<b>\$3,071</b>	<b>\$0</b>	<b>256.6</b>
<b>Increase/(Decrease)</b>	\$1,550,585	\$1,563,577	(\$15,165)	\$2,173	\$0	(56.4)
Percentage Change	5.2%	5.4%	(2.5)%	242.0%	n/a	(18.0)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1298 included the following, among other changes:

- reduced \$200,000 General Fund to reflect the actual impact of the FY 2009-10 furloughs;
- reduced \$72,000 General Fund related to a technical adjustment for vehicle lease payments; and
- reduced \$29,000 General Fund related to billing adjustments in the Governor's Office of Information Technology.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

**CSP II Tower I:** The appropriation includes funding to open one of the three towers at CSP II beginning in September 2010. The funding would allow the Department to open 316 beds at CSP II.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Vehicle lease payments:** The appropriation includes an adjustment for vehicle lease payments.

**Double bunking:** The appropriation restores one-time FY 2009-10 reductions associated with double bunking 76 beds at the Denver Women's Correctional Facility and 100 beds at the Buena Vista Correctional Facility.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction for eligible operating expenses.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Boot Camp decommission:** The appropriation includes adjustments related to the decommission of the Colorado Correctional Alternative Program (known as Boot Camp).

**Parole and community caseload:** The appropriation reflects a reduction associated with the projected parole and community corrections caseload.

**Transportation funding for inmate population decline:** The appropriation includes a reduction for transportation operating expenses associated with the declining inmate population.

**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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1298	<u>(3,070,117)</u>	<u>(5,953,482)</u>	<u>2,502,618</u>	<u>133,714</u>	<u>247,033</u>	<u>(35.8)</u>
<b>TOTAL</b>	<b>\$41,615,670</b>	<b>\$32,756,180</b>	<b>\$7,224,783</b>	<b>\$977,767</b>	<b>\$656,940</b>	<b>620.3</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$41,615,670	\$32,756,180	\$7,224,783	\$977,767	\$656,940	620.3
Restore FY 2009-10 furlough reductions	982,768	969,469	13,299	0	0	0.0
Annualize prior year funding	274,632	274,632	0	0	0	3.1
CSP II Tower I	241,341	241,341	0	0	0	4.6
Double bunking	62,862	61,899	963	0	0	1.0
Canteen refinance	0	2,500,000	(2,500,000)	0	0	0.0
State PERA contribution reduction	(669,700)	(660,017)	(9,683)	0	0	0.0
Grant funding	(637,040)	0	0	(43,752)	(593,288)	0.0

<b>Inmate Programs</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Eliminate one-time funding	(265,586)	(265,586)	0	0	0	0.0
Boot Camp decommission	(54,627)	(37,585)	(17,042)	0	0	0.0
Parole and community caseload	(22,975)	(22,975)	0	0	0	0.0
Indirect cost assessment	(419)	0	0	0	(419)	0.0
<b>HB 10-1376</b>	<b><u>\$41,526,926</u></b>	<b><u>\$35,817,358</u></b>	<b><u>\$4,712,320</u></b>	<b><u>\$934,015</u></b>	<b><u>\$63,233</u></b>	<b><u>629.0</u></b>
<b>TOTAL</b>	<b>\$41,526,926</b>	<b>\$35,817,358</b>	<b>\$4,712,320</b>	<b>\$934,015</b>	<b>\$63,233</b>	<b>629.0</b>
<b>Increase/(Decrease)</b>	(\$88,744)	\$3,061,178	(\$2,512,463)	(\$43,752)	(\$593,707)	8.7
<b>Percentage Change</b>	(0.2)%	9.3%	(34.8)%	(4.5)%	(90.4)%	1.4%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1298 included the following, among other changes:

- refinanced \$2.5 million General Fund with canteen cash funds;
- reduced \$3.0 million General Fund and 34.8 FTE to eliminate an increase included in the FY 2009-10 Long Bill for academic and vocational education programs;
- reduced \$380,000 General Fund to reflect the actual impact of the FY 2009-10 furloughs; and
- reduced \$62,000 General Fund and 1.0 FTE for unused double bunking of beds.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**CSP II Tower I:** The appropriation includes funding to open one of the three towers at CSP II beginning in September 2010. The funding would allow the Department to open 316 beds at CSP II.

**Double bunking:** The appropriation restores one-time FY 2009-10 reductions associated with double bunking 76 beds at the Denver Women's Correctional Facility and 100 beds at the Buena Vista Correctional Facility.

**Canteen refinance:** The appropriation restores \$2.5 million General Fund associated with a one-time FY 2009-10 refinancing of General Fund with canteen cash funds.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Grant funding:** The appropriation reflects anticipated changes in grant funding (reappropriated funds) and federal funding.

**Eliminate one-time funding:** The appropriation eliminates the FY 2009-10 one-time funding for therapeutic communities.

**Boot Camp decommission:** The appropriation includes adjustments related to the decommission of the Colorado Correctional Alternative Program (known as Boot Camp).

**Parole and community caseload:** The appropriation reflects a reduction associated with the projected parole and community corrections caseload.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

## 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1298	<u>(1,488,311)</u>	<u>(1,700,545)</u>	<u>25,795</u>	<u>111,439</u>	<u>75,000</u>	<u>(3.0)</u>
<b>TOTAL</b>	<b>\$39,011,597</b>	<b>\$38,731,888</b>	<b>\$35,795</b>	<b>\$143,914</b>	<b>\$100,000</b>	<b>434.9</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$39,011,597	\$38,731,888	\$35,795	\$143,914	\$100,000	434.9
Restore FY 2009-10 furlough reductions	489,193	489,193	0	0	0	0.0
ALJ adjustment	620	620	0	0	0	0.0
Parole and community caseload	(1,249,518)	(1,249,518)	0	0	0	(12.7)
State PERA contribution reduction	(570,995)	(570,995)	0	0	0	0.0
Annualize prior year funding	(404,013)	(404,013)	0	0	0	(5.3)
Statewide IT staff consolidation	(191,319)	(191,319)	0	0	0	(3.0)

Community Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Grant funding	(123,136)	0	(25,795)	(36,439)	(60,902)	0.0
Accelerated transition pilot program	(24,363)	(24,363)	0	0	0	0.0
Operating reduction	(13,583)	(13,583)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$36,924,483</b>	<b>\$36,767,910</b>	<b>\$10,000</b>	<b>\$107,475</b>	<b>\$39,098</b>	<b>413.9</b>
HB 10-1360	2,812,106	2,812,106	0	0	0	4.1
HB 10-1374	<u>234,247</u>	<u>234,247</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6.0</u>
<b>TOTAL</b>	<b>\$39,970,836</b>	<b>\$39,814,263</b>	<b>\$10,000</b>	<b>\$107,475</b>	<b>\$39,098</b>	<b>424.0</b>
<b>Increase/(Decrease)</b>	\$959,239	\$1,082,375	(\$25,795)	(\$36,439)	(\$60,902)	(10.9)
Percentage Change	2.5%	2.8%	(72.1)%	(25.3)%	(60.9)%	(2.5)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1298 included the following, among other changes:

- increased \$525,000 General Fund associated with the accelerated transition pilot program;
- reduced \$1.8 million General Fund to eliminate funding for parole wrap-around services;
- reduced \$350,000 General Fund to reflect the actual impact of the FY 2009-10 furloughs; and
- reduced \$80,000 General Fund and 3.0 FTE related to declining parole populations.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**ALJ adjustment:** The appropriation includes an adjustment for administrative law judge (ALJ) services.

**Parole and community caseload:** The appropriation reflects a reduction associated with the projected parole and community corrections caseload.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

**Grant funding:** The appropriation reflects anticipated changes in grant funding (cash funds and reappropriated funds) and federal funding.

**Accelerated transition pilot program:** The appropriation reflects savings associated with the accelerated transition pilot program.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction for eligible operating expenses.

**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.

Parole Board						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$1,634,586	\$1,634,586	\$0	\$0	\$0	17.5
HB 10-1298	<u>120,579</u>	<u>120,579</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,755,165</b>	<b>\$1,755,165</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>17.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,755,165	\$1,755,165	\$0	\$0	\$0	17.5
Restore FY 2009-10 furlough reductions	1,481	1,481	0	0	0	0.0
Accelerated transition pilot program	(122,060)	(122,060)	0	0	0	0.0
State PERA contribution reduction	(27,288)	(27,288)	0	0	0	0.0
Operating reduction	(5,345)	(5,345)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$1,601,953</b>	<b>\$1,601,953</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>17.5</b>
HB 10-1360	<u>75,000</u>	<u>75,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$1,676,953</b>	<b>\$1,676,953</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>18.5</b>
<b>Increase/(Decrease)</b>	<b>(\$78,212)</b>	<b>(\$78,212)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
Percentage Change	(4.5)%	(4.5)%	n/a	n/a	n/a	5.7%

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1298 included the following, among other changes:

- increased \$122,000 General fund associated with the accelerated transition pilot program; and
- reduced \$1,500 General to reflect the actual impact of the FY 2009-10 furloughs.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Accelerated transition pilot program:** The appropriation reflects savings associated with the accelerated transition pilot program.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction for operating expenses.

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

---

## 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 (1), C.R.S.).

Correctional Industries						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1298	<u>(94,843)</u>	<u>0</u>	<u>(25,302)</u>	<u>(69,541)</u>	<u>0</u>	<u>0.0</u>

Correctional Industries						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>TOTAL</b>	<b>\$55,203,147</b>	<b>\$0</b>	<b>\$14,097,295</b>	<b>\$41,105,852</b>	<b>\$0</b>	<b>163.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$55,203,147	\$0	\$14,097,295	\$41,105,852	\$0	163.0
Restore FY 2009-10 furlough reductions	275,295	0	73,443	201,852	0	0.0
State PERA contribution reduction	(202,603)	0	(59,715)	(142,888)	0	0.0
Indirect cost assessment	(15,957)	0	(15,957)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$55,259,882</u></b>	<b><u>\$0</u></b>	<b><u>\$14,095,066</u></b>	<b><u>\$41,164,816</u></b>	<b><u>\$0</u></b>	<b><u>163.0</u></b>
<b>TOTAL</b>	<b>\$55,259,882</b>	<b>\$0</b>	<b>\$14,095,066</b>	<b>\$41,164,816</b>	<b>\$0</b>	<b>163.0</b>
<b>Increase/(Decrease)</b>	<b>\$56,735</b>	<b>\$0</b>	<b>(\$2,229)</b>	<b>\$58,964</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.1%	n/a	0.0%	0.1%	n/a	0.0%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1298 reflected the actual impact of the FY 2009-10 furloughs.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

### **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.).

<b>Canteen Operation</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$14,720,933	\$0	\$14,720,933	\$0	\$0	29.7
HB 10-1298	<u>(10,844)</u>	<u>0</u>	<u>(10,844)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$14,710,089</b>	<b>\$0</b>	<b>\$14,710,089</b>	<b>\$0</b>	<b>\$0</b>	<b>29.7</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$14,710,089	\$0	\$14,710,089	\$0	\$0	29.7
Restore FY 2009-10 furlough reductions	43,504	0	43,504	0	0	0.0
State PERA contribution reduction	(31,673)	0	(31,673)	0	0	0.0
Indirect cost assessment	(14,334)	0	(14,334)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$14,707,586</u></b>	<b><u>\$0</u></b>	<b><u>\$14,707,586</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>29.7</u></b>
<b>TOTAL</b>	<b>\$14,707,586</b>	<b>\$0</b>	<b>\$14,707,586</b>	<b>\$0</b>	<b>\$0</b>	<b>29.7</b>
<b>Increase/(Decrease)</b>	<b>(\$2,503)</b>	<b>\$0</b>	<b>(\$2,503)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	0.0%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1298 reflected the actual impact of the FY 2009-10 furloughs.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

## Recent Legislation

### 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 also the "Recent Legislation" section at the end of the Department of Revenue.

**S.B. 09-093:** Modifies 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 (Board) to track data concerning the Board's rationale for granting and denying parole. Requires the Division of Criminal Justice (DCJ) in the Department of Public Safety to analyze these data and provide the 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. 09-259:** General appropriations act for FY 2009-10.

**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 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. Requires an individual who commits third degree assault in the manner described by the bill to submit to a medical test for communicable diseases. 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. For additional information, see also the "Recent Legislation" section at the end of 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. 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 county 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. Amends the earned time provisions for individuals who are confined to jail pending a parole revocation hearing, and 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. Appropriates \$867,959 General Fund and 10.8 FTE to the Department of Corrections primarily for parole services, and decreases General Fund appropriations to the Department of Corrections for payments to house state prisoners by \$2,997,975.

## 2010 Session Bills

**S.B. 10-128:** Moves the offense of invasion of privacy for sexual gratification from the unlawful sexual contact statute to its own statute. Raises the penalty for invasion of privacy for sexual gratification from a class 1 misdemeanor to a class 6 felony when it is the second or subsequent offense or the person observed or photographed is under the age of 15. Expands the definition of a "photograph" for the purpose of invasion of privacy for sexual gratification and criminal invasion of privacy to include a live feed. Lowers the penalty for the offense of eavesdropping from a class 6 felony to a class 1 misdemeanor. Makes the sections of the bill pertaining to invasion of privacy for sexual gratification effective July 1, 2012, and the remaining portions of the bill effective July 1, 2010. As required by Section 2-2-703, C.R.S., makes a five-year statutory appropriation as follows:

- for FY 2012-13, transfers \$83,861 from the General Fund to the Capital Construction Fund, and appropriates \$83,861 from the Capital Construction Fund to the Corrections Expansion Reserve Fund; and
- for FY 2013-14 and FY 2014-15, appropriates a total of \$32,496 General Fund to the Department of Corrections for operating expenses.

**S.B. 10-140:** Repeals and relocates, with amendments, statutory provisions related to trafficking in adults, trafficking in children, and coercion of involuntary servitude. Requires proof of force, fraud, or coercion for trafficking in adults or children, and requires proof of force or fraud for coercion of involuntary servitude. Adds all three offenses to the definition of "racketeering activity" under the Colorado Organized Crime Control Act.

**S.B. 10-193:** Prohibits the use of restraints on pregnant inmates in the Department of Corrections, private contract prisons, county and municipal jails, and Department of Human Services facilities during labor and delivery. Allows the use of restraints in the above situations if the restraints are necessary for a safe childbirth; the inmate poses serious risk of harm to herself, other patients, or the medical staff; or the inmate poses a substantial risk for escape. Prohibits leg shackles and waist restraints during labor and delivery of the child, postpartum recovery while in a medical facility, or transport to or from a medical facility for childbirth. Requires the facility to maintain a written record of the restraints used, why they were used, and for how long. Specifies that when an inmate is pregnant, facility staff are to use the least restrictive restraints necessary. Entitles an inmate who returns to custody after giving birth to have a medical staff person present to ensure that any strip search is conducted in a manner that does not increase the risk of infection or cause pain.

**H.B. 10-1081:** Relocates and amends provisions concerning money laundering, thereby allowing defendants to be charged with money laundering for activities other than those pertaining to drugs. As required by Section 2-2-703, C.R.S., makes a five-year statutory appropriation as follows:

- for FY 2010-11, transfers \$91,370 from the General Fund to the Capital Construction Fund, and appropriates \$91,370 from the Capital Construction Fund to the Corrections Expansion Reserve Fund; and
- for fiscal years 2011-12 through 2014-15, appropriates a total of \$115,200 General Fund (\$28,800 for each fiscal year) to the Department of Corrections for operating expenses.

Specifies that the act shall only take effect if H.B. 10-1338 is enacted and has a net reduction in General Fund appropriations for FY 2010-11 that is equal to or greater than the \$91,370 General Fund transfer required in H.B. 10-1081.

**H.B. 10-1083:** Authorizes the Department of Corrections to enter into a lease-purchase agreement, for up to 12 years, to purchase a day surgery center to be located at the Denver Reception and Diagnostic Center. Allows the Department to execute a lease-purchase agreement of up to \$2.8 million in principal. Assumes the annual savings of approximately \$600,000 from performing surgeries at the surgery facility rather than contracting with hospitals will be used to fund the lease-purchase agreement.

**H.B. 10-1089:** Requires that a parolee who is designated by the court as a sexually violent predator, and has his or her parole revoked by the Parole Board, be confined to a place of confinement designated by the Executive Director of the Department of Corrections. Currently, at the discretion of the Parole Board, some individuals on revoked parole may spend up to 180 days in a community return-to-custody facility, which are contract facilities with a greater amount of freedom and flexibility regarding offenders than other prison facilities.

**H.B. 10-1112:** Adds vocational training to the Correctional Education Program offered to offenders in the Department of Corrections. Changes the objectives of the program to state that every offender in a correctional facility who has the expectation of release from custody within five years and lacks basic and functional literacy skills must receive basic education instruction and have the opportunity to acquire at least entry-level marketable vocational skills. Requires the Department to develop a plan for each educational or vocational program offered as a part of the program by December 31, 2010. Creates a new annual reporting requirement for the Department concerning educational and vocational programs.

**H.B. 10-1277:** Extends the prohibition on an employee, contractor, or volunteer of a correctional facility engaging in sexual conduct with an individual in the custody of the facility to employees, contractors, or volunteers of juvenile detention or commitment centers and community corrections facilities. As required by Section 2-2-703, C.R.S., makes a five-year statutory appropriation as follows:

- for FY 2010-11, transfers \$83,861 from the General Fund to the Capital Construction Fund, and appropriates \$83,861 from the Capital Construction Fund to the Corrections Expansion Reserve Fund; and
- for FY 2011-12 and FY 2012-13, appropriates a total of \$32,496 General Fund to the Department of Corrections for operating expenses.

Specifies that the act shall only take effect if H.B. 10-1338 is enacted and has a net reduction in General Fund appropriations for FY 2010-11 that is equal to or greater than the \$83,861 General Fund transfer required in H.B. 10-1277.

**H.B. 10-1298:** Supplemental appropriation to the Department of Corrections to modify appropriations for FY 2009-10.

**H.B. 10-1338:** Allows a person who has two or more prior felony convictions to be eligible for probation, with certain exceptions. For the implementation of H.B. 10-1338, appropriates \$308,628 General Fund and 5.2 FTE to the Judicial Department for probation services, and decreases the General Fund appropriation to the Department of Corrections for payments to house state prisoners by \$2,541,810. Also includes the following appropriations and adjustments for FY 2010-11:

- appropriates \$336,057 General Fund to the Department of Revenue for FY 2010-11 for the implementation of H.B. 09-1137;

- increases the appropriation to the Department of Human Services for FY 2010-11 for child welfare services by \$1,719,794 to mitigate the reduction in funding for county staff salaries and benefits, community provider rates, and Medicaid treatment rates (the appropriation includes \$991,919 General Fund, \$343,959 local cash funds, \$75,209 reappropriated funds transferred from the Department of Health Care Policy and Financing (DHCPF), and \$308,707 federal Title IV-E funds); and
- increases the appropriation to the DHCPF for child welfare services by \$75,209 (including \$28,887 General Fund and \$46,322 federal Medicaid funds).

For additional information on H.B. 10-1338, see also the "Recent Legislation" section at the end of the Judicial Department.

**H.B. 10-1352:** Makes a number of changes to offenses related to controlled substances. Directs the General Assembly to annually appropriate the General Fund savings generated by this bill to the Drug Offender Surcharge Fund, and requires that such moneys be allocated to cover the costs associated with the treatment of substance abuse or co-occurring disorders of adult offenders who are assessed to be in need of treatment and who are on diversion, on probation, on parole, in community corrections, or in jail. Makes the following appropriations and adjustments for FY 2010-11:

- appropriates \$1,468,196 General Fund to the Judicial Department, to be credited to the Drug Offender Surcharge Fund pursuant to Section 18-19-103 (3.5). C.R.S.;
- appropriates \$263,377 General Fund and 4.8 FTE to the Judicial Department for probation services;
- appropriates \$36,528 General Fund and 0.5 FTE to the Department of Public Safety, Division of Criminal Justice, for analyzing and reporting on the annual fiscal savings generated by H.B. 10-1352;
- decreases the General Fund appropriation to the Department of Corrections for payments to house state prisoners by \$1,523,589; and
- decreases General Fund appropriations to the Judicial Department for the Public Defender by \$244,512 and 5.6 FTE.

For additional information on H.B. 10-1352, see also the "Recent Legislation" section at the end of the Judicial Department.

**H.B. 10-1360:** Allows certain parolees to be placed in a community return-to-custody facility rather than a state correctional facility, including those who:

- commit a technical violation that does not involve the commission of a crime;
- have no active felony warrants, felony detainers, or pending felony criminal charges; and
- are on parole for a class 4 nonviolent felony (except menacing, stalking, any unlawful sexual behavior, or a crime against an at-risk adult or at-risk juvenile).

Makes the following appropriations and adjustments for FY 2010-11:

- appropriates \$1,285,409 General Fund and 0.8 FTE to the Department of Public Safety, Division of Criminal Justice, for community corrections residential treatment beds;
- appropriates \$260,000 General Fund to the Department of Public Safety, Division of Criminal Justice, for ten transition community corrections beds specifically for sex offenders;
- appropriates \$1,807,225 General Fund to the Department of Corrections, Parole Subprogram, for parole wrap-around services;

- appropriates \$500,000 General Fund to the Department of Corrections, Parole Subprogram, for employment and job training services for parolees;
- appropriates \$250,000 General Fund to the Department of Corrections, Parole Subprogram, for outpatient mental health treatment for transition parolees;
- appropriates \$174,107 General Fund and 2.1 FTE to the Department of Corrections, Parole Subprogram, for community parole officers;
- appropriates \$80,774 General Fund and 2.0 FTE to the Department of Corrections, Parole Subprogram, for administrative support;
- appropriates \$65,553 General Fund and 1.0 FTE to the Department of Corrections, Business Operations Subprogram, for information technology support; and
- decreases General Fund appropriations to the Department of Corrections for payments to house state prisoners by \$4,738,823.

**H.B. 10-1373:** Provides a court with the discretion to order that the mandatory sentence for an escape crime run either consecutively or concurrently with any other sentence being served by the offender who escapes, attempts to escape, or aids the escape of another while serving a direct sentence to community corrections or after being placed in an intensive supervision parole program. Under current law, if an offender knowingly commits an escape crime while in custody or confinement following a felony conviction, the court is required to impose a sentence for the escape crime that runs consecutively with any other sentences being served by the offender.

**H.B. 10-1374:** Directs the Sex Offender Management Board (in consultation with the Department of Corrections, the Judicial Branch, the Division of Criminal Justice in the Department of Public Safety, and the Parole Board) to develop specific sex offender release guidelines for use by the Parole Board in determining when to release a sex offender on parole. Directs the Division of Criminal Justice and the Parole Board to develop an administrative release guideline for use by the Parole Board in evaluating all applications for parole. Requires the Department of Corrections and the Parole Board to develop administrative revocation guidelines for use by the Board in making decisions about parole revocation. Repeals the statutory provision that requires a parole officer to arrest a parolee if he or she does not have lawful permission to be in a particular place (e.g., a county other than the one to which the individual was paroled). Allows up to 12 days of earned time each month be deducted from an offender's sentence provided he or she:

- is serving a sentence for a class 4, class 5, or class 6 felony;
- has not incurred a class I code of penal discipline violation within the 24 months immediately preceding the time of crediting or during his or her entire period of incarceration if such period is less than 24 months;
- has not incurred a class II code of penal discipline violation within the 12 months immediately preceding the time of crediting or during his or her entire period of incarceration if such period is less than 12 months;
- is program compliant; and
- was not convicted of certain specified felony offenses (four new offenses have been added to the existing list of disqualifying crimes).

Makes the following appropriations and adjustments for FY 2010-11:

- appropriates \$114,127 General Fund to the Department of Public Safety, Division of Criminal Justice, for costs associated with the Colorado Criminal and Juvenile Justice Commission;

- appropriates \$80,154 General Fund and 0.7 FTE to the Department of Public Safety, Division of Criminal Justice, for parole guideline duties and actuarial consultation;
- appropriates \$234,247 General Fund and 6.0 FTE to the Department of Corrections, Parole Subprogram, for parole services;
- appropriates \$119,539 General Fund and 1.9 FTE to the Department of Corrections, Executive Director's Office Subprogram, for research functions; and
- decreases General Fund appropriations to the Department of Corrections for payments to house state prisoners by \$548,067.

**H.B. 10-1376:** General appropriations act for FY 2010-11.

**H.B. 10-1413:** Raises the minimum age to 16 from 14 for a district attorney to file criminal charges against a juvenile in district court, a process known as direct filing of charges, except in cases of:

- first degree murder;
- second degree murder; or
- a sex offense combined with one of the following:
  - the alleged crime is a crime of violence;
  - the juvenile used or threatened the use of a deadly weapon during the commission of the crime;
  - the juvenile has, within the previous two years, been adjudicated as a juvenile delinquent for committing a class 3 felony;
  - the juvenile has previously had charges direct filed or transferred, unless he or she was found not guilty of such charges; or
  - the juvenile is determined to be a habitual juvenile offender.

Allows judges the discretion to sentence juveniles who were convicted of class 2 felonies (excluding sex offenses) to the Youthful Offender System (YOS) in the Department of Corrections (DOC) except in the case of a second or subsequent sentence to the DOC or the YOS.

Makes the following appropriations and adjustments for FY 2010-11:

- appropriates \$371,880 General Fund to the Department of Human Services, Division of Youth Corrections, for the purchase of contract placements;
- appropriates \$135,678 General Fund to the Department of Corrections for the youthful offender system subprogram; and
- decreases General Fund appropriations to the Department of Corrections for payments to house state prisoners by \$266,803.

Specifies that the act shall only take effect if H.B. 10-1360 is enacted and has a net reduction in General Fund appropriations for FY 2010-11 that is equal to or greater than the \$240,755 General Fund appropriation required in H.B. 10-1413. For additional information on H.B. 10-1413, see also the "Recent Legislation" section at the end of the Department of Human Services.

# 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 and administering associated student assessments for certain subject areas and grade levels; 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 three independent agencies: (1) the Board of Trustees that is responsible for managing the Colorado School for the Deaf and the Blind; (2) 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 (3) the Public School Capital Construction Assistance Board, which is responsible for assessing public school capital construction needs statewide and making recommendations concerning the prioritization and allocation of state financial assistance for school construction projects.

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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund/1	\$3,023,327,981	\$3,215,359,907	\$3,239,325,619	\$3,176,663,441
Cash Funds/2	15,090,644	640,392,536	636,538,236	569,464,505
Cash Funds Exempt/2	421,921,521	n/a	n/a	n/a
Reappropriated Funds/2	n/a	17,651,668	22,701,205	22,732,752
Federal Funds	<u>496,839,889</u>	<u>497,653,179</u>	<u>826,873,489</u>	<u>569,850,639</u>
<b>Total Funds</b>	<b>\$3,957,180,035</b>	<b>\$4,371,057,290</b>	<b>\$4,725,438,549</b>	<b>\$4,338,711,337</b>
Full Time Equiv. Staff	476.1	536.1	563.3	553.0

/1 Includes General Fund Exempt.

/2 Appropriations for FY 2008-09, FY 2009-10 and FY 2010-11 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 (more than \$2.0 billion), local funds are not reflected in the State's annual appropriations to the Department of Education. Appropriations to the Department of Education for FY 2010-11 consist of 73.2 percent General Fund, 13.1 percent cash funds, 13.1 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 (\$5,530 per pupil for FY 2010-11). The formula then increases this statewide 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 2010-11, per pupil funding allocations are anticipated to range from \$6,358 to \$14,749, with a statewide average allocation of \$6,822 per pupil. Each district's per pupil funding allocation is multiplied by its funded pupil count to determine its "total program" funding. For FY 2010-11, pursuant to the school finance formula, a total of \$5.4 billion in state and local funds will be allocated among school districts.

#### *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 (defined as the annual change in the Denver-Boulder consumer price index) 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 2010-11, the General Assembly is required to increase *base* per pupil funding by at least \$22 (from \$5,508 to \$5,530, or 0.4 percent), based on the actual 0.6 percent reduction in the Denver-Boulder consumer price index in calendar year 2009 plus one percent. Given an estimated funded pupil count of nearly 800,000, the General Assembly is thus required to provide a minimum of \$4.4 billion in state and local funds for FY 2010-11 -- 81 percent of the \$5.4 billion in total state and local funding that has been allocated for this purpose.

#### *Factors Considered in Public School Finance Formula*

The remaining 19 percent of state and local funds that will be allocated among school districts in FY 2010-11 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 these 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.	11.3%
Size Factor	Recognizes economies of scale experienced by larger school districts. Provides greater per pupil funding for districts with low enrollment.	3.6%
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)	3.7%

In addition, the school finance formula requires a minimum level of per pupil funding (\$6,910 per pupil for FY 2010-11<sup>1</sup>), regardless of the impact of the above factors. For FY 2010-11, 14 districts are anticipated to receive funding based on this factor. Finally, the School Finance Act provides a flat rate of funding per pupil for two types of students:

- Students receiving full-time on-line instruction through a multi-district program; and
- Students in their fifth year of high school who are participating in the Accelerating Students Through Concurrent Enrollment (ASCENT) Program.

For FY 2010-11, per pupil funding for these two types of students is established at \$6,668<sup>2</sup>.

Finally, for FY 2010-11 and FY 2011-12, the formula now includes a negative "state budget stabilization" factor designed to reduce districts' total program funding to a specified total amount (\$5,438,295,823). For FY 2010-11, this factor is estimated to require a statewide reduction of \$368.5 million (6.35 percent). Thus, the Department calculates total program funding for each district based on the formula described above, and then reduces each district's total program funding by 6.35 percent<sup>3</sup>.

#### *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 tax rate (the mill levy) and the portion of property value that is taxable (the assessment rate). Specific ownership taxes are paid when registering motor vehicles. For FY 2010-11, local taxes are expected

---

<sup>1</sup> This amount is applied in the formula prior to the application of the Budget Stabilization Factor. Thus, some districts will receive less than \$6,910 per pupil in FY 2010-11 after the Budget Stabilization Factor is applied.

<sup>2</sup> This amount is applied in the formula prior to the application of the Budget Stabilization Factor. Thus, districts will actually receive \$6,244.85 per on-line or ASCENT student in FY 2010-11 after such factor is applied.

<sup>3</sup> Please note that for some districts, this reduction exceeds the state share of total program funding. In this case, the reduction in total program funding is limited to the state share of funding.

to contribute about \$2.0 billion toward public school finance. Thus, the General Assembly appropriated \$3.4 billion in state funding to provide a total of \$5.4 billion for school district operations.

Two constitutional provisions, combined with a statutory provision in the School Finance Act of 1994, have limited property tax revenues available for public school operations:

- In 1982, voters approved a property tax reform measure that included a provision (generally called the "Gallagher amendment"<sup>4</sup>) which initially reduced the residential assessment rate from 30 percent to 21 percent, and capped the residential share of property taxes.
- In 1992 voters approved the Taxpayer's Bill of Rights (TABOR)<sup>5</sup>. Prior to TABOR, local governments could generally collect and spend the same amount of property tax revenue each year by periodically adjusting mill levies up or down. With respect to school district property taxes, TABOR: (1) imposed a property tax revenue limit based on inflation and changes in student enrollment; (2) prohibited districts from increasing a mill levy without voter approval; and (3) required voter approval for any increase in the assessment rate for a class of property.

As a result of the combined impact of the Gallagher amendment and TABOR, the residential assessment rate has declined from 30.0 percent to 7.96 percent (to keep the residential share of property taxes at about 47 percent), and school district mill levies have declined from the uniform mill of 40.080 (established by the General Assembly in 1988) to disparate mill levies that currently range from 1.472 to 27.000. These reductions have caused the local share of total program funding to increase at a slower rate than overall funding, requiring the State's relative share of funding to rise. Specifically, from CY 1988 to FY 2006-07, the ratio of the State share of funding to the local share of funding shifted from 43:57 to 64:36. 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. Due to the passage of S.B. 07-199 and increases in assessed valuation, the percent State share of funding actually decreased in FY 2007-08 (to 62 percent). For FY 2010-11, the State is projected to provide 63 percent of total program 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 programs, full-time on-line programs, and students participating in the ASCENT program);
- 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;
- Fluctuations in local property and specific ownership tax revenues, as well as constitutional and statutory provisions that limit property tax revenues; and
- Changes in statutory definitions, procedures, or mathematical factors that impact the calculation of per-pupil funding or state aid for each district.

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 2009-10 and FY 2010-11.

---

<sup>4</sup> See Article X, Section 3 (1) (b) of the Colorado Constitution.

<sup>5</sup> See Article X, Section 20 of the Colorado Constitution.

School Finance Funding						
Description	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Approp. /2
<b>Funded Pupil Count</b>	<b>741,328</b>	<b>753,065</b>	<b>760,884</b>	<b>778,108</b>	<b>789,511</b>	<b>797,439</b>
<i>Annual Percent Change</i>	<i>1.6%</i>	<i>1.6%</i>	<i>1.0%</i>	<i>2.3%</i>	<i>1.5%</i>	<i>1.0%</i>
<i>Change in Denver-Boulder Consumer Price Index for Previous Calendar Year</i>	<i>0.1%</i>	<i>2.1%</i>	<i>3.6%</i>	<i>2.2%</i>	<i>3.9%</i>	<i>(0.6)%</i>
Statewide <u>Base</u> Per Pupil Funding	\$4,718	\$4,864	\$5,088	\$5,250	\$5,508	\$5,530
<i>Annual Percent Change</i>	<i>1.1%</i>	<i>3.1%</i>	<i>4.6%</i>	<i>3.2%</i>	<i>4.9%</i>	<i>0.4%</i>
Statewide <u>Average</u> Per Pupil Funding	<b>\$6,168</b>	<b>\$6,359</b>	<b>\$6,661</b>	<b>\$6,874</b>	<b>\$7,077</b>	<b>\$6,822</b>
<i>Annual Percent Change</i>	<i>1.5%</i>	<i>3.1%</i>	<i>4.7%</i>	<i>3.2%</i>	<i>3.0%</i>	<i>(3.6)%</i>
<b>Total Program Funding/1</b>	<b>\$4,572,154,012</b>	<b>\$4,788,862,198</b>	<b>\$5,068,284,706</b>	<b>\$5,349,019,294</b>	<b>\$5,587,572,003</b>	<b>\$5,439,892,992</b>
<i>Annual Percent Change</i>	<i>3.2%</i>	<i>4.7%</i>	<i>5.8%</i>	<i>5.5%</i>	<i>4.5%</i>	<i>(2.6)%</i>
<b><u>Local Share</u> of Total Program Funding</b>	\$1,701,427,703	\$1,729,362,067	\$1,915,971,895	\$1,956,083,870	\$2,068,616,086	\$2,040,075,596
<i>Annual Percent Change</i>	<i>0.9%</i>	<i>1.6%</i>	<i>10.8%</i>	<i>2.1%</i>	<i>5.8%</i>	<i>(1.4)%</i>
<b><u>State Share</u> of Total Program Funding</b>	\$2,870,726,309	\$3,059,500,131	\$3,152,312,811	\$3,392,935,424	\$3,518,955,917	\$3,399,817,396
<i>Annual Percent Change</i>	<i>4.6%</i>	<i>6.6%</i>	<i>3.0%</i>	<i>7.6%</i>	<i>3.7%</i>	<i>(3.4)%</i>
<i>State Share as Percent of Districts' Total Program Funding</i>	<i>62.8%</i>	<i>63.9%</i>	<i>62.2%</i>	<i>63.4%</i>	<i>63.0%</i>	<i>62.5%</i>
General Fund Portion of State Share Appropriation	\$2,480,460,455	\$2,657,663,684	\$2,790,546,868	\$2,930,074,211	\$3,076,577,922	\$3,013,683,712
<i>Annual Percent Change</i>	<i>5.9%</i>	<i>7.1%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>(2.0)%</i>

1/ For FY 2008-09 and FY 2009-10, these figures exclude amounts that were rescinded mid-year due to a shortfall in appropriations (\$5,777,656 and \$129,813,999, respectively)

2/ Please note that these figures reflect both the Long Bill (H.B. 10-1376) and H.B. 10-1369. House Bill 10-1369 modifies the statutory school finance formula, thereby reducing districts' total program funding for FY 2010-11 by 6.3 percent. For details concerning the impact of this bill on school funding, please see the table on page 84.

## 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, in calendar year 2009 the percentage change in the Denver-Boulder consumer price index was actually negative (-0.6 percent), so the General Assembly was required to increase state funding for categorical programs by at least \$920,774 (0.4 percent) for FY 2010-11.

The General Assembly determines on an annual basis how to allocate the required increase among the various categorical programs. Since FY 2000-01, the General Assembly has increased annual state funding for categorical programs by \$88.9 million. In certain fiscal years, the General Assembly elected to increase state funding by more than the minimum constitutionally required amount, resulting in appropriations that are now \$34.7 million higher than the minimum amount that would have otherwise been required. The following table details the allocation of the \$88.9 million among categorical programs.

Increases in State Funding for Categorical Programs			
Long Bill Line Item	FY 2010-11 Appropriation	Total 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	12,396,353	9,294,755	299.7%
Public school transportation	49,541,821	12,619,594	34.2%
Career and technical education programs	23,296,124	5,503,274	30.9%
Special education - gifted and talented children	9,059,625	3,559,625	64.7%
Expelled and at-risk student services grant program	7,493,560	1,704,753	29.4%
Small attendance center aid	959,379	11,239	1.2%
Comprehensive health education	1,005,396	405,396	67.6%
<b>Total</b>	<b>\$231,114,383</b>	<b>\$88,949,988</b>	<b>62.6%</b>

## Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of Education						
	Total Funds	General Fund/1	Cash Funds	Reappropria ted Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$4,725,438,549</b>	<b>\$3,239,325,619</b>	<b>\$636,538,236</b>	<b>\$22,701,205</b>	<b>\$826,873,489</b>	<b>563.3</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	53,687,030	7,783,006	19,292,218	11,914,602	14,697,204	145.0
Assistance to Public Schools	4,651,625,031	3,219,333,395	615,891,138	7,247,599	809,152,899	214.1
Library Programs	5,720,240	2,177,810	269,044	250,000	3,023,386	36.6
School for the Deaf and the Blind	14,406,248	10,031,408	1,085,836	3,289,004	0	167.6
<u>Breakdown of Total Appropriation by Bill</u>						
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
HB 09-1319	30,031	0	0	0	30,031	0.3
SB 10-065	38,599,263	(3,401)	(177,677,945)	(103,348)	216,383,957	6.0
HB 10-1376	(109,190)	(86,980)	(49,813)	46,175	(18,572)	0.0
<b>FY 2010-11 Total Appropriation:</b>						
<b>FY 2010-11 Total Appropriation:</b>	<b>\$4,338,711,337</b>	<b>\$3,176,663,441</b>	<b>\$569,464,505</b>	<b>\$22,732,752</b>	<b>\$569,850,639</b>	<b>553.0</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Management and Administration	48,961,348	7,526,935	19,344,219	12,113,824	9,976,370	151.1
Assistance to Public Schools	4,269,575,807	3,156,806,693	548,767,981	7,157,397	556,843,736	197.7
Library Programs	5,727,642	2,177,886	269,223	250,000	3,030,533	36.6
School for the Deaf and the Blind	14,446,540	10,151,927	1,083,082	3,211,531	0	167.6

Department of Education						
	Total Funds	General Fund/1	Cash Funds	Reappropria ted Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	4,703,796,678	3,540,054,561	571,073,392	22,818,086	569,850,639	551.8
SB 10-054	0	0	0	0	0	0.2
SB 10-161	0	0	0	0	0	1.0
HB 10-1369	(365,085,341)	(363,391,120)	(1,608,887)	(85,334)	0	0.0
<b>Increase/(Decrease)</b>	(\$386,727,212)	(\$62,662,178)	(\$67,073,731)	\$31,547	(\$257,022,850)	(10.3)
Percentage Change	(8.2)%	(1.9)%	(10.5)%	0.1%	(31.1)%	(1.8)%

/1 Includes \$0 General Fund Exempt in FY 2009-10 and \$161,444,485 General Fund Exempt in FY 2010-11. See Division Detail for more information on General Fund Exempt appropriations.

### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations add \$217 million federal funds to reflect the full amount of federal funds available pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA).
2. Mid-year adjustments to FY 2009-10 appropriations reduce the State Share of Districts' Total Program Funding by \$177 million, including a reduction of \$67 million to reflect higher than anticipated local revenues, and a reduction of \$110 million as contemplated in S.B. 09-256 [see Section 22-54-106.5, C.R.S.]. This reduction includes a decrease of \$177 million cash funds (primarily from the State Education Fund) and \$300,000 General Fund.
3. Supplemental appropriations provide additional funding for the Steamboat school district to correct an over-collection of local revenues for the last two fiscal years (\$3.7 million cash funds).
4. Supplemental appropriations reflect the actual impact of FY 2009-10 furloughs, reducing appropriations by \$558,708 (primarily federal funds).
5. Supplemental appropriations make technical corrections to the fund sources appropriated for the Comprehensive Health Education program (an increase of \$300,000 General Fund offset by a \$300,000 decrease in cash funds).

### **FY 2010-11 Appropriation Highlights:**

1. The appropriation reduces total state and local funding for schools pursuant to the School Finance Act by \$147.7 million (2.6 percent) compared to FY 2009-10, including a \$119.1 million reduction in the state share of funding and a projected \$28.6 million reduction in local tax revenues. The appropriation does provide funding for a projected 1.0 percent increase in the number of funded pupils and a 0.4 percent increase in the statewide base per-pupil funding amount. However, the average amount districts will receive per pupil is projected to decline by \$256 (3.6 percent) due to the introduction of a new

negative "state budget stabilization" factor in the statutory public school finance formula that decreases total program funding statewide.

The appropriation also reflects a \$1.0 million reduction in cash funds appropriation for facility schools and a \$0.4 million reduction in the cash funds appropriation for Hold-harmless Full-day Kindergarten Funding due to the reduction in per pupil funding.

2. The appropriation adds \$2,165,296 cash funds spending authority to the Read-to-Achieve Cash Fund to restore one-time reductions made pursuant to S.B. 09-256. This increase is offset by a reduction of \$209,287 cash funds spending authority to be used to provide educational services for jailed juveniles, pursuant to S.B. 10-054.
3. The appropriation increases the appropriation for the Colorado Student Assessment Program (CSAP) by \$1,383,582. The appropriation reflects an increase of \$1,346,402 federal funds and 4.8 FTE for the purpose of true-up actual expenditures associated with staff funded with ancillary federal *No Child Left Behind Act of 2001* moneys. The appropriation also includes an increase of \$37,180 cash funds from the State Education Fund for the purpose of funding increases related to the ACT exam.
4. The appropriation includes a \$920,774 increase (0.4 percent) in state funding for categorical programs as required by the State Constitution. This cash funds increase is provided from the State Education Fund.
5. The appropriation adds \$904,042, including \$296,474 General Fund, to restore one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.
6. The appropriation reflects an anticipated net decrease of \$257 million in federal funds, including the elimination of: \$154,012,028 in American Recovery and Reinvestment Act (ARRA) funds for special education programs for children with disabilities; \$111,135,922 in ARRA funds for improving the academic achievement of the disadvantaged (Title I); \$33,611,909 in ARRA funds for school improvement grants (Title I); \$10,662,813 in non-ARRA funds for Title I reading first grants; \$6,734,455 in ARRA funds for enhancing education through technology; \$6,186,541 in ARRA funds for various administrative programs related to enhancing the Colorado Growth Model and SchoolView website, teacher compensation, educator identifier system, additional administrative staffing to assist with ARRA distribution, and to aid with the implementation of S.B. 08-212; \$1,034,538 in ARRA funds for various federal nutrition programs; and \$924,815 in ARRA funds for homeless prevention initiatives. These decreases are offset by increases of \$59,941,632 non-ARRA funds for pass-through to districts and boards of cooperative services (BOCES); \$5,939,761 non-ARRA funds for special education programs for children with disabilities; and \$1,346,402 to true-up federal staffing expenditures associated with the Colorado Student Assessment Program (CSAP).
7. The appropriation eliminates \$7.5 million spending authority for the financial assistance priority assessment of public school facilities, based on work anticipated to be completed in FY 2009-10.
8. The appropriation eliminates a \$3.7 million cash funds appropriation that was provided on a one-time basis to correct for local share overpayments in prior fiscal years.

9. The appropriation eliminates \$2,117,182 cash funds from the State Education Fund and 1.3 FTE by discontinuing funding for regional services cooperatives, the Summer School Grant Program, the Financial Literacy Grant Program, and for Colorado History Day.
10. The appropriation eliminates \$649,693, including \$304,599 General Fund, reflecting a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees salaries, pursuant to S.B. 10-146.

## 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, the maintenance and administration of the Colorado Growth Model, as well as appropriations related to the State Charter School Institute.

The primary source of cash funds is from the Educator Licensure Cash Fund, which consists of fees paid by applicants for educator licenses and certificates and from the Public School Capital Construction Assistance Fund for legal services. Reappropriated funds consist primarily of indirect cost recoveries, the transfer of funds from various cash- and federally-funded line items, and from various grants and donations originally appropriated to the Appropriated Sponsored Programs line item. 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
<b>FY 2009-10 Appropriation:</b>						
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
SB 10-065	6,048,655	(218,462)	158,803	(45,573)	6,153,887	6.0
HB 10-1376	<u>(50,880)</u>	<u>(89,982)</u>	<u>(49,813)</u>	<u>107,487</u>	<u>(18,572)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$53,687,030</b>	<b>\$7,783,006</b>	<b>\$19,292,218</b>	<b>\$11,914,602</b>	<b>\$14,697,204</b>	<b>145.0</b>

<b>Management and Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$53,687,030	\$7,783,006	\$19,292,218	\$11,914,602	\$14,697,204	145.0
CSAP adjustments	1,383,582	0	37,180	0	1,346,402	4.8
Centrally-appropriated line items	315,028	(135,071)	184,682	156,149	109,268	0.0
Restore FY 2009-10 furlough reductions	268,170	103,649	59,605	69,258	35,658	0.0
Postage adjustment	2,220	171	870	1,179	0	0.0
Indirect cost adjustment	0	(36,520)	0	36,520	0	0.0
Eliminate one-time FY 2009-10 ARRA allocation	(6,186,541)	0	0	0	(6,186,541)	0.0
Eliminate one-time funding	(240,073)	(55,706)	(184,367)	0	0	0.0
State PERA contribution reduction	(195,933)	(78,586)	(45,969)	(52,892)	(18,486)	0.0
Statewide IT common policy adjustments	(36,177)	(36,177)	0	0	0	0.0
Operating reduction	(14,514)	(14,514)	0	0	0	0.0
State Charter School Institute funding adjustment	(10,992)	0	0	(10,992)	0	0.0
Annualize prior year funding	(10,452)	(3,317)	0	0	(7,135)	0.3
<b>HB 10-1376</b>	<b>\$48,961,348</b>	<b>\$7,526,935</b>	<b>\$19,344,219</b>	<b>\$12,113,824</b>	<b>\$9,976,370</b>	<b>150.1</b>
SB 10-161	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$48,961,348</b>	<b>\$7,526,935</b>	<b>\$19,344,219</b>	<b>\$12,113,824</b>	<b>\$9,976,370</b>	<b>151.1</b>
<b>Increase/(Decrease)</b>	(\$4,725,682)	(\$256,071)	\$52,001	\$199,222	(\$4,720,834)	6.1
Percentage Change	(8.8)%	(3.3)%	0.3%	1.7%	(32.1)%	4.2%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in S.B. 10-065 and a section contained in H.B. 10-1376 adjusted the FY 2009-10 appropriation. Specifically, S.B. 10-065 reflected the actual impact of the FY 2009-10 furloughs, reflected the full amount of federal funds available pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), and provided a funding increase for the Postsecondary Workforce Readiness Assessments Pilot Program. House Bill 10-1376 made the following appropriations: (1) reduced various centrally-appropriated line items by \$34,790; (2) eliminated \$17,597 associated with a one-time upgrade to mail services equipment in the Department of Personnel and Administration; and (3) changed the financing of legal services related to the Building Excellent Schools Today (BEST) Act of 2008, increasing the appropriation by \$1,507 reappropriated funds.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**CSAP adjustments:** The appropriation reflects an increase of \$1,346,402 federal funds and 4.8 FTE for the purpose of truing-up actual expenditures associated with staff funded with ancillary federal *No Child Left Behind Act of 2001* moneys. The appropriation also includes an increase of \$37,180 cash funds from the State Education Fund for the purpose of funding increases related to the ACT exam.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; administrative law judge services; payment to risk management and property funds; and Capitol complex leased space.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Postage adjustment:** The appropriation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Indirect cost adjustment:** The appropriation includes a net increase in indirect cost recoveries, offsetting General Fund by a commensurate amount.

**Eliminate one-time FY 2009-10 ARRA allocation:** The appropriation reflects the elimination of a one-time allocation of moneys anticipated to be received from the General Services Grants Subaccount of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act (ARRA) of 2009 for various administrative programs related to enhancing the Colorado Growth Model and SchoolView website, teacher compensation, the educator identifier system, additional administrative staffing to assist with ARRA funding distribution, and to aid with the implementation of S.B. 08-212 (CAP4K).

**Eliminate one-time funding:** The appropriation eliminates one-time funding related to: (1) additional funding made available for continuing the postsecondary workforce readiness (PWR) assessments pilot program into the Fall of 2009; and (2) \$55,706 General Fund related to the elimination of one-time funding for a state residential school feasibility study.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; and communication services payments.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

**State Charter School Institute funding adjustment:** The appropriation includes a \$10,992 reappropriated funds reduction associated with the administration of the State Charter School Institute.

**Annualize prior year funding:** The appropriation includes reductions related to prior year legislation and budget actions. The annualizations include: (1) the elimination of \$15,472 for legal services related the realignment of the State's educational accountability system; and (2) an offsetting increase of \$5,020 and 0.3 FTE related to increased personal services expenditures related to the realignment of the State's educational accountability system.

**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
<b>FY 2009-10 Appropriation:</b>						
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
HB 09-1243	157,772	0	157,772	0	0	2.0

Assistance to Public Schools						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 09-1319	19,892	0	0	0	19,892	0.3
SB 10-065	32,380,536	398	(177,835,792)	(52,259)	210,268,189	0.0
HB 10-1376	<u>(61,312)</u>	<u>0</u>	<u>0</u>	<u>(61,312)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2009-10 TOTAL</b>	<b>\$4,651,625,031</b>	<b>\$3,219,333,395</b>	<b>\$615,891,138</b>	<b>\$7,247,599</b>	<b>\$809,152,899</b>	<b>214.1</b>
<b>FY 2010-11 Appropriation:</b>						
HB 10-1376	\$4,634,661,148	\$3,520,283,147	\$550,376,868	\$7,157,397	\$556,843,736	197.5
SB 10-054	0	0	0	0	0	0.2
HB 10-1369	<u>(365,085,341)</u>	<u>(363,476,454)</u>	<u>(1,608,887)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2010-11 TOTAL</b>	<b>\$4,269,575,807</b>	<b>\$3,156,806,693</b>	<b>\$548,767,981</b>	<b>\$7,157,397</b>	<b>\$556,843,736</b>	<b>197.7</b>
<b>Increase/(Decrease)</b>	<b>(\$382,049,224)</b>	<b>(\$62,526,702)</b>	<b>(\$67,123,157)</b>	<b>(\$90,202)</b>	<b>(\$252,309,163)</b>	<b>(16.4)</b>
Percentage Change	(8.2)%	(1.9)%	(10.9)%	(1.2)%	(31.2)%	(7.7)%

/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 37.5 percent of the amount required under the Act for FY 2010-11 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, for 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 2010-11, 89 percent of the State's share of districts' total program funding is provided from the General Fund; the remainder 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 2010-11 Long Bill, as well as the appropriations made through separate legislation.

<i>Public School Finance</i>						
	<b>Total Funds</b>	<b>General Fund/1</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
SB 10-065	<u>(173,620,521)</u>	<u>(300,000)</u>	<u>(173,355,951)</u>	<u>(34,461)</u>	<u>69,891</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,532,095,427</b>	<b>\$3,076,277,922</b>	<b>\$454,260,410</b>	<b>\$1,467,312</b>	<b>\$89,783</b>	<b>18.3</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$3,532,095,427	\$3,076,277,922	\$454,260,410	\$1,467,312	\$89,783	18.3
State share of districts' total program funding	244,337,933	300,882,244	(56,544,311)	0	0	0.0
Hold-harmless full-day kindergarten funding	58,768	0	58,768	0	0	0.0
Restore FY 2009-10 furlough reductions	34,461	0	0	34,461	0	0.0
Eliminate one-time funding	(3,884,365)	0	(3,884,365)	0	0	0.0
Eliminate one-time FY 2009-10 ARRA allocation	(89,783)	0	0	0	(89,783)	0.0
State PERA contribution reduction	(27,999)	0	0	(27,999)	0	0.0
<b>HB 10-1376</b>	<b>\$3,772,524,442</b>	<b>\$3,377,160,166</b>	<b>\$393,890,502</b>	<b>\$1,473,774</b>	<b>\$0</b>	<b>18.3</b>
SB 10-054	49,761	0	49,761	0	0	0.2
HB 10-1369	<u>(363,964,418)</u>	<u>(363,476,454)</u>	<u>(487,964)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,408,609,785</b>	<b>\$3,013,683,712</b>	<b>\$393,452,299</b>	<b>\$1,473,774</b>	<b>\$0</b>	<b>18.5</b>
<b>Increase/(Decrease)</b>	<b>(\$123,485,642)</b>	<b>(\$62,594,210)</b>	<b>(\$60,808,111)</b>	<b>\$6,462</b>	<b>(\$89,783)</b>	<b>0.2</b>
Percentage Change	(3.5)%	(2.0)%	(13.4)%	0.4%	(100.0)%	1.1%

/1 Includes General Fund Exempt amounts.

<b>General Fund Summary</b>	<b>Total General Fund</b>	<b>General Fund</b>	<b>General Fund Exempt</b>
<b>FY 2009-10 Appropriation</b>	\$3,076,577,922	\$3,076,577,922	\$0
S.B. 10-065	<u>(300,000)</u>	<u>(300,000)</u>	<u>0</u>
<b>FY 2009-10 Adjusted Appropriation</b>	\$3,076,277,922	\$3,076,277,922	\$0
Fund projected enrollment growth and 0.4 percent increase in base per pupil funding	300,882,244	300,882,244	0
Adjust General Fund Exempt amount based on FY 2010-11 revenue projections	0	(161,444,485)	161,444,485
H.B. 10-1369	<u>(363,476,454)</u>	<u>(363,476,454)</u>	<u>0</u>
<b>Total FY 2010-11 Long Bill Appropriation</b>	\$3,013,683,712	\$2,852,239,227	\$161,444,485

## General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap<sup>6</sup>, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt that is appropriated for FY 2009-10 and FY 2010-11 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.

## Overview: FY 2010-11 Funding for Public School Finance

The annual Long Bill contains appropriations based on current law. Thus, for purposes of public school finance, the annual Long Bill contains appropriations to fund public schools based on projected student enrollment, the existing statutory public school finance funding formula, and the minimum constitutionally required increase in base per pupil funding. The General Assembly also passes a separate bill each year that modifies the statutory school finance formula. This bill always specifies, in statute, the constitutionally required increase in base per pupil funding. In addition, this bill often includes other statutory modifications that either increase or decrease the costs of funding the public school finance formula. This bill then includes an appropriation clause which either increases or decreases Long Bill appropriations for the following fiscal year accordingly.

The FY 2010-11 Long Bill (H.B. 10-1376) includes appropriations sufficient to fully fund public schools based on projected student enrollment for FY 2010-11, the statutory public school finance funding formula prior to any 2010 modifications, and the minimum constitutionally required increase in base per pupil funding. Specifically, appropriations in the Public School Finance subsection of the Long Bill increased by \$240 million compared to FY 2009-10. The funding increases that are included in the Long Bill are described below, in the "FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions" section.

---

<sup>6</sup> The "excess state revenues cap" is equal to the highest annual total state revenues from FY 2005-06 through FY 2009-10, adjusted each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes.

The General Assembly also passed a separate bill (H.B. 10-1369) that modified the statutory school finance formula. These formula modifications significantly reduced the costs of fully funding the public school finance formula for FY 2010-11 and FY 2011-12. This bill thus included an appropriation clause that decreased FY 2010-11 appropriations in the Public School Finance subsection of the Long Bill by \$364 million. When both the Long Bill and H.B. 10-1369 are taken into account, appropriations of state funds in the Public School Finance subsection of the Long Bill decreased by \$124 million.

The largest line item appropriation within this subsection provides the state share of districts' total program funding. For FY 2010-11, this line item provides \$3,399.8 million (99.7 percent) of the \$3,408.6 million appropriated in this subsection. The following table provides data related to this line item appropriation for both FY 2009-10 and FY 2010-11.

<b>Districts' Total Program Funding: FY 2009-10 and FY 2010-11</b>					
<b>School Finance: Total Program</b>	<b>FY 09-10 Amended Appropriation</b>	<b>Long Bill (HB 10-1376) Appropriation /1</b>	<b>School Finance Bill (HB 10-1369) Adjustments /2</b>	<b>FY 10-11 Appropriation</b>	<b>Annual Change /3</b>
Funded Pupil Count	789,511.1	797,438.5		797,438.5	7,927.4
<i>Percent Change</i>		<i>1.0%</i>			<i>1.0%</i>
Statewide <u>Base</u> Per-Pupil Funding	\$5,507.68	\$5,529.71		\$5,529.71	\$22.03
<i>Percent Change</i>		<i>0.4%</i>			<i>0.4%</i>
Statewide <u>Average</u> Per-Pupil Funding	\$7,077.26	\$7,279.38	(\$457.67)	\$6,821.71	(\$255.55)
<i>Percent Change</i>		<i>2.9%</i>	<i>-6.3%</i>		<i>-3.6%</i>
Total Program Funding	\$5,587,572,003	\$5,804,857,506	(\$364,964,514)	\$5,439,892,992	(\$147,679,011)
<i>Percent Change</i>		<i>3.9%</i>	<i>-6.3%</i>		<i>-2.6%</i>
<u>Local Share of Districts' Total Program Funding /4</u>	\$2,068,616,086	\$2,041,563,656	(\$1,488,060)	\$2,040,075,596	(\$28,540,490)
<i>Percent Change</i>		<i>-1.3%</i>	<i>-0.1%</i>		<i>-1.4%</i>
<u>State Share of Districts' Total Program Funding (including appropriation related to business incentive agreements)</u>	\$3,518,955,917	\$3,763,293,850	(\$363,476,454)	\$3,399,817,396	(\$119,138,521)
<i>Percent Change</i>		<i>6.9%</i>	<i>-9.7%</i>		<i>-3.4%</i>
<i>State Share as % of Districts' Total Program</i>	<i>63.0%</i>	<i>64.8%</i>		<i>62.5%</i>	

/1 Percent Change figures for this column reflect an annual change, comparing Long Bill appropriations for FY 2010-11 to the final appropriation for FY 2009-10.

/2 Percent Change figures for this column reflect the impact of H.B. 10-1369 on FY 2010-11 appropriations, comparing appropriation adjustments in H.B. 10-1369 to Long Bill appropriations for FY 2010-11.

/3 Percent Change figures for this column reflect an annual change, comparing appropriations for FY 2010-11 (Long Bill plus H.B. 10-1369) to the final appropriation for FY 2009-10.

/4 House Bill 10-1369 requires certain districts with a relatively high local share of total program funding to use a portion of revenues generated by their total program mill levies to replace any state funding for categorical programs that the district would otherwise be eligible to receive (called "categorical buyout"). Thus, the \$1,488,060 reduction in the local share reflected for H.B. 10-1369 reflects the portion of districts' total program funding that these districts are required to use for categorical buyout.

As detailed in the above table, Long Bill appropriations for districts' total program funding were based on current law, which required an increase of \$217.3 million (3.9 percent) in total state and local funds. This level of funding would have increased per pupil funding by \$202 (2.9 percent), on average. Due to a projected decline in local property tax revenues, this level of funding would have required a \$244.3 million (6.9 percent) increase in state funding.

However, H.B. 10-1369 modified the statutory school finance formula, significantly reducing the costs of fully funding the formula for FY 2010-11. This act reduced districts' total program funding by \$365.0 million (6.3 percent), thereby reducing average per pupil funding by \$458 (6.3 percent). This act reduced the level of state funding required for FY 2010-11 by \$363.5 million (9.7 percent).

Thus, when both the Long Bill and H.B. 10-1369 are taken into account, districts' total program funding for FY 2010-11 will be \$147.7 million (2.6 percent) lower than in FY 2009-10. This decline in funding reflects both a reduction in local revenues (\$28.6 million or 1.4 percent) and a reduction in state funding (\$119.1 million or 3.4 percent). This level of funding is anticipated to reduce average per pupil funding by \$256 (3.6 percent) compared to FY 2009-10.

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in S.B. 10-065 reduced the appropriation for the State Share of Districts' Total Program Funding by \$177 million, including a reduction of \$67 million to reflect higher than anticipated local revenues, and a reduction of \$110 million as contemplated in S.B. 09-256 [see Section 22-54-106.5, C.R.S.]. This reduction included a decrease of \$177 million cash funds (primarily from the State Education Fund) and \$300,000 General Fund.

In addition, this act: provided additional funding for the Steamboat school district to correct an over-collection of local revenues for the last two fiscal years (\$3,684,365 cash funds); added \$69,891 federal funds to reflect the full amount of federal funds available pursuant to ARRA; reflected the actual impact of the FY 2009-10 furloughs (a reduction of \$34,461 reappropriated funds); and reduced funding for Hold-harmless Full-day Kindergarten Funding based on actual payments (a reduction of \$7,448 cash funds).

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**State share of districts' total program 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 (i.e., the rate of change in the Denver-Boulder consumer price index) plus 1.0 percent for FY 2010-11, and by inflation annually thereafter. The Long Bill appropriation, which is based on existing law (prior to the statutory changes to the school finance formula in H.B. 10-1369), provides the required \$244.3 million (6.9 percent) increase in *state* funding for the School Finance Act, including:

- \$300.9 million increase (9.8 percent) in the General Fund appropriation;
- \$55.3 million decrease (16.3 percent) in the State Education Fund appropriation; and
- \$1.3 million decrease (1.2 percent) from the State Public School Fund appropriation.

The cash funds appropriation from the State Public School Fund is based on projected fund revenues (including \$31.6 million made available through S.B. 10-150) and fund expenditures for other purposes. The State Education Fund appropriation is projected to result in a fund balance at the end of FY 2010-11 of about \$150 million. This fund balance will provide a cushion to account for income tax revenue forecast error, avoid requiring the State Treasurer to liquidate long-term investments, and mitigate potential reductions in funding in FY 2011-12. [Please note that this appropriation was subsequently reduced by \$363,476,454 through H.B. 10-1369.]

**Hold-harmless full-day kindergarten funding:** The Long Bill appropriation for hold-harmless full-day kindergarten funding includes an increase of \$58,768 based on projected enrollment changes and changes in per pupil funding. [Please note that this appropriation was subsequently reduced by \$487,964 through H.B. 10-1369.]

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Eliminate one-time funding:** The appropriation eliminates \$3,684,365 in one-time funding that was provided to correct for local share overpayments in prior fiscal years, and eliminates \$200,000 for the declining enrollment study required by H.B. 08-1388.

**Eliminate one-time FY 2009-10 ARRA allocation:** The appropriation reflects the elimination of a one-time allocation of moneys anticipated to be received from ARRA, including \$50,000 for a preschool ID system and \$39,783 for implementation of the Accelerating Students Through Concurrent Enrollment (ASCENT) Program.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**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.

<i>Categorical Programs</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$492,199,604	\$141,462,751	\$89,178,135	\$101,812	\$261,456,906	73.6
SB 10-065	<u>56,592,580</u>	<u>302,723</u>	<u>(300,000)</u>	<u>0</u>	<u>56,589,857</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$548,792,184</b>	<b>\$141,765,474</b>	<b>\$88,878,135</b>	<b>\$101,812</b>	<b>\$318,046,763</b>	<b>73.6</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$548,792,184	\$141,765,474	\$88,878,135	\$101,812	\$318,046,763	73.6
Federal special education funding	5,939,761	0	0	0	5,939,761	0.0
Increase state funding by 0.4 percent	920,774	0	920,774	0	0	0.0
Restore FY 2009-10 furlough reductions	151,418	0	0	0	151,418	0.0
Eliminate one-time FY 2009-10 ARRA allocation	(154,012,028)	0	0	0	(154,012,028)	0.0
<b>HB 10-1376</b>	<b><u>\$401,792,109</u></b>	<b><u>\$141,765,474</u></b>	<b><u>\$89,798,909</u></b>	<b><u>\$101,812</u></b>	<b><u>\$170,125,914</u></b>	<b><u>73.6</u></b>
<b>TOTAL</b>	<b>\$401,792,109</b>	<b>\$141,765,474</b>	<b>\$89,798,909</b>	<b>\$101,812</b>	<b>\$170,125,914</b>	<b>73.6</b>
<b>Increase/(Decrease)</b>	(\$147,000,075)	\$0	\$920,774	\$0	(\$147,920,849)	0.0
Percentage Change	(26.8)%	0.0%	1.0%	0.0%	(46.5)%	0.0%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in S.B. 10-065: reflected the full amount of federal funds available pursuant to ARRA (an increase of \$56,741,275 federal funds); made technical corrections to the fund sources appropriated for the Comprehensive Health Education program (an increase of \$300,000 General Fund offset by a \$300,000 decrease in cash funds); and reflected the actual impact of the FY 2009-10 furloughs (an increase of \$2,723 General Fund and a reduction of \$151,418 federal funds).

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Federal special education funding:** The appropriation reflects anticipated changes in federal funds anticipated to be available for the provision of special education services for children with disabilities.

**Increase state funding by 0.4 percent:** As required by Amendment 23, the FY 2010-11 appropriation includes a \$920,774 (0.4 percent) increase in *state funding* for categorical programs (based on the actual -0.6 percent change in the Denver-Boulder consumer price index in 2009, plus 1.0 percent). The full amount of the increase is from the State Education Fund. In addition, the appropriation eliminates the \$237,000 cash funds appropriation from the Comprehensive Health Education Fund, and increases the State Education Fund appropriation by the same amount. The following table details the allocation of the required \$920,774 funding increase among categorical programs.

Increase in <i>State</i> Funding for Categorical Programs for FY 2010-11				
Long Bill Line Item	FY 2009-10 Appropriation of State Funds	Allocation of FY 2010-11 Increases in State Funds		FY 2010-11 Appropriation of State Funds
<b>District Programs Required by Statute:</b>				
Special education programs for children with disabilities	\$127,362,125	\$0	0.0%	\$127,362,125
English language proficiency programs	12,121,200	275,153	2.3%	12,396,353
<b>Other Categorical Programs:</b>				
Public school transportation	49,209,638	332,183	0.7%	49,541,821
Career and technical education programs	23,189,191	106,933	0.5%	23,296,124
Special education programs for gifted and talented children	9,003,120	56,505	0.6%	9,059,625
Expelled and at-risk student services grant program	7,343,560	150,000	2.0%	7,493,560
Small attendance center aid	959,379	0	0.0%	959,379
Comprehensive health education	1,005,396	0	0.0%	1,005,396
<b>Total</b>	<b>\$230,193,609</b>	<b>\$920,774</b>	<b>0.4%</b>	<b>\$231,114,383</b>

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Eliminate one-time FY 2009-10 ARRA allocation:** The appropriation reflects the elimination of a one-time allocation of moneys anticipated to be available for special education programs for children with disabilities pursuant to the American Recovery and Reinvestment Act (ARRA) of 2009.

### *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, moneys transferred from the Tobacco Litigation Settlement Cash Fund, the State Public School Fund, the Institute Charter School Capital Construction Assistance 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 (i.e., the Smart Start Nutrition Program 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.

<i><b>Grant Programs, Distributions, and Other Assistance</b></i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
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
SB 10-065	149,408,477	(2,325)	(4,179,841)	(17,798)	153,608,441	0.0
HB 10-1376	<u>(61,312)</u>	<u>0</u>	<u>0</u>	<u>(61,312)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$570,737,420</b>	<b>\$1,289,999</b>	<b>\$72,752,593</b>	<b>\$5,678,475</b>	<b>\$491,016,353</b>	<b>122.2</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$570,737,420	\$1,289,999	\$72,752,593	\$5,678,475	\$491,016,353	122.2
Anticipated federal funding adjustments	49,278,819	0	0	0	49,278,819	(15.4)
Annualize prior year funding	3,076,663	(7,477)	3,241,912	0	(157,772)	0.1
State Charter School Institute Capital Construction Assistance	510,410	0	510,410	0	0	0.0
Restore FY 2009-10 furlough reductions	214,902	2,325	28,637	17,798	166,142	0.0
Facility Schools	100,000	0	100,000	0	0	0.0
School Leadership Academy Program	0	75,000	(75,000)	0	0	0.0
Eliminate one-time FY 2009-10 ARRA allocation	(153,466,639)	0	0	0	(153,466,639)	0.0
Financial assistance priority assessment	(7,454,000)	0	(7,454,000)	0	0	0.0
Eliminate regional service cooperatives grant program	(1,067,182)	0	(1,067,182)	0	0	(1.0)
Eliminate summer school grant program	(1,000,000)	0	(1,000,000)	0	0	(0.3)

<i>Grant Programs, Distributions, and Other Assistance</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Read-to-Achieve tobacco revenue	(173,520)	0	(173,520)	0	0	0.0
State PERA contribution reduction	(158,701)	(1,889)	(23,269)	(14,462)	(119,081)	0.0
Eliminate one-time funding	(102,220)	0	(102,220)	0	0	0.0
Reduce family literacy education grant program spending authority	(100,000)	0	0	(100,000)	0	0.0
Eliminate financial literacy grant program	(40,000)	0	(40,000)	0	0	0.0
Eliminate Colorado history day grant program	(10,000)	0	(10,000)	0	0	0.0
Other	(1,355)	(451)	(904)	0	0	0.0
<b>HB 10-1376</b>	<b>\$460,344,597</b>	<b>\$1,357,507</b>	<b>\$66,687,457</b>	<b>\$5,581,811</b>	<b>\$386,717,822</b>	<b>105.6</b>
SB 10-054	(49,761)	0	(49,761)	0	0	0.0
HB 10-1369	<u>(1,120,923)</u>	<u>0</u>	<u>(1,120,923)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$459,173,913</b>	<b>\$1,357,507</b>	<b>\$65,516,773</b>	<b>\$5,581,811</b>	<b>\$386,717,822</b>	<b>105.6</b>
<b>Increase/(Decrease)</b>	(\$111,563,507)	\$67,508	(\$7,235,820)	(\$96,664)	(\$104,298,531)	(16.6)
Percentage Change	(19.5)%	5.2%	(9.9)%	(1.7)%	(21.2)%	(13.6)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in S.B. 10-065 increased the FY 2009-10 appropriation by \$153.6 million to reflect the distribution of federal moneys made available to Colorado by the American Recovery and Reinvestment Act (ARRA) of 2009; increased spending authority of \$86,000 cash funds for dropout prevention grants. These increases in the bill were offset by reductions to facility school funding related to school finance (\$3,017,769 cash funds from the State Education Fund); programs funded with State Education Fund including the Summer School Grant Program (\$983,662), regional service cooperatives (\$38,788), and for financial literacy (\$36,471); and reflected the actual impact of the FY 2009-10 furloughs (reductions of \$2,325 General Fund and \$166,142 federal funds).

Supplemental appropriations included in H.B. 10-1376 reduced the FY 2009-10 transfer from the Department of Health Care Policy and Financing by \$61,312 reappropriated funds for technical assistance to districts and boards of cooperative services (BOCES) in meeting Medicaid administrative requirements.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Anticipated federal funding adjustments:** The appropriation reflects anticipated increases in federal revenues associated with programs for pass-through to districts and BOCES.

**Annualize prior year funding:** The appropriation includes: (1) a restoration of \$2,165,296 cash funds to the Read-to-Achieve cash fund, pursuant to S.B. 09-256 (School Finance Act); (2) a restoration of a one-time

reduction of \$984,342 cash funds (SEF) to the Summer School Grant Program as a result of FY 2009-10 budget balancing action; (3) a restoration of \$40,850 cash funds (SEF) to the Regional Service Cooperatives grant program as a result of FY 2009-10 budget balancing action; (4) a restoration of \$36,471 cash funds (SEF) to the Family Literacy Grant Program as a result of FY 2009-10 budget balancing action; and (5) an increase of \$7,476 related to Healthy Choices Dropout Prevention program, pursuant to S.B. 09-123. These increases are offset by reductions of \$157,772 related to the creation of the Office of Dropout Prevention and Student Re-engagement, pursuant to H.B. 09-1243.

**State Charter School Institute Capital Construction Assistance:** The appropriation provides an increase in cash funds spending authority to reflect both the Institute Charter School Capital Construction Assistance Fund balance at the end of FY 2009-10 as well as the portion of per pupil funding that is anticipated to be credited to the Fund in FY 2010-11.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Facility Schools:** The appropriation increases funding for facility schools based on the estimated increase in state average per pupil revenues for FY 2010-11. [Please note that this appropriation was subsequently reduced by \$1,120,923 through H.B. 10-1369.]

**School Leadership Academy Program:** The appropriation provides \$75,000 General Fund support for this program and eliminates the \$75,000 cash funds appropriation from the State Education Fund.

**Eliminate one-time FY 2009-10 ARRA allocation:** The appropriation reflects the elimination of a one-time allocation of moneys anticipated to be received from the American Recovery and Reinvestment Act (ARRA) of 2009 for pass-through to districts and BOCES for FY 2009-10 and FY 2010-11. Of this recommended federal funds reduction, \$111,135,922 are from additional federal funds pursuant to Title I of the federal *No Child Left Behind Act of 2001* (NCLB), \$33,611,909 are from school improvement grants from additional federal funds pursuant to Title I of NCLB, \$6,734,455 are from additional federal funds pursuant to Part D of Title II of NCLB (Education Technology), and \$924,815 are from additional federal funds pursuant to Title X of NCLB (McKinney-Vento Homeless Prevention).

**Financial assistance priority assessment:** The appropriation reduces cash funds appropriations for the assessment required by H.B. 08-1335 as the contract is anticipated to be closed out in early FY 2010-11.

**Eliminate regional service cooperatives grant program:** The appropriation reflects the elimination of funding for the Regional Services Cooperatives Grant Program due to the near-term insolvency of the State Education Cash Fund and the projected state revenue shortfall in FY 2010-11.

**Eliminate summer school grant program:** The appropriation reflects the elimination of funding for the Summer School Grant Program due to the near-term insolvency of the State Education Cash Fund and the projected state revenue shortfall in FY 2010-11.

**Read-to-Achieve tobacco revenue:** The appropriation includes a decrease of \$173,520 cash funds spending authority to accommodate the expenditure of moneys from fund balance and anticipated transfers of tobacco settlement moneys.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Eliminate one-time funding:** The appropriation reflects the elimination of one-time FY 2009-10 appropriations, including \$86,000 for the Dropout Prevention Activity Grant Program Fund and \$16,220 for capital outlay for the Division of Public School Capital Construction Assistance.

**Reduce family literacy education grant program spending authority:** The appropriation reflects a decrease of spending authority from the Family Literacy Education Fund based on actual available fund balance.

**Eliminate financial literacy grant program:** The appropriation reflects the elimination of funding for the Financial Literacy Grant Program due to the near-term insolvency of the State Education Cash Fund and the projected state revenue shortfall in FY 2010-11.

**Eliminate Colorado history day grant program:** The appropriation reflects the elimination of funding for the Colorado History Day grant program due to the near-term insolvency of the State Education Cash Fund and the projected state revenue shortfall in FY 2010-11.

**Other:** The appropriation includes various changes, including reductions of \$904 cash funds for the Division of Public School Capital Construction Assistance based on the decrease in the hourly rate for legal services and \$451 General Fund for a technical adjustment related to S.B. 09-226.

**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. State library programs, which provide support to locally-funded libraries, 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$5,779,328	\$2,197,823	\$270,000	\$250,000	\$3,061,505	36.6
SB 10-065	<u>(59,088)</u>	<u>(20,013)</u>	<u>(956)</u>	<u>0</u>	<u>(38,119)</u>	<u>0.0</u>

Library Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>TOTAL</b>	<b>\$5,720,240</b>	<b>\$2,177,810</b>	<b>\$269,044</b>	<b>\$250,000</b>	<b>\$3,023,386</b>	<b>36.6</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$5,720,240	\$2,177,810	\$269,044	\$250,000	\$3,023,386	36.6
Restore FY 2009-10 furlough reductions	59,088	20,013	956	0	38,119	0.0
State PERA contribution reduction	(48,009)	(16,260)	(777)	0	(30,972)	0.0
Operating reduction	(3,677)	(3,677)	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$5,727,642</u></b>	<b><u>\$2,177,886</u></b>	<b><u>\$269,223</u></b>	<b><u>\$250,000</u></b>	<b><u>\$3,030,533</u></b>	<b><u>36.6</u></b>
<b>TOTAL</b>	<b>\$5,727,642</b>	<b>\$2,177,886</b>	<b>\$269,223</b>	<b>\$250,000</b>	<b>\$3,030,533</b>	<b>36.6</b>
<b>Increase/(Decrease)</b>	\$7,402	\$76	\$179	\$0	\$7,147	0.0
Percentage Change	0.1%	0.0%	0.1%	0.0%	0.2%	0.0%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in S.B. 10-065 reflected the actual impact of the FY 2009-10 furloughs.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

### **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 2008-09, the School had a total enrollment of 636 children, including 417 infants and toddlers and 219 students (ages 3 to 21) who received services on campus.

The primary source of funding for the CSDB is General Fund. However, for the CSDB also receives per pupil revenue for each student eligible for funding under the School Finance Act (an estimated 190 students for FY

2008-09)<sup>7</sup>. Similar to community-based residential facilities that operate education programs, the CSDB is permitted to receive up to one and one-third times the average per pupil revenue (PPR) for education services, based on the number of instructional days in the School's calendar.

The CSDB also receives other sources of state and federal funding (e.g., Medicaid and nutrition funding), tuition from other states that place children at CSDB, as well as payments from school districts that place students at CSDB on a short-term basis for diagnostic purposes. The General Assembly appropriates state General Fund moneys to cover operating costs that are not covered by other revenue sources.

This source of funding is reflected in the Long Bill as reappropriated funds, transferred from the Facility School 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.

<b>School for the Deaf and the Blind</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$14,174,086	\$9,793,730	\$1,085,836	\$3,294,520	\$0	167.6
SB 10-065	229,160	234,676	0	(5,516)	0	0.0
HB 10-1376	<u>3,002</u>	<u>3,002</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$14,406,248</b>	<b>\$10,031,408</b>	<b>\$1,085,836</b>	<b>\$3,289,004</b>	<b>\$0</b>	<b>167.6</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$14,406,248	\$10,031,408	\$1,085,836	\$3,289,004	\$0	167.6
Restore FY 2009-10 furlough reductions	176,003	170,487	0	5,516	0	0.0
Teacher compensation	81,261	81,261	0	0	0	0.0
Shift differential	2,079	2,079	0	0	0	0.0
State PERA contribution reduction	(219,051)	(207,864)	(2,754)	(8,433)	0	0.0
Other	0	(10,778)	0	10,778	0	0.0
<b>HB 10-1376</b>	<b>\$14,446,540</b>	<b>\$10,066,593</b>	<b>\$1,083,082</b>	<b>\$3,296,865</b>	<b>\$0</b>	<b>167.6</b>
HB 10-1369	<u>0</u>	<u>85,334</u>	<u>0</u>	<u>(85,334)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$14,446,540</b>	<b>\$10,151,927</b>	<b>\$1,083,082</b>	<b>\$3,211,531</b>	<b>\$0</b>	<b>167.6</b>

<sup>7</sup> 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, approximately 70 percent of the student population were not eligible for funding under the School Finance Act.

School for the Deaf and the Blind						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$40,292	\$120,519	(\$2,754)	(\$77,473)	\$0	0.0
Percentage Change	0.3%	1.2%	(0.3)%	(2.4)%	n/a	0.0%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in S.B. 10-065 reflected a technical correction related to School for the Deaf and Blind teacher pay (increase of \$157,279 General Fund) and reflected the actual impact of the FY 2009-10 furloughs (increase of \$77,397 General Fund).

House Bill 10-1376 contains a section that adjusts FY 2009-10 appropriations. Specifically, the appropriation includes: (1) an increase of \$3,002 General Fund for a statewide adjustment related to vehicle lease payments; and (2) a reduction of \$4,707 General Fund from the Personal Services line item and a commensurate increase to the Early Intervention Services line item to properly reflect teacher compensation, pursuant to Section 22-80-106.5, C.R.S.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Teacher compensation:** The appropriation reflects an increase for teacher compensation at the School, pursuant to Section 22-80-106.5, C.R.S.

**Shift differential:** The appropriation reflects an increase to compensate employees for work performed outside a Monday through Friday 8:00 a.m. to 5:00 p.m. work schedule.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Other:** The appropriation reflects an increase of funds transferred from the Facility Schools Funding line item and a commensurate decrease of General Fund.

## **Recent Legislation**

### **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. 09-226:** 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.

**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 rescission 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.

## 2010 Session Bills

**S.B. 10-008:** Contingent on the receipt of sufficient gifts, grants, and donations, requires the Department of Education to contract for a study to evaluate the feasibility, local education provider impact, and design of a system to allow the calculation of a district's pupil enrollment based on average daily membership rather than a single count date. Requires the Department to submit a report summarizing the findings and recommendations of the study by December 15, 2010.

**S.B. 10-054:** Requires school districts to provide educational services to juveniles who are charged as adults in criminal matters and who are being held pending trial in county jails or other facilities that detain adult offenders. Provides for certain exceptions. Allows a district providing these educational services to seek reimbursement from another school district or charter school if the juvenile was included in that district's or school's pupil enrollment. In addition, allows the district providing educational services to receive two types of reimbursements from the Department: (1) For a juvenile who was not included in a district's pupil enrollment, reimbursement for costs incurred up to the state average per pupil revenue, prorated for the period services are provided; and (2) for all juveniles served, the daily rate established for facility schools for each day that service is provided. Requires each county jail or facility to annually collect certain information concerning any juveniles held at the facility and to submit the information to the Department of Public Safety, Division of Criminal Justice, so that the information can be made available upon request.

Appropriates a total of \$209,287 cash funds from the Read-to-Achieve Cash Fund and 0.2 FTE to the Department of Education for FY 2010-11, including: \$20,729 and 0.2 FTE for Department administrative functions; \$29,032 to reimburse districts with per pupil revenues for services provided to juveniles who were not included in a district's pupil enrollment; and \$159,526 to pay a daily rate for services provided to any juvenile held in a county jail or adult facility. Reduces the FY 2010-11 appropriation for the Read-to-Achieve Grant Program by \$209,287 cash funds.

**S.B. 10-065:** Supplemental appropriation to the Department of Education to modify FY 2009-10 appropriations included in the FY 2009-10 Long Bill (S.B. 09-259), H.B. 09-1243, and H.B. 09-1319.

**S.B. 10-150:** Extends S.B. 09-260 for an additional year, requiring that certain moneys that would otherwise be credited to the Public School ("Permanent") Fund in FY 2010-11 be transferred to the State Public School Fund (SPSF). This act did not include an appropriation clause. However, the FY 2010-11 Long Bill included an appropriation of \$31.6 million cash funds from the SPSF for the State Share of Districts' Total Program Funding due to the passage of S.B. 10-150.

**S.B. 10-151:** Repeals the Comprehensive Health Education Fund (CHEF), effective July 1, 2010, and requires any moneys remaining in the CHEF to be credited to the State Public School Fund. Eliminates the requirement that the Department of Education transfer 50 percent of any unexpended appropriations for public school finance to the CHEF at the end of the fiscal year. As a result, 100 percent of any unexpended appropriations for public school finance will remain in the State Public School Fund and be available for appropriation in future fiscal years.

**S.B. 10-161:** Establishes the Charter School Collaborative Act and authorizes the State Charter School Institute (SCSI) and district charter schools to contract with boards of cooperative services (BOCES) and other district or Institute charter schools for the use and maintenance of facilities and the provision of educational services. A charter school does not need approval of its authorizing district to form or join a collaborative. Further, the

SCSI is authorized to act as the local education agency (LEA) and fiscal agent for any district or institute charter school that chooses to apply for a nonformulaic, competitive federal grant and can charge an administrative fee for acting as an LEA. Moneys received by both the Institute and the Department of Education from fees established in the bill are continuously appropriated to each entity for costs incurred from implementing provisions in the legislation. Appropriates 1.0 FTE which is to be supported by fees collected for the purposes of acting as a local education agency and fiscal agent for charter schools.

**S.B. 10-191:** Requires that the State Board of Education (the Board) adopt guidelines for a system to evaluate the effectiveness of teachers and principals. Requires all school districts and boards of cooperative services (BOCES) to adjust their local performance evaluation systems to meet or exceed the adopted guidelines. Codifies the State Council for Educator Effectiveness (the Council) and requires that it make recommendations to the Board concerning the implementation and testing of the new performance evaluation system by March 1, 2011. Requires the new system to be implemented statewide in FY 2013-14 and finalized statewide in FY 2014-15. Creates the continuously appropriated Great Teachers and Leaders Fund (GTLF) to receive federal grants for purposes of implementing the act. The Department is anticipated to require \$237,869 and 3.0 FTE in FY 2010-11 for new staff to oversee departmental activities, support the Board and the Council in establishing the program and adopting rules, conduct analysis of existing performance evaluation systems, recommend conforming changes, and provide training and technical assistance to local districts. The act authorizes the transfer of state moneys to the GTLF if less than \$250,000 in federal grants are received by September 30, 2012; such transfers would be made from the Contingency Reserve Fund and, if necessary, the State Education Fund.

**H.B. 10-1013:** Makes a number of modifications related to the administration of public schools, including: requiring state assistance for charter school facilities to be paid on a monthly basis (rather than in a lump sum); extending the military dependent supplemental pupil enrollment aid program indefinitely and eliminating the need for the Department and school districts to perform related administrative tasks unless funding is made available for the program; authorizing local boards of education to transfer unrestricted moneys into or out of the capital reserve fund or risk management reserves beginning in FY 2009-10; authorizing school food authorities to use state matching funds in lieu of moneys from the authority's general fund; changing a number of statutory deadlines and reporting time frames; and eliminating obsolete provisions.

**H.B. 10-1030:** Creates the Early Childhood Educator Development Scholarship Program to administer a scholarship program to assist persons employed in early childhood education to obtain an associate of arts degree. Creates the continuously appropriated Early Childhood Educator Development Scholarship Cash Fund to receive federal money and other donations for the purposes of distributing scholarships and to provide for the direct and indirect costs of implementing the program. The conditional expenditures are estimated to be approximately \$201,445, consisting of \$21,455 and 0.4 FTE for program administration and \$180,000 for scholarships. The program's implementation is subject to the receipt of sufficient money from federal sources and other donations.

**H.B. 10-1036:** Enacts the "Public School Financial Transparency Act", which requires school districts, boards of cooperative services, the State Charter School Institute, and charter schools to post specified financial information on-line, in a downloadable format, for free public access. Phases in these requirements over three fiscal years.

**H.B. 10-1183:** Creates the Alternative School Funding Models Pilot Program to encourage school districts and charter schools to collect data that will be used to compare the effects of alternative school funding models with

the current method. Authorizes a school district or charter school that participates in the Pilot Program to accept gifts, grants, and donations to offset the costs incurred, and allows a participant to request waivers of certain education-related statutory provisions. Creates an Advisory Council to collect data from participants and submit an annual summary report. Authorizes the Advisory Council to accept and expend gifts, grants, donations, and services in kind to offset the costs incurred in implementing the Pilot Program. Requires that any moneys received for such purpose be credited to the Legislative Department Cash Fund, which is continuously appropriated to the Executive Committee of the Legislative Council.

**H.B. 10-1318:** Makes two changes to the School Finance Act formula. First, suspends the "minimum state aid" requirement for five fiscal years. The minimum state aid requirement is an exception to the formula for calculating the state and local shares of funding for public schools, essentially setting a floor on the amount of *state* funding that each school district receives and thus reducing the required local share for certain districts. Requires the Department to submit a report to the Joint Budget Committee and the Education Committees by January 15, 2015 regarding the estimated cost of restoring minimum state aid in FY 2015-16. Second, clarifies how pro rata reductions should affect districts that are affected by the minimum state aid requirement. Current law requires the Department to reduce state funding for each school district and each Institute charter school on a pro rata basis if appropriations fall short of fully funding the formula or to cover certain administrative expenditures. This act specifies that the Department shall use the same basis for reducing each district's state funding even if it results in a district receiving less than the amount of minimum state aid.

While the act does not affect state expenditures in FY 2009-10, it does affect state funding allocations to individual school districts. Specifically, the act increases the size of the mid-year reduction in funding for nine school districts (by a total of \$750,116), and decreases the size of the mid-year reduction in funding for the remaining 169 school districts (by a total of \$750,116). For FY 2010-11, the act reduces state payments to four school districts by \$165,411. However, at the time this act was considered by the General Assembly, the actual reduction in state expenditures could not be accurately quantified. Thus, the act did not include an appropriation clause. Instead, this reduction in state expenditures is reflected in the FY 2010-11 Long Bill (H.B. 10-1376) appropriation for the State Share of Districts' Total Program Funding.

**H.B. 10-1335:** Authorizes a board of cooperative services (BOCES) to become a school food authority (SFA), enabling a BOCES to be responsible for the administration of the federal free and reduced-price lunch and breakfast programs. Establishes the BOCES Healthy Food Grant Program to establish the program rules, develop an application form, develop selection criteria, and recommend grant recipients to the Commissioner of Education. Creates the BOCES Healthy Food Grant Program Cash Fund which is subject to annual appropriation by the General Assembly. This fund is to consist of any gifts, grants, or donations received by the Department or any other moneys the Department allocates to it. The Fund is to also include any federal moneys received for this purpose which are not subject to appropriation. Further, the Department is not required to implement the provisions of the bill unless, at its discretion, sufficient moneys are credited to the BOCES Healthy Food Grant Program Cash Fund. The conditional expenditures are estimated to be approximately \$246,430 cash funds from the BOCES Healthy Food Grant Program Cash Fund and 0.3 FTE in FY 2010-11. If the Department determines that sufficient moneys are available to implement the program, spending authority from the General Assembly will be required.

**H.B. 10-1369:** Amends the "Public School Finance Act of 1994" and other statutory provisions to provide funding for school districts for FY 2010-11, making the following changes:

- Increases the statewide *base per pupil funding* from \$5,507.68 to \$5,529.71 (0.4 percent) to account for the annual change in the Denver-Boulder consumer price index in CY 2009 (-0.6 percent) plus one percent.
- For FY 2010-11 and FY 2011-12, requires the Department of Education to reduce total program funding for all school districts and Institute charter schools through the application of a *state budget stabilization factor*. Requires the Department and the staff of the Legislative Council to determine the amount of the funding reduction necessary to ensure that total program funding for FY 2010-11 and FY 2011-12 does not exceed \$5,438,295,823 each fiscal year. Requires the Department to then calculate the state budget stabilization factor for each fiscal year by dividing the amount of the required funding reduction by total program funding for all school districts and Institute charter schools. Requires the state budget stabilization factor to be revised mid-year, if necessary, based on actual pupil enrollment and local tax revenues.

Modifies the school finance formula for FY 2010-11 and FY 2011-12, generally establishing a district's total program funding as the greater of:

- (a) total program funding calculated for the district, including any funding for Institute charter schools located within the district, minus the district's state budget stabilization reduction amount for that fiscal year; or
- (b) base per pupil funding multiplied by the district's funded pupil count.

However, applies the state budget stabilization factor differently for a district in which local property tax revenue is sufficient to fully fund the district's total program, or the amount of state aid a district receives is less than its state budget stabilization reduction amount. For these districts, the amount of the state budget stabilization reduction shall not exceed the district's state aid, ensuring that the district's total program mill levy is not affected by the budget stabilization factor. Instead, requires such a district to use revenues generated by its total program mill levy to replace any state funding for categorical programs that the district would otherwise be eligible to receive (called "categorical buyout"). The amount of the district's state aid plus the amount of categorical buyout shall not exceed the district's state budget stabilization reduction amount. Requires the Department to distribute the state funding that is replaced by categorical buyout funds to other eligible districts.

Requires the Department to apply the state budget stabilization factor to a district's on-line funding and a district's accelerating students through concurrent enrollment (ASCENT) program funding.

Finally, for purposes of calculating a district's *mill levy override limit*, specifies that a district's total program shall be the amount as calculated before the state budget stabilization factor is applied.

- Eliminates a potential financial incentive for a district charter school to convert to an Institute charter school or a charter school of another district. Specifically, when determining a district's funded pupil count, specifies that a district's pupil enrollment shall not include any pupil who is or was enrolled in a district charter school that was converted on or after July 1, 2010.

- Under current law, up to \$11 million of rental *income earned on public school lands* is annually credited to the State Public School Fund (SPSF) and made available for appropriation; no interest or income earned on the Public School ("Permanent") Fund is credited to the SPSF. House Bill 10-1369 specifies that the \$11 million that is annually credited to the SPSF shall be from the interest or income earned on the Permanent Fund rather than from rental income.

Makes the following appropriations for FY 2010-11:

- Decreases the General Fund appropriation for the State Share of Districts' Total Program Funding by \$363,476,454. This reduction is based on an estimated state budget stabilization factor of -6.35 percent.
- Decreases two cash funds appropriations from the State Education Fund based on a reduction in per pupil funding: Hold-harmless Full-day Kindergarten Funding (-\$487,964) and Facility School Funding (-\$1,120,923).
- Decreases appropriations that reflect the transfer of moneys from the Facility School Funding line item to the Department of Education for the Colorado School for the Deaf and the Blind (CSDB) and to the Department of Human Services for education programs at the Mental Health Institutes (by \$85,334 and \$13,439, respectively). Increases the General Fund appropriations for the CSDB and the Mental Health Institutes by \$85,334 and \$13,439, respectively.
- Adjusts three cash funds appropriations from the SPSF to identify interest and income earned on the Permanent Fund as the source of funds, rather than rental income. These appropriations include \$8,491,876 for the State Share of Districts' Total Program Funding, \$2,472,644 for the state match for the school lunch program, and \$35,480 for reprinting and distributing laws concerning education.

**H.B. 10-1376:** General appropriations act for FY 2010-11. Also includes supplemental adjustments to modify appropriations to the Department of Education included in the FY 2009-10 Long Bill (S.B. 09-259) and the FY 2008-09 Long Bill (H.B. 08-1375).

# 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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$17,294,433	\$13,443,436	\$13,862,984	\$11,291,137
Cash Funds/1	8,776,099	38,831,138	28,043,418	26,031,709
Cash Funds Exempt/1	31,676,275	n/a	n/a	n/a
Reappropriated Funds/1	n/a	50,198,695	48,776,564	130,811,782
Federal Funds	<u>13,030,450</u>	<u>32,981,986</u>	<u>32,857,679</u>	<u>33,209,586</u>
<b>Total Funds</b>	<b>\$70,777,257</b>	<b>\$135,455,255</b>	<b>\$123,540,645</b>	<b>\$201,344,214</b>
Full Time Equiv. Staff	121.5	376.7	368.9	1,046.0

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 5.6 percent General Fund, 12.9 percent cash funds, 65.0 percent reappropriated funds, and 16.5 percent federal funds.

## Statewide Information Technology Consolidation

The Governor's Office of Information Technology (OIT) coordinates and directs the use of information technology resources by state executive branch agencies. Senate Bill 08-155 centralized the management of information technology in Colorado state government within OIT with the transfer of several information technology functions and staff positions from various state agencies to OIT on July 1, 2008. The largest single agency transfer of staff resources involved moving the Division of Information Technology from the Department of Personnel and Administration to OIT. In addition, this transfer included the General Government Computer Center (GGCC), telecommunications coordination, and statewide information management and support functions.

Additionally, between July 1, 2008 and July 1, 2012, statute allows for the transfer of any other information technology employees and functions to OIT as designated by the director of OIT, acting jointly with the affected agency's executive director, and the agency's chief information officer. The Department's FY 2010-11 budget includes the transfer of \$57.7 million and 680.7 FTE as part of the consolidation process. As a result of the staff transfer, OIT's FY 2010-11 budget increased to \$121.3 million total funds and 895.9 FTE.

## **Energy Efficiency and Renewable Energy Resource Development Initiatives**

The Governor's Energy Office (GEO) has historically been funded with federal moneys associated with weatherization projects and petroleum violation escrow funds (PVE). PVE is a fixed source of funding, with a total allocation to Colorado of \$70.5 million. In preparation for the depletion of PVE funds, GEO migrated funding for its programs to alternative sources. However, a number of programs administered by GEO are now funded from sources that have the potential to vary considerably from year to year, including limited gaming revenue, severance tax earnings, and one-time federal funds.

The Clean Energy Fund receives the remaining portion of moneys from the Limited Gaming Fund after all other transfers are completed. The ongoing recession, job losses, and other economic factors have caused gaming revenue to see its worst decline since Colorado limited gaming began in 1991. After decreasing 3.6 percent in FY 2007-08, total gaming revenue, which includes taxes, fees, and interest earnings, decreased another 12.9 percent in FY 2008-09. Furthermore, in instances where General Fund revenue is found to be insufficient to meet appropriations, the General Fund receives an additional amount of gaming revenue that would otherwise be transferred to programs supported by the Limited Gaming Fund. When this occurs, as it did in FY 2009-10, no moneys are transferred to the Clean Energy Fund for programs administered by GEO. The transfer of moneys from the Limited Gaming Fund to the Clean Energy Fund for use in FY 2010-11 was eliminated with the passage of H.B. 10-1339.

Moneys from the Operational Account of the Severance Tax Trust Fund are transferred to GEO's Low-Income Energy Assistance Fund. Moneys in the Fund are continuously appropriated to GEO to provide home energy efficiency improvements for low-income households. GEO was appropriated \$6 million in FY 2008-09. The legislature eliminated the FY 2009-10 appropriation for home energy efficiency improvements for low-income households with the passage of S.B. 09-293. The Fund was slated to receive transfers of \$6.5 million each year from FY 2010-11 to FY 2012-13. However, H.B. 10-1319 eliminated the transfer of moneys from the Operational Account of the Severance Tax Trust Fund to the GEO Low-Income Energy Assistance Fund in FY 2010-11 and FY 2011-12.

The Public School Energy Efficiency Fund, used to support energy efficiency projects in public schools across the state, receives moneys generated from interest earned on the accelerated collection of oil and gas severance taxes. In FY 2009-10, total severance tax revenue is projected to drop to \$54.9 million, a decrease of 83.7 percent from FY 2008-09. The Public School Energy Efficiency Fund is estimated to receive \$210,000 in FY 2010-11.

The GEO received \$143.7 million in one-time revenue via the American Recovery and Reinvestment Act of 2009 (ARRA) for investment in weatherization, energy efficiency and conservation, and other state energy programs.

## **Economic Development Programs**

Funding for the Office of Economic Development and International Trade (OEDIT) is heavily dependent on cash funds from limited gaming tax revenues. For FY 2010-11, 73.9 percent of the total appropriated moneys for economic development programs are funded from cash fund sources. Much of the increase in cash funds occurred in the 2006 legislative session through the passage of H.B. 06-1201. The legislation increased the amount of Limited Gaming Fund moneys transferred to the Colorado Travel and Promotion Fund, and authorized additional transfers to the newly created State Council on the Arts Cash Fund, Film Operations and Incentives Cash Fund, and the New Jobs Incentives Cash Fund. Revenue available for transfer to the Limited Gaming Fund can vary considerably from year to year. In addition, in instances where General Fund revenue

is found to be insufficient to fund appropriations, the share of Limited Gaming Fund moneys transferred to economic development programs are reduced and, barring legislative action, moneys are instead transferred to the General Fund. House Bill 10-1339 reduced the transfer of Limited Gaming Fund moneys to economic development programs for use in FY 2010-11.

## Summary of FY 2009-10 and FY 2010-11 Appropriations

<b>Governor - Lieutenant Governor - Office of State Planning and Budgeting</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Total Appropriation:</b>	<b>\$123,540,645</b>	<b>\$13,862,984</b>	<b>\$28,043,418</b>	<b>\$48,776,564</b>	<b>\$32,857,679</b>	<b>368.9</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	42,348,286	4,909,255	2,317,753	4,375,102	30,746,176	76.1
Office of the Lieutenant Governor	379,790	302,282	1,218	76,290	0	6.0
Office of State Planning and Budgeting	1,745,867	0	473,770	1,272,097	0	19.5
Economic Development Programs	34,091,991	8,651,447	23,327,215	125,025	1,988,304	48.5
Office of Information Technology	44,974,711	0	1,923,462	42,928,050	123,199	218.8
<u>Breakdown of Total Appropriation by Bill</u>						
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
HB 10-1299	102,545	(900,371)	2,531,248	(1,407,231)	(121,101)	(7.7)
HB 10-1376	480,000	480,000	0	0	0	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$201,344,214</b>	<b>\$11,291,137</b>	<b>\$26,031,709</b>	<b>\$130,811,782</b>	<b>\$33,209,586</b>	<b>1,046.0</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Office of the Governor	46,284,801	4,818,038	514,901	9,979,644	30,972,218	76.1
Office of the Lieutenant Governor	376,821	298,896	1,295	76,630	0	6.0
Office of State Planning and Budgeting	1,501,347	25,000	0	1,476,347	0	19.5
Economic Development Programs	31,918,044	6,149,203	23,592,051	125,422	2,051,368	48.5
Office of Information Technology	121,263,201	0	1,923,462	119,153,739	186,000	895.9
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	215,806,614	11,291,137	41,264,870	130,276,021	32,974,586	1,045.3
SB 10-180	20,000	0	0	0	20,000	0.4

Governor - Lieutenant Governor - Office of State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1019	17,918	0	17,918	0	0	0.3
HB 10-1119	65,000	0	0	0	65,000	0.0
HB 10-1146	490,000	0	0	490,000	0	0.0
HB 10-1333	100,000	0	0	0	100,000	0.0
HB 10-1339	(15,251,079)	0	(15,251,079)	0	0	0.0
HB 10-1349	50,000	0	0	0	50,000	0.0
HB 10-1384	45,761	0	0	45,761	0	0.0
<b>Increase/(Decrease)</b>	\$77,803,569	(\$2,571,847)	(\$2,011,709)	\$82,035,218	\$351,907	677.1
Percentage Change	63.0%	(18.6)%	(7.2)%	168.2%	1.1%	183.5%

#### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations add a total of \$818,000, including a decrease of \$129,000 General Fund, for administrative costs associated with the implementation of American Recovery and Reinvestment Act of 2009 (ARRA) programs.
2. Supplemental appropriations add \$331,000 to fund the defense and trial of *Anthony Lobato, et al., v. State of Colorado, et al.*
3. Supplemental appropriations include a reduction of \$648,000 reflecting the actual impact of FY 2009-10 furloughs.
4. Supplemental appropriation include a reduction of \$579,000 and 8.7 FTE to eliminate positions across multiple subdivisions within the Governor's Office of Information Technology (OIT).
5. Supplemental appropriations include a reduction of \$231,000 to eliminate the Snocat replacement program.
6. Supplemental appropriations include a reduction of \$203,000 General Fund and 1.5 FTE as part of the reorganization of the Business Development, Minority Business, and International Trade units.

#### **FY 2010-11 Appropriation Highlights:**

1. The appropriation includes an increase of \$56.6 million reappropriated funds and 680.7 FTE due to the consolidation of statewide information technology staff resources from executive branch agencies in the Governor's Office of Information Technology (OIT).
2. The appropriation includes an increase of \$28.7 million reappropriated funds as part of the transfer of all components of the technical operation of the Colorado Benefits Management System (CBMS) from

the Department of Human Services (DHS) and the Department of Health Care Policy and Financing (HCPF) to OIT.

3. The appropriation includes a reduction of \$1.6 million, of which \$0.1 million is General Fund, reflecting a 2.5 percent reduction to the state's contribution to the Public Employees' Retirement Association (PERA) pursuant to S.B. 10-146.
4. The appropriation includes an increase of \$1.0 million General Fund to defend the state in the *Lobato* lawsuit. The funds appropriated to the Department are reappropriated to the Attorney General's Office.
5. The appropriation includes a reduction of \$5.2 million as part of annualizations of prior year funding, including ongoing personal services reductions and the elimination of one-time economic development incentives.
6. House Bill 10-1339 reduced the FY 2010-11 Long Bill appropriation of Limited Gaming Fund moneys to the Office of Economic Development and International Trade and the Governor's Energy Office (GEO) by \$15.3 million.
7. House Bill 10-1146 increased the appropriation to the Governor's Office of Information Technology (OIT) by \$490,000 to implement changes to the Colorado Benefits Management System (CBMS).

## 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. Federal funds reflect 58.1 percent of this division's funding and are related to Homeland Security, miscellaneous programs such as Head Start, GEAR-UP, and Access to Recovery, and federally funded energy programs. Approximately 9.1 percent of funds are from the General Fund for direct administration of the Governor's office and Residence and for centrally-appropriated items such as employee benefits and risk management. The reappropriated funds are from other divisions within the department and indirect cost recoveries for services. Cash funds in the division are from various sources, including rental fees for use of the Governor's Mansion.

	Office of the Governor					FTE
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	
FY 2009-10 Appropriation:						
SB 09-259	\$41,014,837	\$5,034,106	\$703,510	\$4,415,818	\$30,861,403	78.4
HB 10-1299	853,449	(604,851)	1,614,243	(40,716)	(115,227)	(2.3)
HB 10-1376	480,000	480,000	0	0	0	0.0

Office of the Governor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>TOTAL</b>	<b>\$42,348,286</b>	<b>\$4,909,255</b>	<b>\$2,317,753</b>	<b>\$4,375,102</b>	<b>\$30,746,176</b>	<b>76.1</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$42,348,286	\$4,909,255	\$2,317,753	\$4,375,102	\$30,746,176	76.1
Limited gaming revenue adjustment	6,558,027	0	6,558,027	0	0	0.0
Statewide IT staff consolidation	6,132,450	0	0	6,132,450	0	0.0
Lobato vs. Colorado	957,848	957,848	0	0	0	0.0
Centrally-appropriated line items	502,028	27,761	60,642	392,085	21,540	0.0
Restore FY 2009-10 furlough reductions	229,206	80,598	16,303	17,078	115,227	0.0
Severance tax revenue increase	60,000	0	60,000	0	0	0.0
Annualize prior year funding	(1,889,251)	(225,653)	(1,629,340)	(34,258)		(0.7)
Statewide information technology common policy adjustments	(1,752,309)	(857,196)	0	(896,846)	1,733	0.0
State PERA contribution reduction	(159,594)	(59,668)	(11,501)	(5,967)	(82,458)	0.0
Operating adjustments	(14,907)	(14,907)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$52,971,784</b>	<b>\$4,818,038</b>	<b>\$7,371,884</b>	<b>\$9,979,644</b>	<b>\$30,802,218</b>	<b>75.4</b>
SB 10-180	20,000	0	0	0	20,000	0.4
HB 10-1019	17,918	0	17,918	0	0	0.3
HB 10-1333	100,000	0	0	0	100,000	0.0
HB 10-1339	(6,874,901)	0	(6,874,901)	0	0	0.0
HB 10-1349	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$46,284,801</b>	<b>\$4,818,038</b>	<b>\$514,901</b>	<b>\$9,979,644</b>	<b>\$30,972,218</b>	<b>76.1</b>
<b>Increase/(Decrease)</b>	\$3,936,515	(\$91,217)	(\$1,802,852)	\$5,604,542	\$226,042	0.0
Percentage Change	9.3%	(1.9)%	(77.8)%	128.1%	0.7%	0.0%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1299 include:

- an increase of \$1,022,020, including a decrease of \$608,526 General Fund, for administrative costs associated with the implementation of American Recovery and Reinvestment Act of 2009 (ARRA) programs;
- an increase of \$330,902 General Fund to fund the defense and trial of *Lobato v. State of Colorado*;

- a reduction of \$230,967 General Fund and 2.3 FTE for the elimination of two senior staff positions and one line staff position;
- a reduction of \$191,090, including \$42,782 General Fund, for adjustments related to FY 2009-10 furloughs;
- a reduction of \$75,824, including \$51,886 General Fund, for adjustments to centrally-appropriated items; and
- a reduction of \$1,592 General Fund for adjustments to a Department of Personnel and Administration mail system upgrade.

Supplemental adjustments in H.B. 10-1376 increased appropriations by \$480,000 General Fund in the Governor's Office subdivision to correct a technical error contained in H.B. 10-1299 related to the administrative costs associated with the implementation of ARRA funded programs.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Limited gaming revenue adjustment:** The appropriation in the Long Bill (H.B. 10-1376) aligns the appropriation with current law. Subsequent to the passage of the Long Bill, H.B. 10-1339 amends the FY 2010-11 Long Bill by reducing the appropriation of limited gaming moneys.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a cost savings of ten percent statewide.

**Lobato v. Colorado:** The appropriation includes the legal expenses incurred by the Department in defending the state in the *Lobato* case.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; administrative law judge services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Severance tax revenue increase:** The appropriation is based on an estimate of interest earned on severance taxes collected and distributed to the Department's school energy efficiency program.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Statewide information technology common policy adjustments:** The appropriation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; management and administration of the Office of Information Technology; and communication services payments.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating adjustments:** The appropriation reflects a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1019, see also the "Recent Legislation" section at the end of the Department of Revenue. For information on H.B. 10-1333, see also the "Recent Legislation" section at the end of the Department of Labor and Employment. For information on H.B. 10-1349, see also the "Recent Legislation" section at the end of the Department of Natural Resources.

## 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 79.3 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$425,856	\$346,818	\$1,500	\$77,538	\$0	6.0
HB 10-1299	<u>(46,066)</u>	<u>(44,536)</u>	<u>(282)</u>	<u>(1,248)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$379,790</b>	<b>\$302,282</b>	<b>\$1,218</b>	<b>\$76,290</b>	<b>\$0</b>	<b>6.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$379,790	\$302,282	\$1,218	\$76,290	\$0	6.0
Restore FY 2009-10 furlough reductions	11,385	9,855	282	1,248	0	0.0
State PERA contribution reduction	(10,000)	(8,887)	(205)	(908)	0	0.0
Operating adjustments	(4,354)	(4,354)	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$376,821</u></b>	<b><u>\$298,896</u></b>	<b><u>\$1,295</u></b>	<b><u>\$76,630</u></b>	<b><u>\$0</u></b>	<b><u>6.0</u></b>
<b>TOTAL</b>	<b>\$376,821</b>	<b>\$298,896</b>	<b>\$1,295</b>	<b>\$76,630</b>	<b>\$0</b>	<b>6.0</b>
<b>Increase/(Decrease)</b>	<b>(\$2,969)</b>	<b>(\$3,386)</b>	<b>\$77</b>	<b>\$340</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.8)%	(1.1)%	6.3%	0.4%	n/a	0.0%

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1299 include:

- a reduction of \$34,681 General Fund for a ten percent reduction in the division's total appropriation of General Fund moneys; and
- a reduction of \$11,385, including \$9,855 General Fund, for adjustments related to FY 2009-10 furloughs.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating adjustments:** The appropriation reflects a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

## 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. The division is funded primarily with reappropriated funds 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$1,507,279	\$0	\$0	\$1,507,279	\$0	19.5
HB 10-1299	<u>238,588</u>	<u>0</u>	<u>473,770</u>	<u>(235,182)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,745,867</b>	<b>\$0</b>	<b>\$473,770</b>	<b>\$1,272,097</b>	<b>\$0</b>	<b>19.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,745,867	\$0	\$473,770	\$1,272,097	\$0	19.5
Restore FY 2009-10 furlough reductions	37,778	0	0	37,778	0	0.0
Human resources consolidation study	25,000	25,000	0	0	0	0.0
Annualize prior year funding	(276,366)	0	(473,770)	197,404	0	0.0
State PERA contribution reduction	(30,932)	0	0	(30,932)	0	0.0

Office of State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1376	<u>\$1,501,347</u>	<u>\$25,000</u>	<u>\$0</u>	<u>\$1,476,347</u>	<u>\$0</u>	<u>19.5</u>
TOTAL	\$1,501,347	\$25,000	\$0	\$1,476,347	\$0	19.5
Increase/(Decrease)	(\$244,520)	\$25,000	(\$473,770)	\$204,250	\$0	0.0
Percentage Change	(14.0)%	n/a	(100.0)%	16.1%	n/a	0.0%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1299 include:

- an increase of \$276,366 for administrative costs associated with the American Recovery and Reinvestment Act of 2009 (ARRA); and
- a reduction of \$37,778 for adjustments related to FY 2009-10 furloughs.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Human resources consolidation study:** The appropriation includes \$25,000 General Fund for the division to study the effectiveness of consolidating executive branch human resource services within a single executive branch agency.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions, including the elimination of administrative costs associated with the American Recovery and Reinvestment Act of 2009 (ARRA).

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

---

### 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 Global Business Development Office, Small Business Development Centers, Colorado Welcome Centers, Colorado Tourism Office, State Council on the Arts, and the Colorado Office of Film, Television, and Media. The Division also coordinates programs related to Bioscience Discovery Evaluation and New Jobs Incentives. The largest portion of the Division's funding is from various cash funds, which receive statutory transfers from the Limited Gaming Fund. Reappropriated funds in the Division are from the Department of Regulatory Agencies and statewide indirect cost assessments. Federal funds in the Division are from various sources, including the National Endowment for the Arts.

<b>Economic Development Programs</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1299	<u>167,039</u>	<u>(250,984)</u>	<u>430,411</u>	<u>(2,116)</u>	<u>(10,272)</u>	<u>3.0</u>
<b>TOTAL</b>	<b>\$34,091,991</b>	<b>\$8,651,447</b>	<b>\$23,327,215</b>	<b>\$125,025</b>	<b>\$1,988,304</b>	<b>48.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$34,091,991	\$8,651,447	\$23,327,215	\$125,025	\$1,988,304	48.5
Limited gaming revenue adjustment	8,649,793	0	8,649,793	0	0	0.0
Restore FY 2009-10 furlough reductions	80,994	47,836	20,770	2,116	10,272	0.0
Centrally-appropriated line items	61,138	0	0	0	61,138	0.0
Annualize prior year funding	(2,523,947)	(2,511,273)	(12,674)	0	0	0.0
State PERA contribution reduction	(65,747)	(38,807)	(16,875)	(1,719)	(8,346)	0.0
<b>HB 10-1376</b>	<b>\$40,294,222</b>	<b>\$6,149,203</b>	<b>\$31,968,229</b>	<b>\$125,422</b>	<b>\$2,051,368</b>	<b>48.5</b>
HB 10-1339	<u>(8,376,178)</u>	<u>0</u>	<u>(8,376,178)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$31,918,044</b>	<b>\$6,149,203</b>	<b>\$23,592,051</b>	<b>\$125,422</b>	<b>\$2,051,368</b>	<b>48.5</b>
<b>Increase/(Decrease)</b>	<b>(\$2,173,947)</b>	<b>(\$2,502,244)</b>	<b>\$264,836</b>	<b>\$397</b>	<b>\$63,064</b>	<b>0.0</b>
Percentage Change	(6.4)%	(28.9)%	1.1%	0.3%	3.2%	0.0%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1299 include:

- an increase of \$451,181 and 4.5 FTE to reflect the current law appropriation to the Colorado Office of Film, Television, and Media;
- a reduction of \$203,148 General Fund and 1.5 FTE as part of the reorganization of the Business Development, Minority Business, and International Trade units; and
- a reduction of \$80,994, including \$47,836 General Fund, for adjustments related to FY 2009-10 furloughs.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Limited gaming revenue adjustment:** The appropriation in the Long Bill (H.B. 10-1376) aligns the appropriation with current law. Subsequent to the passage of the Long Bill, H.B. 10-1339 (Pommer/White) amends the FY 2010-11 Long Bill by reducing the appropriation of limited gaming moneys.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; administrative law judge services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions, including a \$2.5 million reduction due to the elimination of one-time economic development incentives.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

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

---

## **Office of Information Technology**

The Governor's Office of Information Technology (OIT) 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. The responsibilities of this office were expanded significantly by S.B. 08-155. The bill formally provided OIT with authority over the management and delivery of consolidated information technology (IT) services for most of state government. Additionally, between July 1, 2008 and July 1, 2012, statute allows for the transfer of any other information technology employees and functions to OIT as designated by the director of OIT, acting jointly with the affected agency's executive director, and the agency's chief information officer. The Department's FY 2010-11 budget includes the transfer of \$57.7 million and 680.7 FTE from state agencies to OIT as part of the consolidation process. As a result of the staff transfer, OIT's FY 2010-11 budget increased to \$121.3 million total funds and 895.9 FTE. Of the OIT's budget, 98.3 percent comes from reappropriated funds transferred from agencies for services provided by OIT.

Office of Information Technology						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$46,085,176	\$0	\$1,910,356	\$44,056,019	\$118,801	227.2
HB 10-1299	<u>(1,110,465)</u>	<u>0</u>	<u>13,106</u>	<u>(1,127,969)</u>	<u>4,398</u>	<u>(8.4)</u>
<b>TOTAL</b>	<b>\$44,974,711</b>	<b>\$0</b>	<b>\$1,923,462</b>	<b>\$42,928,050</b>	<b>\$123,199</b>	<b>218.8</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$44,974,711	\$0	\$1,923,462	\$42,928,050	\$123,199	218.8
Statewide IT staff consolidation	48,090,021	0	0	48,090,021	0	622.2
CBMS transfer to OIT	28,691,149	0	0	28,691,149	0	58.5
Indirect cost assessment	905,181	0	0	905,181	0	0.0
Restore FY 2009-10 furlough reductions	529,480	0	0	529,480	0	0.0
State PERA contribution reduction	(1,335,280)	0	0	(1,335,280)	0	0.0
Operating adjustments	(646,583)	0	0	(646,583)	0	0.0
Annualize prior year funding	(546,239)	0	0	(544,040)	(2,199)	(3.6)
<b>HB 10-1376</b>	<b>\$120,662,440</b>	<b>\$0</b>	<b>\$1,923,462</b>	<b>\$118,617,978</b>	<b>\$121,000</b>	<b>895.9</b>
HB 10-1119	65,000	0	0	0	65,000	0.0
HB 10-1146	490,000	0	0	490,000	0	0.0
HB 10-1384	<u>45,761</u>	<u>0</u>	<u>0</u>	<u>45,761</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$121,263,201</b>	<b>\$0</b>	<b>\$1,923,462</b>	<b>\$119,153,739</b>	<b>\$186,000</b>	<b>895.9</b>
<b>Increase/(Decrease)</b>	\$76,288,490	\$0	\$0	\$76,225,689	\$62,801	677.1
Percentage Change	169.6%	n/a	0.0%	177.6%	51.0%	309.5%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1302 include:

- an increase of \$25,839 and 0.3 FTE to support the helpdesk operations for the Colorado Financial Reporting System (COFRS);
- a reduction of \$578,971 and 8.7 FTE to eliminate positions across multiple subdivisions within OIT;
- a reduction of \$326,813 for adjustments related to FY 2009-10 furloughs;
- a reduction of \$230,520 to eliminate the Snocat replacement program.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a cost savings of ten percent statewide.

**CBMS transfer to OIT:** The appropriation includes the transfer to OIT of all expenses related to the technical operation of Colorado Benefits Management System from the Department of Human Services (DHS) and the Department of Health Care Policy and Financing (HCPF).

**Indirect cost assessment:** The appropriation includes an adjustment in the statewide indirect cost allocation plan.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating adjustments:** The appropriation includes a decrease of \$646,583 reappropriated funds associated with the migration of mainframe and network printing from OIT to the Division of Central Services in the Department of Personnel and Administration.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1146 and H.B. 10-1384, see also the "Recent Legislation" section at the end of the Department of Human Services.

## **Recent Legislation**

### **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 (OIT) to accept funds from a broader range of sources for the Broadband Inventory project. Appropriates \$331,537 in one-time moneys for FY 2008-09 from the Broadband Inventory Fund.

**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 excess 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.

## **2010 Session Bills**

**S.B. 10-180:** Creates the 11-member Colorado Smart Grid Task Force to gather information and report to the General Assembly and the Colorado Public Utilities Commission (PUC) on specified issues related to the development of a smart energy grid in Colorado. The task force's initial report is due January 20, 2011, and the task force is directed to meet at least annually thereafter to review and update the report. Funding for the activities of the task force is to come from gifts, grants and donations received by the Governor's Energy Office (GEO). If insufficient moneys have been received by June 1, 2010, the task force is disbanded and any funds returned to the original donor. Additionally, GEO is appropriated \$20,000 federal funds from the American Recovery and Reinvestment Act of 2009 (ARRA) State Energy Planning moneys to assist the task force.

**H.B. 10-1019:** Makes several changes to the reserved parking and enforcement program for persons with disabilities. Includes an appropriation of \$17,918 cash funds and 0.3 FTE to the Office of the Governor to oversee the implementation of the bill's training program requirements and to assist the Department of Revenue in developing forms and policies. For more information, see the "Recent Legislation" section at the end of the Department of Revenue.

**H.B. 10-1119:** Requires each state agency to present, on an annual basis, the department's strategic plan to the relevant committee of reference of the General Assembly. The presentation is to include a discussion of the department's goals and performance measures. Beginning with the 2012 legislative session, the chair of each committee of reference must appoint two committee members to serve as liaisons with the relevant departments concerning the budget process. The chair of the Joint Budget Committee (JBC) also appoints a liaison from that committee for the same purpose. Within 30 days of the department's presentation to the committee of reference, the committee is to provide the department with written recommendations concerning the strategic plan. The JBC is also required to hold a joint hearing with the relevant committee of reference. Also requires the Office of State Planning and Budgeting to publish an annual performance report. The report will include a summary of each department's strategic plan and must be written in an easily understood manner. The report is to be posted on the state website and the Governor's website. The Governor's Office of Information Technology (OIT) is appropriated \$65,000 federal funds to conduct a feasibility study to determine the cost to build an electronic budgeting system for the state.

**H.B. 10-1146:** Modifies the eligibility requirements for the Home Care Allowance (HCA) program in the Department of Human Services. Also includes an appropriation to the Department of Human Services for FY 2010-11 for CBMS changes of \$490,000 total funds (includes funds appropriated and transferred from the Department of Health Care Policy and Financing) and reappropriates this amount to the Governor's Office of Information Technology (OIT). For more information, see the "Recent Legislation" section at the end of the Department of Human Services.

**H.B. 10-1299:** Supplemental appropriation to the Office of the Governor to modify FY 2009-10 appropriations.

**H.B. 10-1333:** Creates a two-year pilot program called the Green Jobs Colorado Training Program to offer grants to entities to provide job training for wind, solar, renewable energy, and energy efficiency industries. Makes an appropriation of \$100,000 federal funds from the American Recovery and Reinvestment Act of 2009 (ARRA) to the Governor's Energy Office (GEO). The funds are then transferred to the Department of Labor and Employment for implementation of the program. For more information, see the "Recent Legislation" section at the end of the Department of Labor and Employment.

**H.B. 10-1339:** Reduces the statutory transfers to be made at the end of FY 2009-10 from the Limited Gaming Fund to four cash funds that are used for a variety of programs in the Governor's Office of Economic Development and International Trade, increases the statutory transfer from the Limited Gaming Fund to the Innovative Higher Education Research Fund at the end of FY 2009-10, and eliminates the transfer of moneys from the Limited Gaming Fund to the Clean Energy Fund in FY 2009-10 for use in FY 2010-11. The bill assures that transfers to the four economic development cash funds and the Innovative Higher Education Research Fund, or a portion thereof pending revenue collection levels, will be made at the end of FY 2009-10 without consideration of forecasts of the General Fund revenues for the year. Additionally, the bill reduces the transfer from the Limited Gaming Fund to the Local Government Limited Gaming Impact Fund by \$2.0 million in FY 2009-10 for budget balancing purposes and transfers \$16.2 million to the General Fund. The table below

summarizes the statutory transfers from the Limited Gaming Fund to various cash funds on June 30, 2010 for use in FY 2010-11.

House Bill 10-1339 Adjustments to Statutory Transfer Amounts from the Limited Gaming Fund				
Recipient Cash Fund of Moneys Transferred from Limited Gaming Fund	Agency Receiving Appropriation	Statutory Transfer Amount (Pre-H.B. 10-1339)	Amount Received (Post-H.B. 10-1339)	Net Change
Colorado Travel and Tourism Promotion Fund	Office of the Governor - Economic Development Programs	\$20,703,834	\$14,922,231	(\$5,781,603)
Clean Energy Fund	Office of the Governor - Governor's Energy Office	6,874,901	0	(6,874,901)
Local Government Limited Gaming Impact Fund	Department of Local Affairs - Division of Local Governments	5,915,000	3,915,000	(2,000,000)
Bioscience Discovery Evaluation Cash Fund	Office of the Governor - Economic Development Programs	5,500,000	5,500,000	0
New Jobs Incentives Cash Fund	Office of the Governor - Economic Development Programs	3,269,026	1,356,142	(1,912,884)
State Council on the Arts Cash Fund	Office of the Governor - Economic Development Programs	1,634,513	1,178,071	(456,442)
Innovative Higher Education Research Fund	Department of Higher Education - Colorado Commission on Higher Education	1,000,000	2,000,000	1,000,000
Office of Film, Television, and Media Operational Account Cash Fund	Office of the Governor - Economic Development Programs	<u>653,805</u>	<u>428,556</u>	<u>(225,249)</u>
<b>Total</b>		<b>\$45,551,079</b>	<b>\$29,300,000</b>	<b>(\$16,251,079)</b>

**H.B. 10-1349:** Creates the Re-energize Colorado Program in the Division of Parks and Outdoor Recreation in the Department of Natural Resources (DNR). The goal of the program is to generate or offset 100 percent of the division's electrical consumption by 2020 using energy resources on land owned, leased, or controlled by the Division of Parks and Outdoor Recreation. To support the Re-energize Colorado Program's goal, the bill requires the Governor's Energy Office (GEO) to conduct a Geographic Information System (GIS) analysis to determine the optimum state park land for renewable energy development. GEO is appropriated \$50,000 federal funds from the American Recovery and Reinvestment Act of 2009 (ARRA) to perform the GIS analysis. For more information, see the "Recent Legislation" section at the end of the Department of Natural Resources.

**H.B. 10-1376:** General appropriations act for FY 2010-11. Also includes supplemental adjustments to modify appropriations to the Office of the Governor included in the FY 2009-10 Long Bill.

**H.B. 10-1384:** Resolves conflicting state statutory provisions determining the eligibility of noncitizens for Colorado's Old Age Pension (OAP) program. Also includes an appropriation to the Department of Human Services for FY 2010-11 for CBMS changes of \$45,761 total funds (includes funds appropriated and transferred from the Department of Health Care Policy and Financing) and reappropriates this amount to the Governor's Office of Information Technology (OIT). For more information, see the "Recent Legislation" section at the end of the Department of Human Services.

# DEPARTMENT OF HEALTH CARE POLICY AND FINANCING

The Department of Health Care Policy and Financing provides health care services to approximately 814,400 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 \$2.7 billion in federal matching funds for these programs. The Department transfers approximately 8.9 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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund/1	\$1,481,718,670	\$1,579,411,116	\$1,150,198,522	\$1,232,196,603
Cash Funds/2	3,439,333	389,157,525	590,847,026	607,038,213
Cash Funds Exempt/2	364,968,810	0	n/a	n/a
Reappropriated Funds/2	n/a	23,663,618	24,443,505	20,889,306
Federal Funds	<u>1,721,062,814</u>	<u>1,900,242,415</u>	<u>2,554,512,628</u>	<u>2,723,969,690</u>
<b>Total Funds</b>	<b>\$3,571,189,627</b>	<b>\$3,892,474,674</b>	<b>\$4,320,001,681</b>	<b>\$4,584,093,812</b>
Full Time Equiv. Staff	257.3	269.2	287.6	294.8

/1 Appropriations include General Fund Exempt.

/2 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 2010-11 consists of 59.4 percent federal funds, 26.9 percent General Fund, 13.2 percent cash funds, and 0.5 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) 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 the 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 498,063 clients in FY 2009-10 and 553,407 clients in FY 2010-11. Beginning in FY 2009-10, H.B. 09-1293 increased Medicaid eligibility for parents of eligible children from 60 percent of the federal poverty level to 100 percent of the federal poverty level. After FY 2010-11, H.B. 09-1293 will also provide continuous 12 month eligibility for children, add all adults up to 100 percent of the federal poverty level, and allow a Medicaid buy-in program for disabled adults up to 450 percent of poverty. Finally, beginning in FY 2013-14, federal health care reform will make Medicaid eligibility mandatory for all citizens and legal immigrants at or below 133 percent of the federal poverty level. The following table shows the Medicaid caseload history by aid category from FY 2006-07 through the current forecast period for FY 2010-11.

<b>Medicaid Caseload</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual/1</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate</b>
Supplemental Security Income (SSI) Ages 65+	35,977	36,284	37,619	38,449	38,978
Supplemental Security Income (SSI) Ages 60 - 64	6,042	6,146	6,447	7,002	7,171
Partial Dual Eligibles	12,818	14,214	15,075	15,928	17,270
Disabled	48,567	49,933	51,355	53,023	54,103
Categorically Eligible Adults	51,361	44,555	49,147	58,830	66,766
Expansion Low-Income Adults	4,974	8,918	12,727	16,986	20,342
Baby Care Adults	5,123	6,288	6,976	7,130	7,256
Breast and Cervical Cancer Treatment	230	270	317	416	473
Low-Income Children	206,170	204,022	235,129	277,560	306,488
Foster Children	16,601	17,141	18,033	18,365	18,890
Non-Citizens	<u>5,214</u>	<u>4,191</u>	<u>3,987</u>	<u>3,624</u>	<u>3,415</u>
<b>Total Medicaid Caseload Prior to H.B. 09-1293</b>	<b>393,077</b>	<b>391,962</b>	<b>436,812</b>	<b>497,313</b>	<b>541,152</b>
H.B. 09-1293 Forecasted Impact	0	0	0	750	12,255
Impact of Federal Health Reform (none until FY 2013-14)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Medicaid Caseload with Health Care Reform</b>	<b>393,077</b>	<b>391,962</b>	<b>436,812</b>	<b>498,063</b>	<b>553,407</b>
<b>Annual Percent Change</b>	<b>(1.7)%</b>	<b>(0.3)%</b>	<b>11.4%</b>	<b>14.0%</b>	<b>11.1%</b>

/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. The average overall per capita cost for the Medicaid program is influenced by case mix, utilization of services, and the price of those services. Recently, the overall per capita cost for the program has decreased because the caseload growth for the program has mainly been for lower cost clients (children and their parents) rather than in higher cost clients (the elderly and disabled). In addition, recent provider rate reductions have also lowered the per capita costs per client. However, in FY 2009-10, H.B. 09-1293 increased reimbursements to hospitals participating in the Medicaid program. Due to the size of this impact, overall per capita costs actually increased. However, in FY 2010-11, overall per capita costs are anticipated to decline from the FY 2009-10 levels mainly due to cost controls enacted in the program and the impact of newly eligible clients with lower per capita cost estimates. The following table shows the average medical costs per Medicaid client from FY 2006-07 through the forecast period for FY 2010-11.

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Appropriation
Medical Service Cost Per Capita	\$5,211.29	\$5,681.77	\$5,742.79	\$5,881.26	\$5,614.06
Annual Percent Change	5.1%	9.0%	1.1%	2.4%	(4.5)%

### **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 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Estimate	FY 2010-11 Appropriation
Medicaid Mental Health Capitation Funding /1	\$184,640,568	\$196,011,033	\$215,860,937	\$223,752,007	\$247,616,458
Annual Dollar Change	\$7,912,648	\$11,370,465	\$19,849,904	\$7,891,070	\$23,864,451
Annual Percent Change	4.5%	6.2%	10.1%	3.7%	10.7%

	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Appropriation</b>
Individuals Eligible for Medicaid Mental Health Services (Caseload)/2	375,046	373,557	417,750	478,511	532,722
Annual Caseload Change	(7,508)	(1,489)	44,193	60,761	54,211
Annual Percent Change	(2.0)%	(0.4)%	11.8%	14.5%	11.3%

/1 Does not include the fee-for-service 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 197,600 under-insured or uninsured Coloradans through the Indigent Care Program (caseload is from FY 2008-09, the most recent year data is available). 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 levels 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 mainly through General Fund appropriations, certifying public expenditures at hospitals (prior to FY 2009-10), the Hospital Provider Fee Cash Fund (beginning in FY 2009-10), and a Primary Care Fund transfer (beginning in FY 2009-10).

Due to the state revenue shortfall in FY 2009-10, the Safety Net Provider Payment program was reduced by \$26.2 million. This reduction was based on eliminating the entire General Fund appropriation and matching federal funds from this line item. This was the most significant FY 2009-10 budget change (although there were other changes). In FY 2010-11, the statutory funding requirements for General Fund appropriations into the Health Care Services Fund and programs expired (S.B. 06-044). This reduced the General Fund appropriations for this program in FY 2010-11 by approximately \$10.5 million. However, H.B. 10-1378 backed filled the programs funded by the Health Care Services Fund with the Primary Care Fund, resulting in an overall increase in total program funding of 1.2 percent.

	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Appropriation/1</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 Appropriation</b>
Safety Net Provider Payments	\$279,933,040	\$296,188,630	\$304,357,286	\$277,769,967	\$277,769,968
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	7,732,072	8,439,487	12,829,721	14,913,994	14,821,994
Special Distribution (SB 06-044 or HB 10-1321 & H.B. 10-1378)	<u>14,962,408</u>	<u>31,225,421</u>	<u>30,000,000</u>	<u>27,050,247</u>	<u>31,085,655</u>

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Appropriation/1	FY 2009-10 Appropriation	FY 2010-11 Appropriation
<b>Total</b>	<b>\$308,747,280</b>	<b>\$341,973,298</b>	<b>\$353,306,767</b>	<b>\$325,853,968</b>	<b>\$329,797,377</b>
General Fund	19,500,662	34,701,662	34,620,412	17,773,375	7,289,728
Cash Funds & Cash Funds Exempt/ Reappropriated Funds	142,354,182	135,668,119	139,831,861	125,063,786	137,062,097
Federal Funds	146,892,436	171,603,517	178,854,494	183,016,807	185,445,552
Total funding percent change	3.3%	10.8%	3.3%	(7.8)%	1.2%

/1 A federal fund offset to the General Fund expenditures in FY 2008-09 distorts the funding allocation for these programs in FY 2008-09. Therefore, to give a better comparison of actual funding provided to the program, this chart uses the FY 2008-09 appropriation rather than the actual expenditure in FY 2008-09.

## 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 Regular Session, the General Assembly passed H.B. 05-1262 to implement the provisions of Amendment 35. Among other provisions, 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. In FY 2006-07, FY 2007-08, and FY 2008-09 funding for this program was \$32.0 million, \$31.0 million, and \$31.3 million, respectively.

The Colorado Constitution allows the Amendment 35 moneys to be used for other health-related purposes if a two-thirds majority vote the General Assembly passes a fiscal emergency resolution. Due to the budget situation in FY 2009-10 and FY 2010-11, the General Assembly passed emergency resolutions that allowed funding from this program to be transferred to the General Fund or to be used to backfill other General Fund needs. The chart below provides a five year history of the funding for this program.

	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Appropriation	FY 2010-11 Appropriation
Primary Care Program	\$31,980,929	\$30,967,650	\$30,273,568	\$12,125,000	\$0

## 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.

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 again expanded to 225 percent FPL for children beginning in April 2009 and for pregnant women beginning in October 2009. Due to the current economic situation, S.B. 09-211 repealed the expansion to 225 percent FPL

in FY 2008-09 and FY 2009-10. However, H.B. 09-1293 reinstated the expansion of CBHP to 250 percent FPL beginning in May 2010. The following table provides a five-year funding history for the CBHP medical and dental costs.

	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 Appropriation</b>
Medical Services	\$89,657,433	\$104,684,790	\$120,809,604	\$153,157,421	\$202,521,966
Dental Services	<u>6,834,843</u>	<u>8,715,754</u>	<u>9,876,754</u>	<u>11,240,864</u>	<u>13,878,070</u>
<b>Total Service Costs</b>	<b>\$96,492,276</b>	<b>\$113,400,544</b>	<b>\$130,686,358</b>	<b>\$164,398,285</b>	<b>\$216,400,036</b>
Cash Funds Exempt/Cash Funds	33,923,185	39,874,379	46,115,911	55,285,838	69,209,967
Reappropriated Funds/1	0	0	0	2,500,000	6,856,880
Federal Funds	62,569,091	73,526,165	84,570,447	106,612,447	140,333,189
Total funding percent increase	35.4%	17.5%	15.2%	25.8%	31.6%

/1 Represents General Fund appropriations made into the Children's Basic Health Plan Trust Fund for use in the program line items.

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

	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 Appropriation</b>
Children Caseload	47,047	57,795	61,582	70,340	84,793
Percent Change from prior year	6.50%	22.85%	6.55%	14.22%	20.55%
Adult Pregnant Women Average Monthly Caseload	1,170	1,570	1,665	1,617	2,467
Percent Change from prior year	(2.82)%	34.19%	6.05%	(2.88)%	52.57%

## 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.

	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 Appropriation</b>
Expenditures/ Appropriations	\$333,128,748	\$351,308,449	\$402,426,764	\$414,247,388	\$408,681,819
Annual percent change	(22.4)%	5.5%	14.6%	2.9%	(1.3)%

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

## Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of Health Care Policy and Financing						
	Total Funds	General Fund /1, 2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$4,320,001,681</b>	<b>\$1,150,198,522</b>	<b>\$590,847,026</b>	<b>\$24,443,505</b>	<b>\$2,554,512,628</b>	<b>287.6</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	111,551,148	34,904,958	10,657,664	1,801,737	64,186,789	287.6
Medical Services Premiums	2,929,236,159	796,047,957	343,718,641	3,917,255	1,785,552,306	0.0
Medicaid Mental Health Community Programs	226,359,076	79,774,854	7,175,530	10,833	139,397,859	0.0
Indigent Care Program	523,817,455	20,829,844	197,132,202	13,235,690	292,619,719	0.0
Other Medical Services	114,790,455	59,213,362	31,591,957	3,406,141	20,578,995	0.0
Department of Human Services Medicaid-Funded Programs	414,247,388	159,427,547	571,032	2,071,849	252,176,960	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
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	411,152,086	0	201,538,070	0	209,614,016	12.0
SB 10-169	0	(4,929,388)	4,929,388	0	0	0.0
HB 10-1300	(108,368,972)	(33,249,992)	(71,355,102)	127,064	(3,890,942)	0.0
HB 10-1320	0	(43,693,900)	42,693,900	1,000,000	0	0.0
HB 10-1321	(14,892,753)	(11,943,000)	0	(1,553,000)	(1,396,753)	0.0
HB 10-1322	(317,500)	(158,750)	0	0	(158,750)	0.0
HB 10-1323	(5,648,053)	0	(2,638,553)	0	(3,009,500)	(0.2)
HB 10-1324	0	(1,930,808)	1,930,808	0	0	0.0
HB 10-1372	(21,846,863)	0	(8,768,689)	0	(13,078,174)	0.0

Department of Health Care Policy and Financing						
	Total Funds	General Fund /1, 2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1376	(43,707,350)	(367,324,326)	(16,302,623)	(705,469)	340,625,068	0.0
HB 10-1382	93,104,524	27,394,275	8,009,995	28,771	57,671,483	0.0
HB 10-1384	17,309	8,584	76	0	8,649	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$4,584,093,812</b>	<b>\$1,232,196,603</b>	<b>\$607,038,213</b>	<b>\$20,889,306</b>	<b>\$2,723,969,690</b>	<b>294.8</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	130,416,158	36,179,178	14,873,898	1,849,603	77,513,479	294.8
Medical Services Premiums	3,106,858,127	862,050,907	339,633,220	7,595,243	1,897,578,757	0.0
Medicaid Mental Health Community Programs	250,582,216	87,070,304	9,555,600	12,046	153,944,266	0.0
Indigent Care Program	564,952,398	17,148,210	212,051,294	7,303,880	328,449,014	0.0
Other Medical Services	122,603,094	72,331,577	30,474,490	2,235,000	17,562,027	0.0
Department of Human Services Medicaid-Funded Programs	408,681,819	157,416,427	449,711	1,893,534	248,922,147	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	4,624,843,298	1,343,025,312	530,725,328	16,416,251	2,734,676,407	287.8
SB 10-061	102,570	0	51,285	0	51,285	0.0
SB 10-167	(1,062,209)	(414,513)	0	0	(647,696)	7.0
SB 10-169	0	(46,329,388)	46,329,388	0	0	0.0
HB 10-1005	123,270	0	47,348	0	75,922	0.0
HB 10-1027	25,000	0	12,500	0	12,500	0.0
HB 10-1033	870,155	334,227	0	0	535,928	0.0
HB 10-1053	75,000	0	37,500	0	37,500	0.0
HB 10-1146	(520,034)	(778,408)	818	0	257,556	0.0
HB 10-1338	75,209	28,887	0	0	46,322	0.0
HB 10-1378	6,345,655	(12,800,000)	0	0	19,145,655	0.0
HB 10-1379	(6,234,689)	(8,211,333)	5,806,343	0	(3,829,699)	0.0
HB 10-1380	0	(4,850,000)	4,850,000	0	0	0.0
HB 10-1381	0	(25,691,418)	21,200,983	4,490,435	0	0.0
HB 10-1382	(40,566,633)	(12,125,302)	(2,023,356)	(17,380)	(26,400,595)	0.0
HB 10-1384	17,220	8,539	76	0	8,605	0.0

## Department of Health Care Policy and Financing

	Total Funds	General Fund /1, 2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$264,092,131	\$81,998,081	\$16,191,187	(\$3,554,199)	\$169,457,062	7.2
Percentage Change	6.1%	7.1%	2.7%	(14.5)%	6.6%	2.5%

/1 Includes \$450,000 General Fund Exempt in FY 2009-10, and \$161,891,485 General Fund Exempt in FY 2010-11. See Division Detail for information on General Fund Exempt appropriations.

/2 Includes \$450,000 in FY 2009-10 and \$447,000 in FY 2010-11 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-22-117 (3), C.R.S.

### FY 2009-10 Appropriation Adjustment Highlights:

1. Supplemental appropriations include an increase of \$87.9 million total funds (\$35.5 million General Fund increase) to eliminate a one-week payment delay for fee-for-service Medicaid payments and a change in payment timing for capitation payments that was originally enacted in S.B. 09-265. This amount reflects the combined impact of adjustments included in H.B. 10-1300 and H.B. 10-1382.
2. Supplemental appropriations include an increase of \$12.5 million total funds (no General Fund impact) for changes to the Public School Services Program. An audit determined that additional school district expenditures made in FY 2008-09 and FY 2009-10 could be certified to receive federal matching Medicaid funding for services provided by the school districts to Medicaid-eligible children. This amount reflects the combined impact of adjustments included in H.B. 10-1300 and H.B. 10-1376.
3. Supplemental appropriations refinance \$75.0 million in General Fund expenditures with other state funds. These changes occurred in S.B. 10-169, H.B. 10-1300, H.B. 10-1320, H.B. 10-1321, and H.B. 10-1324. Changes included:
  - (a) A reduction of \$42.7 million General Fund and an increase of \$42.7 million cash funds from the Health Care Expansion Fund;
  - (b) A reduction of \$10.4 million General Fund and an increase of \$10.4 million cash funds from the Primary Care Fund;
  - (c) A reduction of \$7.0 million General Fund and an increase of \$7.0 million cash funds from the Tobacco Education Programs Fund;
  - (d) A reduction of \$7.0 million General Fund and an increase of \$7.0 million cash funds from the Prevention, Early Detection, and Treatment Fund;
  - (e) A reduction of \$5.0 million General Fund and an increase of \$5.0 million cash funds from the Hospital Provider Fee Cash Fund;
  - (f) A reduction of \$1.9 million General Fund and an increase of \$1.9 million cash funds from the Nursing Facility Cash Fund; and
  - (g) A reduction of \$1.0 million General Fund and an increase of \$1.0 million reappropriated funds from the Health Disparities Grant Program Fund.
4. Supplemental appropriations include a decrease of \$46.9 million total funds (\$14.8 million General Fund decrease) for safety net providers that provide medical care for uninsured or under insured patients. Programs with eliminated or reduced funding include: the Safety Net Provider Payments, Health Care Services Fund programs, Primary Care Fund Program, Comprehensive and Primary and Preventive Care Grants, and the Comprehensive Primary and Preventive Care Rural and Public Hospital

Grant Program. These changes were contained in H.B. 10-1300, H.B. 10-1321, H.B. 10-1323, and H.B. 10-1376.

5. Supplemental appropriations include a decrease of \$42.4 million total funds (\$21.7 million General Fund decrease) for reimbursement rate reductions for services provided in the Medicaid medical and mental health programs. These changes were contained in H.B. 10-1300.
6. Supplemental appropriations reflect a decrease of \$37.0 million total funds (no General Fund impact) to adjust the original cost estimates for supplemental payments made to hospitals in both the Medical Services Premiums and Safety Net Provider Payments programs for H.B. 09-1293. These adjustments were contained in H.B. 10-1300, H.B. 10-1372, and H.B. 10-1376.
7. Supplemental appropriations reflect a decrease of \$29.1 million total funds (net impact of a \$359.9 million General Fund decrease and a federal fund increase) for refinancing related to the American Recovery and Reinvestment Act (ARRA) Enhanced Federal Medical Assistance Program (FMAP). Through the ARRA Enhanced FMAP program, in FY 2009-10 the state received \$401.0 million in additional federal funds that were used to offset General Fund and cash fund appropriations. In addition, the ARRA Enhanced FMAP program reduced by \$29.1 million General Fund the amount the state owed the federal government for the Medicare Modernization Act (MMA) State Contribution Payment. These changes were contained in H.B. 10-1300, H.B. 10-1372, H.B. 10-1376, and H.B. 10-1382.
8. Supplemental appropriations reflect a decrease of \$18.8 million total funds (net impact of an increase of \$6.1 million General Fund and cash and federal funds adjustments) for changes to the Medicaid medical and mental health programs and to the MMA State Contribution Payment related to new caseload and cost forecasts. The appropriation reflects a decrease of \$41.7 million total funds related to changes in caseload and cost assumptions for the new eligibility categories due to H.B. 09-1293, offset by an increase of \$22.9 million total funds for traditional caseload and costs assumptions in the Medicaid program. These changes were contained in H.B. 10-1300, H.B. 10-1372, and H.B. 10-1376.
9. Supplemental appropriations reflect a decrease of \$13.7 million total funds (net impact of a \$2,919 General Fund increases and changes to cash and federal funds) for caseload and cost assumption changes for the Children's Basic Health Plan (CBHP) program. The appropriation reflects a decrease of \$20.0 million total funds for revised caseload and cost estimates for the new eligibility categories due to H.B. 09-1293 offset by an increase of \$6.3 million for revised caseload and costs estimates for traditional CBHP eligibility categories. These changes were contained in H.B. 10-1372 and H.B. 10-1376.
10. Supplemental appropriations reflect a decrease of \$9.3 million total funds (including a \$4.6 million General Fund decrease) for appropriation changes in the programs administered by the Department of Human Services that receive Medicaid funding. These changes were contained in H.B. 10-1300, H.B. 10-1376, and H.B. 10-1384.
11. Supplemental appropriations reflect a decrease of \$4.8 million total funds (including a \$1.6 million General Fund decrease) for administrative and other reductions. These changes were contained in H.B. 10-1300, H.B. 10-1322, and H.B. 10-1376.

## **FY 2010-11 Appropriation Highlights:**

1. The appropriation reflects an increase of \$257.4 million total funds (net impact of a \$572.2 million General Fund increase offset by decreases to cash and federal funds adjustments) related to base funding issues in the department's Medicaid program line items (all sections except for the Executive Director's Office). Base issues include funding next year's projected Medicaid caseload and costs as well as restoring or eliminating any one-time funding issues (such as the ARRA Enhanced FMAP provided in FY 2009-10). The base issues are contained in H.B. 10-1376 and H.B. 10-1382. The following are the major issues that impact the base funding needed for FY 2010-11:
  - (a) The Medicaid caseload is projected to increase by 55,344 clients (11.1 percent). This results in the following increase: (1) \$251.6 million total funds to the Medical Services Premiums (8.6 percent increase); (2) \$26.4 million total funds to the Medicaid Mental Health program (11.6 percent increase); and (3) \$5.3 million total funds to the MMA State Contribution payment (6.1 percent increase). These base increases were offset by a \$43.1 million base decrease in H.B. 10-1382 which resulted in a full-year of Medicaid fee-for-service payments occurring in FY 2009-10, and thus eliminated the need for a compensating payment in FY 2010-11.
  - (b) The base restores \$26.8 million to reverse one-time FY 2009-10 savings from the ARRA Enhanced FMAP payments in FY 2010-11 for the MMA program.
  - (c) The base includes a \$5.8 million total fund reduction related to Department of Human Services Medicaid funded programs and a \$3.7 million total fund reduction related to technical reductions made in the Indigent Care Section.
  - (d) The base reflects the impact of restoring one-time General Fund offsets including: (1) adding back \$331.0 million General Fund to reverse FY 2009-10 savings from the ARRA Enhanced FMAP (excluding the MMA amount mentioned above) and (2) adding back \$75 million General Fund to reverse FY 2009-10 savings from refinancing with various other cash funds.
- The base adjustments are contained in H.B. 10-1376 and H.B. 10-1382.
2. The appropriation reflects an increase of \$58.2 million total funds (\$6.7 million General Fund increase) to fund the caseload and cost estimates for the Children's Basic Health Plan (CBHP). The CBHP caseload is anticipated to increase by 15,303 clients (21.2 percent increase) in FY 2010-11. The caseload growth, in addition to increasing medical costs, results in program expenditures increasing by \$58.2 million (33.9 percent). These adjustments are contained in H.B. 10-1376 and H.B. 10-1372.
3. The appropriation reflects an increase of \$13.6 million total funds (no General Fund impact) to annualize the administrative costs associated with implementing the changes in H.B. 09-1293 (Hospital Provider Fee program). This adjustment is contained in H.B. 10-1376.

4. The appropriation refinances \$89.7 million in General Fund expenditures with other state funds. Specifically, the appropriation contains the following refinancing:
- (a) A reduction of \$46.3 million General Fund and an increase of \$46.3 million cash funds from the Hospital Provider Fee Cash Fund;
  - (b) A reduction of \$15.5 million General Fund and an increase of \$15.5 million cash funds from the Tobacco Education Programs Fund;
  - (c) A reduction of \$12.8 million General Fund and an increase of \$12.8 million cash funds from the Primary Care Fund;
  - (d) A reduction of \$5.7 million General Fund and an increase of \$5.7 million cash funds from the Prevention, Early Detection, and Treatment Fund;
  - (e) A reduction of \$4.9 million General Fund and an increase of \$4.9 million cash funds from the Old Age Pension Health and Medical Care Fund; and
  - (f) A reduction of \$4.5 million General Fund and an increase of \$4.5 million reappropriated funds from the Health Disparities Grant Program Fund.

These changes occurred in S.B. 10-169, H.B. 10-1378, H.B. 10-1380, and H.B. 10-1381.

5. The appropriation includes a reduction of \$28.7 million total funds (\$18.3 million General Fund) for provider rate reductions and benefits changes for clients served in the Medicaid medical and mental health programs. The majority of these savings result from a 1.0 percent provider rate reduction to most providers serving clients in the Medicaid medical program. These changes are in H.B. 10-1376.
6. The appropriation reflects a decrease of \$21.2 million total funds (net impact of a \$376.6 million General Fund decrease offset by changes in cash and federal funds) for refinancing related to the ARRA Enhanced FMAP. Through the ARRA Enhanced FMAP, in FY 2010-11 the state is projected to receive \$417.5 million in additional federal funds that will be used to offset General Fund and cash fund appropriations. In addition, the ARRA Enhanced FMAP program reduces by \$21.2 million General Fund the amount the state owes the federal government for the MMA State Contribution Payment. The FMAP changes are contained in H.B. 10-1376, S.B. 10-167, H.B. 10-1146 and H.B. 10-1382.
7. The appropriation contains a decrease of \$13.3 million total funds (\$10.4 million General Fund decrease) for safety net providers who provide medical care for uninsured or under insured patients. Programs impacted include: Health Care Services Fund programs, Primary Care Fund Program, and Comprehensive and Primary and Preventive Care Grants. These changes are contained in H.B. 10-1376 and H.B. 10-1378.
8. The appropriation contains a decrease of \$1.8 million total funds (\$1.9 million General Fund) for various other changes contained in H.B. 10-1376 and other legislation.

## **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. The fund 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, the Hospital Provider Fee Cash Fund, and various other cash funds.

<b>Executive Director's Office</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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	6,958,318	0	2,568,898	0	4,389,420	12.0
HB 10-1300	(5,053,948)	(1,943,531)	(43,806)	5,602	(3,072,213)	0.0
HB 10-1323	(8,971)	0	(8,971)	0	0	(0.2)
HB 10-1376	<u>480,000</u>	<u>165,000</u>	<u>75,000</u>	<u>0</u>	<u>240,000</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$111,551,148</b>	<b>\$34,904,958</b>	<b>\$10,657,664</b>	<b>\$1,801,737</b>	<b>\$64,186,789</b>	<b>287.6</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$111,551,148	\$34,904,958	\$10,657,664	\$1,801,737	\$64,186,789	287.6
Annualize HB 09-1293	13,569,465	0	6,101,028	0	7,468,437	23.3
Nurse Home Visitor Program transfer	3,010,000	0	0	1,505,000	1,505,000	0.0
Evidence guided utilization	1,313,992	328,498	0	0	985,494	0.0
Accountable Care Collaboration project	635,097	233,672	0	0	401,425	0.0
MMIS contract adjustment	269,528	65,361	2,830	0	201,337	0.0
Coordinated payment reform	257,183	117,126	0	0	140,057	0.9
Transfer Prenatal Care Training and Technical Assistance	119,006	58,752	0	0	60,254	0.0
Disproportionate Share Hospital audits	100,000	50,000	0	0	50,000	0.0
Increase drug classes in State Maximum Allowable Cost (MAC) program	96,768	24,192	0	0	72,576	0.0
ARRA adjustment	0	0	0	(348,859)	348,859	0.0
Information technology changes	(1,172,887)	44,264	0	(1,259,891)	42,740	(25.0)
State PERA contribution reduction	(521,441)	(180,162)	(39,668)	(45,751)	(255,860)	0.0

<b>Executive Director's Office</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Eliminate one-time expenditures and annualize prior year budget actions	(209,380)	559,215	(1,991,302)	23,465	1,199,242	1.0
Centrally appropriated line items	(79,862)	(503,708)	42,061	173,902	207,883	0.0
Operating expenses decrease	(53,390)	(26,695)	0	0	(26,695)	0.0
<b>HB 10-1376</b>	<b>\$128,885,227</b>	<b>\$35,675,473</b>	<b>\$14,772,613</b>	<b>\$1,849,603</b>	<b>\$76,587,538</b>	<b>287.8</b>
SB 10-061	102,570	0	51,285	0	51,285	0.0
SB 10-167	1,328,361	503,705	0	0	824,656	7.0
HB 10-1027	25,000	0	12,500	0	12,500	0.0
HB 10-1053	<u>75,000</u>	<u>0</u>	<u>37,500</u>	<u>0</u>	<u>37,500</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$130,416,158</b>	<b>\$36,179,178</b>	<b>\$14,873,898</b>	<b>\$1,849,603</b>	<b>\$77,513,479</b>	<b>294.8</b>
<b>Increase/(Decrease)</b>	\$18,865,010	\$1,274,220	\$4,216,234	\$47,866	\$13,326,690	7.2
Percentage Change	16.9%	3.7%	39.6%	2.7%	20.8%	2.5%

### **FY 2009-10 Appropriation Adjustments**

House Bill 10-1300 made the following appropriation changes for FY 2009-10:

- A decrease of \$3.0 million total funds (including a \$1.4 million General Fund decrease) related to transferring the appropriation for the Colorado Benefits Management System Medical Assistance Project from this division to the Department of Human Services Medicaid-funded Programs division. This project was also renamed as the CBMS Client Improvement Project.
- The appropriation contains a decrease of \$2.1 million total funds (including a \$510,000 General Fund decrease) for various administration reductions within the Department, including adjustments for the actual impact of FY 2009-10 furlough days (a \$229,790 total fund impact).

House Bill 10-1376 made the following appropriation changes in FY 2009-10:

- An increase of \$330,000 total funds (including \$165,000 General Fund) to adjust the administrative case management appropriation to anticipated expenditures. The General Fund increase is a transfer from the Department of Human Services' child welfare program; and
- An increase of \$150,000 total funds (including \$75,000 from the Nursing Facility Cash Fund) for contract costs to determine the amount of quality incentive payments for nursing facilities.

For information on additional legislation impacting the FY 2009-10 appropriation for this section, see the "Recent Legislation" section at the end of this department.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Annualize H.B. 09-1293:** The appropriation includes a total increase of \$13.6 million (including \$6.1 million from the Hospital Provider Fee) and 23.3 FTE to annualize the impacts of H.B. 09-1293. The appropriation includes the following increases:

H.B. 09-1293 Administrative Costs Annualized	Cash Funds	Federal Funds	Total Funds
Employees and Related Expenses (23.3 FTE)	\$1,167,897	\$1,167,897	\$2,335,794
Operating and General Administration	299,827	299,827	599,654
Consulting and Actuary Services	262,500	262,500	525,000
Changes to the Medicaid Management Information System	1,897,689	3,265,098	5,162,787
Eligibility Determinations	<u>2,473,115</u>	<u>2,473,115</u>	<u>4,946,230</u>
Total Appropriation	\$6,101,028	\$7,468,437	\$13,569,465

**Nurse Home Visitor Program transfer:** The appropriation includes an increase of \$3.0 million total funds from transferring the Nurse Home Visitor Program from the Other Medical Services Division into this division. This appropriation will consolidate all funds transferred to the Department of Public Health and Environment in one section of the Long Bill.

**Evidence guided utilization:** The appropriation includes an increase of \$1.3 million total funds (including \$328,498 General Fund) for the administrative costs associated with implementing new utilization controls for inpatient hospital stays and to control and monitor emergency room department visits. These administrative costs are offset by anticipated savings in the Medical Services Premiums section.

**Accountable Care Collaboration project:** The appropriation includes an increase of \$635,097 total funds (including \$233,672 General Fund) for the administrative costs associated with implementing the Accountable Care Collaborative managed care pilot program. These administrative costs are offset by savings in the Medical Services Premiums section.

**MMIS contract adjustment:** The appropriation includes an increase of \$269,528 total funds (including \$65,361 General Fund) for the annual cost adjustment and increase for the Medicaid Management Information System (MMIS) contract.

**Coordinated payment reform:** The appropriation includes an increase of \$257,183 total funds (including \$117,126 General Fund) and 0.9 FTE for the administrative costs associated with implementing payment reform initiatives. These costs are offset by savings in the Medical Services Premiums section.

**Transfer Prenatal Care Training and Technical Assistance:** The appropriation includes an increase of \$119,006 total funds (\$58,752 General fund) to reflect transferring the Prenatal Care Training and Technical Assistance program from the Other Medical Services Division into this division. This appropriation will consolidate all funds transferred to the Department of Public Health and Environment in one section of the Long Bill.

**Disproportionate Share Hospital audits:** The appropriation includes an increase of \$100,000 to audit payments to hospitals participating in the Disproportionate Share Hospital program. These audits are required under federal rule.

**Increase drug classes in State Maximum Allowable Cost (MAC) program:** The appropriation includes an increase of \$96,768 total funds (\$24,192 General Fund) for the administrative costs associated with adding more drugs to the State Maximum Allowable Cost (MAC) program. These administrative costs are offset by savings in the Medical Services Premiums section.

**ARRA adjustment:** Reflects the enhanced federal match received on the Medicaid program from the American Recovery and Reinvestment Act of 2009 (ARRA) for programs in this section. Only one line item in this division qualifies for the enhanced federal match, which is the Nurse Home Visitor Program that was transferred from the Other Medical Services section.

**Information technology changes:** The appropriation includes the impact of transferring 25.0 information technology FTE and associated resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide. The appropriation also includes adjustments to line item appropriations for the following: the purchase of services from computer center; multi-use network payments; management and administration of the Office of Information Technology; and communication services payments.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Eliminate one-time expenditures and annualize prior year budget actions:** The appropriation includes a reduction of \$209,380 total funds (including an increase of \$559,215 General Fund) and 1.0 FTE to annualize various prior year legislation and budget actions. This appropriation also includes other small budget adjustments.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; administrative law judge services; payment to risk management and property funds; and Capitol complex leased space.

**Operating expenses decrease:** The appropriation includes a decrease of \$69,140 total funds (\$34,570 General Fund) to reduce the Department's operating expenses by 5.0 percent. This amount is offset by a one-time increase of \$15,750 total funds (\$7,875 General Fund) for changes associated with an upgrade to mail service equipment in the Department of Personnel and Administration.

**Additional legislation:** For information on additional legislation impacting the FY 2010-11 appropriation for this division, see the "Recent Legislation" section at the end of this department.

---

## Medical Services Premiums

This division provides the health care funding for an estimated 553,407 Medicaid clients in FY 2010-11. Medical services 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). 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 transferred from the Department of Public Health and Environment for disease management programs. Federal funds represent the federal financial participation for the Medicaid program.

Medical Services Premiums						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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	327,171,460	0	163,585,730	0	163,585,730	0.0
SB 10-169	0	(4,929,388)	4,929,388	0	0	0.0
HB 10-1300	(22,251,476)	(14,873,150)	(31,780,888)	128,121	24,274,441	0.0
HB 10-1320	0	(43,693,900)	42,693,900	1,000,000	0	0.0
HB 10-1321	0	(10,390,000)	10,390,000	0	0	0.0
HB 10-1322	(317,500)	(158,750)	0	0	(158,750)	0.0
HB 10-1324	0	(1,930,808)	1,930,808	0	0	0.0
HB 10-1372	(1,416,093)	0	(1,015,901)	0	(400,192)	0.0
HB 10-1376	(6,801,271)	(261,128,022)	(16,940,169)	14,939	271,251,981	0.0
HB 10-1382	<u>60,808,401</u>	<u>20,490,833</u>	<u>2,828,773</u>	<u>27,866</u>	<u>37,460,929</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,929,236,159</b>	<b>\$796,047,957</b>	<b>\$343,718,641</b>	<b>\$3,917,255</b>	<b>\$1,785,552,306</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$2,929,236,159	\$796,047,957	\$343,718,641	\$3,917,255	\$1,785,552,306	0.0
Medicaid base changes	251,565,818	477,276,332	(31,649,266)	(975,899)	(193,085,349)	0.0
Implement family planning waiver program	1,903,500	0	0	190,350	1,713,150	0.0
ARRA adjustment	0	(286,486,135)	(60,176,695)	0	346,662,830	0.0

Medical Services Premiums						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Medicaid program reductions	(17,912,816)	(7,949,019)	(982,677)	(9,518)	(8,971,602)	0.0
Coordinated payment reforms	(3,582,587)	(1,558,547)	(232,747)	0	(1,791,293)	0.0
Evidence guided utilization	(1,064,912)	(463,274)	(69,183)	0	(532,455)	0.0
Increase drug classes in State Maximum Allowable Cost (MAC) program	(1,057,450)	(528,725)	0	0	(528,725)	0.0
Accountable Care Collaborative program	(772,095)	(271,806)	14,441	0	(514,730)	0.0
<b>HB 10-1376</b>	<b>\$3,158,315,617</b>	<b>\$976,066,783</b>	<b>\$250,622,514</b>	<b>\$3,122,188</b>	<b>\$1,928,504,132</b>	<b>0.0</b>
SB 10-167	(2,390,570)	(918,218)	0	0	(1,472,352)	0.0
SB 10-169	0	(46,329,388)	46,329,388	0	0	0.0
HB 10-1005	123,270	0	47,348	0	75,922	0.0
HB 10-1033	870,155	334,227	0	0	535,928	0.0
HB 10-1146	(704,421)	(869,842)	0	0	165,421	0.0
HB 10-1378	0	(12,800,000)	12,800,000	0	0	0.0
HB 10-1379	(6,234,689)	(8,211,333)	5,806,343	0	(3,829,699)	0.0
HB 10-1380	0	(4,850,000)	4,850,000	0	0	0.0
HB 10-1381	0	(25,691,418)	21,200,983	4,490,435	0	0.0
HB 10-1382	<u>(43,121,235)</u>	<u>(14,679,904)</u>	<u>(2,023,356)</u>	<u>(17,380)</u>	<u>(26,400,595)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,106,858,127</b>	<b>\$862,050,907</b>	<b>\$339,633,220</b>	<b>\$7,595,243</b>	<b>\$1,897,578,757</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$177,621,968	\$66,002,950	(\$4,085,421)	\$3,677,988	\$112,026,451	0.0
Percentage Change	6.1%	8.3%	(1.2)%	93.9%	6.3%	n/a

1/ Includes General Fund Exempt amounts in FY 2010-11 related to the passage of Referendum C. Please see the table and explanation below.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2009-10 Appropriation	\$796,047,957	\$796,047,957	\$0
General Fund adjustments	<u>66,002,950</u>	<u>(95,441,535)</u>	<u>161,444,485</u>
FY 2010-11 Appropriation	\$862,050,907	\$700,606,422	\$161,444,485

### General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR

limit, but less than the excess state revenues cap<sup>1</sup>, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt that is appropriated for FY 2009-10 and FY 2010-11 from the General Fund Exempt Account for the 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 2009-10 Adjustments**

House Bill 10-1300 decreased the appropriation by \$10.7 million total funds (including a \$14.9 million General Fund decrease). This decrease was the net impact of the following items:

- An increase of \$31.8 million for updated Medicaid caseload and cost estimates;
- An increase of \$200,000 for new nursing facility placements due to the closure of beds at Fort Logan;
- An increase of \$26,500 due to the closure of skilled nursing beds at Grand Junction;
- A decrease of \$28.2 million for provider rate reductions enacted in September 2009;
- A decrease of \$9.7 million for provider rate reductions enacted in December 2009; and
- A decrease of \$4.8 million to adjust the savings estimate for eliminating one week of Medicaid payments, pursuant to S.B. 09-265.

House Bill 10-1376 included the following FY 2009-10 appropriation adjustments:

- A decrease of \$6.8 million total funds (including a \$8.2 million General Fund decrease) for updated Medicaid caseload and cost estimates. This change modified the forecast that was contained in H.B. 10-1300; and
- A refinance of appropriations to reflect the higher federal match percentage available under the American Recovery and Reinvestment Act of 2009. This action reduced the General Fund by \$252.9 million and cash funds by \$23.4 million. These decreases were offset by an increase in federal funds of \$276.3 million.

For information on additional legislation impacting the FY 2009-10 appropriation for this section, see the "Recent Legislation" section at the end of this department.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Medicaid base changes:** The appropriation reflects an increase of \$251.6 million total funds (including an increase of \$477.3 million General Fund). The FY 2010-11 appropriation supports medical services for an estimated 553,407 Medicaid clients. The FY 2010-11 caseload forecast reflects an increase of 55,344 clients (11.1 percent) from the final estimated FY 2009-10 caseload forecast. The majority of the caseload increase is anticipated in the low-income categorical eligible adults and children caseloads. Table 1 shows the projected caseload growth from the final forecast for FY 2009-10 to the current forecast for FY 2010-11.

---

<sup>1</sup> The "excess state revenues cap" is equal to the highest annual total state revenues from FY 2005-06 through FY 2009-10, adjusted each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes.

Table 1: FY 2010-11 Medicaid Caseload Forecast Growth				
Eligibility Category	FY 2009-10	FY 2010-11	# Change	% Change
<b><i>Elderly Caseloads</i></b>				
SSI 65+	38,449	38,978	529	1.4%
SSI 60-64	7,002	7,171	169	2.4%
Partially Dual Eligible	15,928	17,270	1,342	8.4%
<b><i>Disabled Caseload</i></b>				
SSI Disabled	53,023	54,103	1,080	2.0%
<b><i>Low-Income Adults</i></b>				
Categorical Eligible Adults	58,830	66,766	7,936	13.5%
Baby Care Adults	7,130	7,256	126	1.8%
Expansion Adults	17,736	32,597	14,861	83.8%
Breast and Cervical Cancer Adults	416	473	57	13.7%
<b><i>Children</i></b>				
Categorical Eligible Children	277,560	306,488	28,928	10.4%
Foster Children	18,365	18,890	525	2.9%
<b><i>Other</i></b>				
Non-Citizens	<u>3,624</u>	<u>3,415</u>	<u>(209)</u>	<u>(5.8)%</u>
<b>Total Caseload Forecast</b>	<b>498,063</b>	<b>553,407</b>	<b>55,344</b>	<b>11.1%</b>

After the caseload forecast is established, base service costs are calculated. The base service costs are the funds required for the Medicaid program under current law, prior to any policy changes. These costs are a function of both the caseload forecast and the forecast for the cost of medical services which is based on prior year utilization patterns and rates. The base service costs include the following major groupings of medical services: (1) the cost of acute care, community long-term care, institutional long-term care, supplemental insurance, and medical administrative costs; (2) the mix of services used by the different caseload aid categories described above; and (3) the acuity level of the caseload using the various services. Table 2 compares the FY 2009-10 final estimated costs with the FY 2010-11 base service cost appropriation for each service category.

Table 2: FY 2010-11 Medical Services BASE Costs				
Service Category	FY 2009-10	FY 2010-11 <sup>1</sup>	\$ Change	% Change
Acute Care Services	\$1,865,421,155	\$2,056,019,877	\$190,598,722	10.2%
Community Long-Term Care Services	300,118,527	320,706,940	20,588,413	6.9%
Long-Term Care and Insurance	713,312,698	758,494,784	45,182,086	6.3%
Medical Administrative Costs	29,878,461	32,326,259	2,447,798	8.2%
Bottom Line Financing	20,505,317	13,254,117	(7,251,200)	(35.4)%
Total Service Costs	\$2,929,236,158	\$3,180,801,977	\$251,565,819	8.6%

<sup>1</sup>/1 FY 2010-11 amount does not include any policy changes. Those items are discussed as separate issues.

Table 3 provides estimates for the amount of the base FY 2010-11 Medicaid cost that is the result of caseload increases, and the amount that is the result of service cost changes.

**Table 3: Analysis of Cost Drivers for FY 2010-11 BASE Increase (Does not include policy and other legislative adjustments)**

<b>Aid Category</b>	<b>Caseload Change</b>	<b><u>Net</u> Cost Per Client Change</b>	<b>Cost Associated with Higher Caseload Estimate</b>	<b>Cost Associated with Change to Per Client Cost</b>	<b>Compounding Effect</b>	<b>Total Costs</b>
SSI 65+	529	\$1,043.40	\$11,258,276	\$40,117,549	\$551,959	\$51,927,784
SSI 60-64	169	867.21	3,114,250	6,072,172	146,558	9,332,980
SSI Disabled	1,080	678.39	17,073,117	35,970,149	732,661	53,775,927
Low-Income Adults	7,936	(88.61)	36,521,020	(5,213,128)	(703,209)	30,604,683
Expansion Low-Income Adults	14,861	(99.56)	43,506,757	(1,765,874)	(1,195,352)	40,545,531
Baby Care Adults	126	285.39	1,303,832	2,034,819	35,959	3,374,610
Children	28,928	(20.32)	58,980,503	(5,639,722)	(587,817)	52,752,964
Foster Children	525	105.47	2,303,567	1,936,905	55,372	4,295,844
B&C Cancer Treatment Patients	57	(284.34)	1,449,526	(118,286)	(16,207)	1,315,033
Partial Dual Eligibles	1,342	113.43	1,795,636	1,806,699	152,223	3,754,558
Non-citizens (emergency care)	(209)	1,130.16	(3,973,496)	4,095,703	(236,301)	(114,094)
<b>Total</b>	<b>55,344</b>	<b>n/a</b>	<b>\$173,332,988</b>	<b>\$79,296,986</b>	<b>(\$1,064,155)</b>	<b>\$251,565,819</b>

Finally, after determining the caseload and estimated per capita medical costs, the funding sources for the Medical Services Premiums base are calculated. Certain populations are eligible to receive funding from different sources (*i.e.* some adults and children on Medicaid can be funded from the Health Care Expansion Fund, others from the Hospital Provider Fee Cash Fund, etc.). Table 4 shows the funding sources for the Medical Services Premiums line item for FY 2009-10 compared to FY 2010-11 (before policy changes).

**Table 4: Fund Splits for FY 2010-11 Medical Services Premiums Appropriation  
(Includes the BASE and the ARRA Adjustment in FY 2010-11)\***

<b>Fund</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 Base Appropriation /1</b>	<b>Difference</b>
General Fund	\$796,047,956	\$986,838,153	\$190,790,197
Hospital Provider Fee	130,197,161	139,893,383	9,696,222
Health Care Expansion Fund	64,446,770	71,187,441	6,740,671
Certified Funds	26,304,060	13,348,299	(12,955,761)
Nursing Facility Cash Fund	18,288,302	24,012,014	5,723,712
Breast and Cervical Cancer Fund	2,135,494	2,568,896	433,402
Autism Fund	602,941	645,147	42,206
Coordinated Care For People with Disabilities	250,000	237,500	(12,500)
Various one-time cash fund used to offset General Fund	101,493,913	0	(101,493,913)
Transfer from Department of Public Health and Environment	3,917,255	2,941,356	(975,899)

**Table 4: Fund Splits for FY 2010-11 Medical Services Premiums Appropriation**  
*(Includes the BASE and the ARRA Adjustment in FY 2010-11)\**

<b>Fund</b>	<b>FY 2009-10 Appropriation</b>	<b>FY 2010-11 Base Appropriation /1</b>	<b>Difference</b>
Federal Funds	<u>1,785,552,306</u>	<u>1,939,129,788</u>	<u>153,577,482</u>
<b>TOTAL FUNDS</b>	<b>\$2,929,236,158</b>	<b>\$3,180,801,977</b>	<b>\$251,565,819</b>

/1 FY 2010-11 reflects only the H.B. 10-1376 base calculations before policy changes. These amounts do not include impacts from legislation. Reflects the ARRA adjustments to fund splits for both FY 2009-10 and FY 2010-11.

**Implement family planning waiver program:** The appropriation includes \$1.9 million total funds to implement the family planning waiver pursuant to S.B. 08-003. The appropriation would transfer \$190,350 from DPHE to the Department of Health Care Policy and Financing in order to receive a 90.0 percent federal match under the Medicaid Family Planning waiver. Under this waiver the Department will be able to provide family planning services to qualifying individuals at or below 200 percent of the federal poverty level. Services will include: (1) patient counseling and education; (2) examination and treatment by medical professionals; (3) laboratory tests; (4) contraception; and (5) infertility services.

**ARRA adjustment:** The amount is the total FY 2010-11 ARRA impact for programs that qualify for the enhanced federal match in this section. The adjustment assumes that the enhanced match is available through June 2011.

**Medicaid program reductions:** The appropriation includes a decrease of \$17.9 million total funds (including a decrease of \$7.9 million General Fund) for Medicaid program reductions as follows:

- (1) Reduces \$17.3 million total funds (including a \$7.6 million General Fund decrease) for a 1.0 percent rate reduction for most Medicaid providers; and
- (2) Reduces \$637,300 total funds (including a \$293,500 General Fund decrease) to limit the number of monthly incontinence products from 240 to 210 units.

**Coordinated payment reforms:** The appropriation includes a reduction of \$3.6 million total funds (including \$1.6 million General Fund) for three payment reform initiatives: (1) consolidates billing practices for Behavioral Health Organizations (BHOs) and Federally Qualified Health Centers (FQHCs) to ensure claims billable under the BHO capitation payment are not billed separately through the FQHCs; (2) adds another auditor to perform in-house audits of nursing facilities to ensure proper billing practices; (3) hires a contractor to help identify and enroll eligible clients into the Medicare program in order to reduce the Medicaid claims for these individuals.

**Evidence guided utilization:** The appropriation includes a reduction of \$1.1 million total funds (including a \$463,274 General Fund decrease) based on increased efforts to monitor utilization for inpatient hospital and emergency department visits. Under this appropriation, the Department will implement case management and discharge plans for clients with "outlier" inpatient stays without complications. The Department will also perform case management and outreach to reduce the number of emergency room visits by clients that should be seen in a primary care setting.

**Increase drug classes in State Maximum Allowable Cost (MAC) program:** The appropriation includes a reduction of \$1.1 million total funds (including a \$528,725 General Fund decrease) to increase the number of drug classes in the State MAC program. The State MAC program is a pharmacy reimbursement methodology that generally results in lower reimbursements than other methodologies used by the Department. Under the State MAC program, pharmacy reimbursement is determined as the average acquisition cost plus 18.0 percent. The markup serves to ensure pharmacies are not reimbursed below acquisition costs. Last year, the General Assembly assumed that 97 drugs would be eligible to be reimbursed under this program. However, when implementing the program, the Department identified 243 drugs that could potentially be suitable for this program.

**Accountable Care Collaborative program:** The appropriation assumes savings of \$772,100 total funds (including a \$271,800 General Fund decrease) as result of enrolling clients in an Accountable Care Collaborative pilot program beginning January 2011. Under this program, the Department will contract with five Regional Care Collaboration Organizations to eventually manage the care of 60,000 Medicaid clients. The Department anticipates that case management of these clients will be reduce the overall costs for these clients by 6.0 percent for FY 2010-11 and by 7.0 percent for FY 2011-12.

**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 mental health services through the purchase of services from five regional Behavioral Health Organizations (BHOs), which manage service delivery 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 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
<b>FY 2009-10 Appropriation:</b>						
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	3,345,110	0	1,672,555	0	1,672,555	0.0
HB 10-1300	(6,459,008)	(2,059,954)	(1,173,416)	1,040	(3,226,678)	0.0
HB 10-1372	(439,948)	0	(219,974)	0	(219,974)	0.0
HB 10-1376	(4,168,272)	(23,957,917)	(2,129,900)	(320)	21,919,865	0.0
HB 10-1382	<u>18,976,806</u>	<u>6,695,582</u>	<u>592,211</u>	<u>905</u>	<u>11,688,108</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$226,359,076</b>	<b>\$79,774,854</b>	<b>\$7,175,530</b>	<b>\$10,833</b>	<b>\$139,397,859</b>	<b>0.0</b>

<b>Medicaid Mental Health Community Programs</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$226,359,076	\$79,774,854	\$7,175,530	\$10,833	\$139,397,859	0.0
Caseload and cost increases for capitation program	26,034,807	34,370,368	4,844,488	1,318	(13,181,367)	0.0
Fee-for-service cost increases	358,688	179,344	0	0	179,344	0.0
ARRA Adjustment	0	(26,272,969)	(2,360,807)	0	28,633,776	0.0
Reduction to benefits	(2,170,355)	(981,293)	(103,611)	(105)	(1,085,346)	0.0
<b>HB 10-1376</b>	<b><u>\$250,582,216</u></b>	<b><u>\$87,070,304</u></b>	<b><u>\$9,555,600</u></b>	<b><u>\$12,046</u></b>	<b><u>\$153,944,266</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$250,582,216</b>	<b>\$87,070,304</b>	<b>\$9,555,600</b>	<b>\$12,046</b>	<b>\$153,944,266</b>	<b>0.0</b>
<hr/>						
<b>Increase/(Decrease)</b>	\$24,223,140	\$7,295,450	\$2,380,070	\$1,213	\$14,546,407	0.0
Percentage Change	10.7%	9.1%	33.2%	11.2%	10.4%	n/a

### **FY 2009-10 Appropriation Adjustments**

House Bill 10-1300 decreased appropriations by \$6.5 million total funds (including a \$2.1 million General Fund decrease). The most significant changes included:

- An increase of \$805,500 total funds (including \$402,800 General Fund) for caseload and cost adjustments for the Medicaid Mental Health Fee-for-Service program.
- A net decrease of \$7.2 million total funds (\$2.5 million General Fund) for changes to the Mental Health Capitation program, including:
  - (a) an increase of \$3.4 million for caseload and cost estimates for traditional Medicaid eligible clients;
  - (b) an increase of \$582,420 for additional costs related to closing beds at the Mental Health Institute at Fort Logan;
  - (c) a decrease of \$2.7 million for caseload and cost for clients made eligible pursuant to H.B. 09-1293.
  - (d) a decrease of \$4.4 million for a 2.5 percent provider rate reduction; and
  - (e) a decrease of \$4.1 million for accelerating recoupments.

House Bill 10-1376 made the following FY 2009-10 appropriation adjustments:

- A decrease of \$4.2 million total funds (\$1.9 million General Fund) for updated Medicaid caseload and cost estimates. This change modified the forecast that was contained in H.B. 10-1300.

- A refinance of appropriations to reflect the higher federal match percentage available under the American Recovery and Reinvestment Act of 2009. This action reduced General Fund by \$22.0 million and cash funds by \$2.0 million. These decreases were offset by an increase in federal funds of \$24.0 million.

For information on additional legislation impacting FY 2009-10 appropriations, see the "Recent Legislation" section at the end of this department.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Caseload and cost increases for capitation program:** The appropriation includes a total funds increase of \$26.0 million (\$12.3 million General Fund) for FY 2010-11 in order to fund the Medicaid mental health program's forecasted caseload and capitation costs. The capitation rate increases are based on contractual obligations and are reviewed for actuarial soundness. For FY 2010-11 the capitation rates will be set at 2.5 percent below the mid-point for actuarially sound rates. Table 1 compares the projected costs for the mental health program by aid category in FY 2009-10 to the estimates for FY 2010-11.

<b>Table 1: Final FY 2009-10 Estimates Compared to FY 2010-11 JBC Appropriation</b>							
<b>Eligible Medicaid Mental Health Caseload -- ONLY</b>	<b>FY 2009-10 Caseload</b>	<b>FY 2009-10 Est. Capitation Rate for Aid Category</b>	<b>FY 2009-10 Cost Estimate</b>	<b>FY 2010-11 Caseload</b>	<b>FY 2010-11 Est. Capitation Rate for Aid Category</b>	<b>FY 2010-11 Cost Estimate</b>	<b>Cost Difference</b>
SSI 65+	38,449	\$158.85	\$6,107,733	38,932	\$157.49	\$6,131,438	\$23,705
SSI 60-64	7,002	1,634.33	11,443,583	7,160	1,774.25	12,703,629	1,260,046
SSI Disabled	53,023	1,634.33	86,657,114	54,015	1,774.30	95,838,768	9,181,654
Low Income Adults	58,830	253.61	14,919,957	66,109	278.71	18,425,401	3,505,444
Expansion Adults	17,736	253.61	4,498,051	32,367	278.76	9,022,502	4,524,451
Baby Care Adults	7,130	253.61	1,808,249	7,256	278.41	2,020,157	211,908
Breast and Cervical Cancer Treatment Adults	416	247.62	103,008	468	278.58	130,376	27,368
Children	277,560	183.15	50,835,901	304,980	192.51	58,713,170	7,877,269
Foster Children	<u>18,365</u>	<u>2,774.62</u>	<u>50,955,862</u>	<u>18,848</u>	<u>2,544.08</u>	<u>47,950,781</u>	<u>(3,005,081)</u>
<b>Total</b>	<b>478,511</b>	<b>n/a</b>	<b>227,329,458</b>	<b>530,135</b>	<b>n/a</b>	<b>250,936,222</b>	<b>23,606,764</b>
<b>Other Adjustments</b>			<b><u>(3,561,600)</u></b>			<b><u>(1,133,556)</u></b>	<b><u>2,428,044</u></b>
<b>Total</b>			<b>\$223,767,858</b>			<b>\$249,802,666</b>	<b>\$26,034,808</b>

Other adjustments include the impact of moving clients from Fort Logan Mental Health Institute into community placements, recoupments, and the impact of reversing the FY 2009-10 ARRA enhanced match adjustment to establish the FY 2010-11 base funding need.

**Fee for service cost increases:** Certain individuals and certain costs for mental health services are excluded from the mental health capitation program. The appropriation includes an increase of \$358,700 (including \$179,300 General Fund) for the forecasted increase for these services based primarily on the estimated increase in the Medicaid population.

**ARRA adjustment:** The amount shown is the total FY 2010-11 ARRA impacts for programs in this section qualifying for the enhanced federal match. The adjustment reflects an assumption that the enhanced match would be available through June 2011.

**Reduction to benefits:** The appropriation includes a decrease of \$2.2 million total funds (\$981,293 General Fund) based on the Department implementing a benefit or service reduction plan by January 2011. Pursuant to federal and state law, capitation rates paid to the managed care organizations must be actuarially sound. It is unlikely that further rate reductions would be certified as sound. Therefore, in order to achieve a \$2.2 million savings in FY 2010-11, benefits or services under the managed care contract with the BHOs will need to be reduced. The Department is requested to present a plan to the General Assembly on how the mental health benefit and service plans could be modified to achieve a 2.0 percent reduction. The plan would be implemented in January 2011 and allow interested parties to provide input while the plan is being developed.

---

### **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 194,600 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. Pursuant to H.B. 09-1293, eligibility for the CBHP programs was increased to 250 percent of the federal poverty level beginning in May 2010. The program is forecasted to serve 84,793 children and 2,467 adult pregnant women in FY 2010-11. Funding sources for this program include the CBHP Trust Fund, the Health Care Expansion Fund, the Hospital Provider Fee Cash Fund 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 fees assessed on 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. This program was eliminated in FY 2010-11 but can be funded again in FY 2011-12 if revenues become available. This program is funded with tobacco settlement funds.

Indigent Care Program						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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	73,518,195	0	33,631,275	0	39,886,920	0.0
HB 10-1300	(64,766,737)	(7,828,068)	(38,610,916)	(13,827)	(18,313,926)	0.0
HB 10-1321	(14,892,753)	(1,553,000)	(10,390,000)	(1,553,000)	(1,396,753)	0.0
HB 10-1323	(5,639,082)	0	(2,629,582)	0	(3,009,500)	0.0
HB 10-1372	(19,990,822)	0	(7,532,814)	0	(12,458,008)	0.0
HB 10-1376	(14,266,346)	(7,648,607)	(2,663,345)	(41,483)	(3,912,911)	0.0
HB 10-1382	<u>13,319,317</u>	<u>207,860</u>	<u>4,589,011</u>	<u>0</u>	<u>8,522,446</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$523,817,455</b>	<b>\$20,829,844</b>	<b>\$197,132,202</b>	<b>\$13,235,690</b>	<b>\$292,619,719</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$523,817,455	\$20,829,844	\$197,132,202	\$13,235,690	\$292,619,719	0.0
Children's Basic Health Plan adjustments	55,604,818	4,146,101	13,701,287	4,356,880	33,400,550	0.0
Primary Care Fund increase	17,790,000	0	17,790,000	0	0	0.0
ARRA adjustment	0	(2,333,502)	0	0	2,333,502	0.0
Expiration of the Health Care Services Fund	(37,440,247)	(10,390,000)	0	(10,390,000)	(16,660,247)	0.0
Base Changes	(3,719,885)	2,341,165	(3,772,195)	101,310	(2,390,165)	0.0
<b>HB 10-1376</b>	<b>\$556,052,141</b>	<b>\$14,593,608</b>	<b>\$224,851,294</b>	<b>\$7,303,880</b>	<b>\$309,303,359</b>	<b>0.0</b>
HB 10-1378	6,345,655	0	(12,800,000)	0	19,145,655	0.0
HB 10-1382	<u>2,554,602</u>	<u>2,554,602</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$564,952,398</b>	<b>\$17,148,210</b>	<b>\$212,051,294</b>	<b>\$7,303,880</b>	<b>\$328,449,014</b>	<b>0.0</b>

<b>Indigent Care Program</b>						
	<b>Total Funds</b>	<b>General Fund /1</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$41,134,943	(\$3,681,634)	\$14,919,092	(\$5,931,810)	\$35,829,295	0.0
Percentage Change	7.9%	(17.7)%	7.6%	(44.8)%	12.2%	n/a

/1 This amount includes a General Fund Exempt appropriation. For FY 2009-10, the General Fund includes \$450,000 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 21, Article X of the State Constitution and Section 24-22-117 (1) (c) (I) (B), C.R.S. For FY 2010-11, the General Fund includes \$447,000 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 21, Article X of the State Constitution and Section 24-22-117 (1) (c) (I) (B), C.R.S.

<b>General Fund Summary</b>	<b>Total General Fund</b>	<b>General Fund</b>	<b>General Fund Exempt</b>
FY 2009-10 Adjusted Appropriation	\$20,829,844	\$20,379,844	\$450,000
Program General Fund Issues	(3,678,634)	(3,678,634)	0
Tobacco Tax Revenue adjustment	<u>(3,000)</u>	<u>0</u>	<u>(3,000)</u>
Total FY 2010-11 Long Bill Appropriation	\$17,148,210	\$16,701,210	\$447,000

## 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 are categorized as General Fund Exempt. Pursuant to Section 24-22-117 (1) (c) (I) (B), C.R.S., 50 percent of the tobacco tax revenues appropriated to the General Fund must be appropriated to the Pediatric Specialty Hospital Fund.

## FY 2009-10 Appropriation Adjustments

House Bill 10-1300 decreased appropriations by \$64.8 million total funds (including a \$7.8 million General Fund decrease). This decrease was the net impact from the following items:

- A decrease of \$49.0 million total funds for new cost estimates associated with supplemental payments made to hospitals pursuant to H.B. 09-1293;
- A decrease of \$15.6 million total funds to eliminate uncommitted payments to private hospitals participating in the Indigent Care Program; and
- A net decrease of \$136,500 total funds (including \$56,300 General Fund) for administration costs for the Children's Basic Health Plan. This reduction is the net impact of an increase of \$113,600 for additional administrative costs associated with implementing the requirements under the federal reauthorization of the Children's State Health Insurance Plan and a reduction of \$250,000 for outreach funding for the program.

Supplemental appropriations in H.B. 10-1376 including:

- A reduction of \$20.5 million total funds (including \$5.3 million General Fund) to the Safety Net Provider Payment program. Specifically, the appropriation eliminates all of the General Fund and matching federal funds that are used to make payments to private hospitals participating in the Indigent Care Program. The appropriation also adjusts the funding based on the Department's most recent costs estimates for the hospital provider fee program. The table below shows the final estimated appropriation for the Safety Net Provider Payment line item for FY 2009-10 (which also applies to FY 2010-11 because continuation funding for this line item is appropriated for FY 2010-11).

Safety Net Provider Payment Line Item Funding					
	General Fund	Cash Funds - Certified Public Expenditures	Cash Funds - Hospital Provider Fee	Federal Funds	Total Funds
FY 2009-10					
FY 2009-10 Appropriation	\$5,273,622	\$142,266,929	\$0	\$147,540,551	\$295,081,102
H.B. 10-1376 Adjustment	<u>(5,273,622)</u>	<u>(4,985,616)</u>	<u>0</u>	<u>(10,259,238)</u>	<u>(20,518,476)</u>
<b>Pre H.B. 09-1293 Appropriation</b>	<b>\$0</b>	<b>\$137,281,313</b>	<b>\$0</b>	<b>\$137,281,313</b>	<b>\$274,562,626</b>
H.B. 09-1293 Appropriation (as amended by HB 10-1300 and HB 10-1372)	0	(135,003,533)	136,607,204	1,603,671	3,207,342
ARRA Adjustment*	<u>0</u>	<u>0</u>	<u>(14,516,884)</u>	<u>14,516,884</u>	<u>0</u>
FY 2009-10 Appropriation including H.B. 09-1293 impacts	\$0	\$2,277,780	\$122,090,320	\$153,401,868	\$277,769,968
Note: Continuation funding is appropriated for FY 2010-11.					

\* Pursuant to S.B. 10-169, the Hospital Provider Fee will offset other state funding by \$14.5 million in FY 2009-10 and FY 2010-11 (this is only a portion of the impact for S.B. 10-169; the rest of the impact is in the Medical Services Premiums line item).

- An increase of \$7.8 million total funds (no General Fund) for caseload and cost estimates for the Children's Basic Health Plan (CBHP) program. Final caseload and cost estimates for both FY 2009-10 and FY 2010-11 are reflected in the following table that outlines the FY 2010-11 Children's Basic Health Plan adjustments.
- An adjustment to reflect the enhanced federal match received on the Medicaid program from the American Recovery and Reinvestment Act of 2009 (ARRA) for programs in this section, excluding the Hospital Provider Fee program. (The ARRA adjustment for that program is reflected in the appropriation for S.B. 10-169).
- A reduction of \$208,842 total funds (including \$41,483 General Fund Exempt) to the Pediatric Speciality Hospital line item to make technical changes to the appropriation and to reflect updated tobacco tax revenue estimates.

For information on additional legislation impacting FY 2009-10 appropriations, see the "Recent Legislation" section at the end of this department.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Children's Basic Health Plan adjustments:** The appropriation includes an increase of \$55.6 million total funds (including a \$4.1 million General Fund increase) to fund the forecasted caseload and per capita cost increases for the Children's Basic Health Plan program (CBHP). The cost changes for the CBHP program are based on the following assumptions: (1) an overall increase to the children's caseload of 14,453 or 20.5 percent; (2) an increase in the adult prenatal program caseload of 850 clients or 52.6 percent; (3) an increase in the per capita rate for the children's medical program of \$290.65 or 16.3 percent; (4) an increase in the adult prenatal program's per capita costs of \$1,414.57 or 14.5 percent; and (5) an increase in the per capita rate for the children's dental program of \$16.46 or 10.1 percent. The per capita rate changes result from an actuarial recommendation based on current health care trends in the community and for the program.

The appropriation also reflects an increase of \$4.1 million General Fund to the CBHP Trust Fund over the FY 2009-10 appropriation (including the FY 2009-10 impact of H.B. 10-1382) based on a projected deficit in the CBHP Trust Fund for FY 2010-11. The appropriation decreases the CBHP Administration line item by \$480,174. This adjustment is based on a decrease of \$550,000 to the marketing and outreach activities for the CBHP program, offset by an increase of \$69,826 in administrative expenses related to annualizing prior year legislation and budget actions.

Table 1 below shows the FY 2009-10 caseload assumptions and per capita costs compared to the final caseload and per capita costs for FY 2010-11.

<b>Table 1: Final FY 2009-10 Estimates Compared to FY 2010-11 H.B. 10-1376 Appropriation</b>							
<b>Eligible Caseload</b>	<b>FY 2009-10 Caseload</b>	<b>FY 2009-10 Est. Capitation Rate for Aid Category</b>	<b>FY 2009-10 Cost Estimate</b>	<b>FY 2010-11 Caseload</b>	<b>FY 2010-11 Capitation Rate for Aid Category</b>	<b>FY 2010-11 Cost Estimate</b>	<b>Cost Difference</b>
Children - Medical	70,340	\$1,780.14	\$125,215,048	84,793	\$2,070.79	\$175,588,496	\$50,373,449
Children - Dental	same as above	\$147.21	\$10,354,751	same as above	\$163.67	\$13,878,070	\$3,523,319
Adult Prenatal - Medical	1,617	\$9,719.87	\$15,717,030	2,467	\$11,134.44	\$27,468,663	\$11,751,634
<b>Total Caseload Impacts</b>	<b>71,957</b>	<b>n/a</b>	<b>\$151,286,829</b>	<b>87,260</b>	<b>n/a</b>	<b>\$216,935,230</b>	<b>\$65,648,401</b>
Impact of HB 10-1382			\$13,111,457			\$0	(\$13,111,457)
Reduction for limiting marketing			0			(535,173)	(535,173)
Impact to CBHP Trust Fund			0			4,146,101	4,146,101
Impact to CBHP Administration			0			(480,174)	(480,174)
<b>TOTAL CBHP IMPACTS</b>			<b>\$164,398,286</b>			<b>\$220,065,984</b>	<b>\$55,667,698</b>

**Primary Care Fund increase:** In FY 2009-10, the General Assembly passed S.J.R. 09-35 which declared a fiscal emergency. This allowed \$17.8 million from the Primary Care Fund to be used to offset General Fund appropriations. Because a fiscal emergency resolution is only effective for one fiscal year, this funding is restored to the Primary Care Fund for FY 2010-11.

**ARRA Adjustment:** The appropriation reflects the total FY 2010-11 ARRA impact for programs in this section qualifying for the enhanced federal match. The adjustment assumes that the enhanced match is available through June 2011.

**Expiration of the Health Care Services Fund:** Pursuant to Section 25.5-3-112 (1) (b), C.R.S. (2009), the statutory requirement to appropriate funds for the Health Care Services Fund expires in FY 2010-11. Therefore, the appropriation reflects a decrease of \$37.4 million (including the \$10.9 million General Fund appropriation into the Health Care Services Fund) for the programs that received this funding. Because this funding was eligible for a federal match, the appropriation includes a separate bill (H.B. 10-1379) that transfers \$11.9 million from the Primary Care Fund into the Health Care Services Fund in order to draw down \$19.1 million in federal match.

**Base changes:** Includes a decrease of \$3.7 million total funds (including a \$2.3 million General Fund increase offset by other fund changes) to reflect lower tobacco tax revenue estimates for FY 2010-11, to reverse the FY 2009-10 ARRA Enhanced FMAP funding to establish the FY 2010-11 base, and to eliminate the remaining funding for the Primary and Preventative Care Grant Program.

**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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$134,295,632	\$91,099,689	\$25,840,683	\$4,025,000	\$13,330,260	0.0
HB 10-1300	(1,430,785)	(2,347,087)	264,984	0	651,318	0.0
HB 10-1376	<u>(18,074,392)</u>	<u>(29,539,240)</u>	<u>5,486,290</u>	<u>(618,859)</u>	<u>6,597,417</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$114,790,455</b>	<b>\$59,213,362</b>	<b>\$31,591,957</b>	<b>\$3,406,141</b>	<b>\$20,578,995</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$114,790,455	\$59,213,362	\$31,591,957	\$3,406,141	\$20,578,995	0.0
Base changes	29,108,257	29,600,525	0	348,859	(841,127)	0.0
Medicare Modernization Act State Contribution Payment caseload adjustment	5,294,440	5,294,440	0	0	0	0.0

<b>Other Medical Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
ARRA adjustment	(21,225,730)	(21,717,998)	0	0	492,268	0.0
Programs transferred to Executive Director Office	(3,129,006)	(58,752)	0	(1,505,000)	(1,565,254)	0.0
Changes to Public School Health Services program	(2,205,322)	0	(1,102,467)	0	(1,102,855)	0.0
Changes in revenue available	(30,000)	0	(15,000)	(15,000)	0	0.0
<b>HB 10-1376</b>	<b><u>\$122,603,094</u></b>	<b><u>\$72,331,577</u></b>	<b><u>\$30,474,490</u></b>	<b><u>\$2,235,000</u></b>	<b><u>\$17,562,027</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b><u>\$122,603,094</u></b>	<b><u>\$72,331,577</u></b>	<b><u>\$30,474,490</u></b>	<b><u>\$2,235,000</u></b>	<b><u>\$17,562,027</u></b>	<b><u>0.0</u></b>
<b>Increase/(Decrease)</b>	\$7,812,639	\$13,118,215	(\$1,117,467)	(\$1,171,141)	(\$3,016,968)	0.0
Percentage Change	6.8%	22.2%	(3.5)%	(34.4)%	(14.7)%	n/a

### **FY 2009-10 Appropriation Adjustments**

House Bill 10-1300 decreased appropriations by \$1.4 million total funds (including a \$2.3 million General Fund decrease). This decrease was the net impact of the following adjustments:

- An increase of \$1.0 million total funds (no General Fund impact) for administrative cost changes for the Public School Health Services Program;
- A decrease of \$2.2 million General Fund to adjust the Medicare Modernization Act of 2003 (MMA) State Contribution Payment (Medicare "clawback" payment) to reflect updated caseload and cost assumptions; and
- A decrease of \$217,400 total funds (including \$108,700 General Fund) for a 10.0 percent reduction to the appropriation for family medicine residency programs.

Supplemental appropriations in H.B. 10-1376 included:

- An increase of \$11.5 million total funds (no General Fund impact) for under-payments to school districts for FY 2008-09 and FY 2009-10 for the Public School Health Services program. Based on an audit, the Department was able to determine that additional public expenditures by school districts could be certified to draw down federal matching Medicaid funding for services provided to Medicaid eligible children by the public schools.
- An increase of \$61,285 General Fund to adjust the MMA State Contribution Payment based on the most recent caseload and cost estimates for the program.
- A decrease of 29.1 million total funds (including a \$29.6 million General Fund decrease) to reflect the enhanced federal match received for the Medicaid program from the American Recovery and Reinvestment Act of 2009 (ARRA). In addition to other adjustments, this amount reflects the \$29.1

million General Fund reduction for the MMA State Contribution payment based on a ruling by the Centers of Medicare and Medicaid Services (CMS) to allow an ARRA adjustment to payment back to October 2008.

- A decrease of \$540,000 total funds (\$270,000 cash funds and \$270,000 reappropriated funds) to reflect lower tobacco tax revenues than originally anticipated.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Base changes:** This issue reverses the one-time ARRA funds received in FY 2009-10.

**Medicare Modernization Act State Contribution Payment caseload adjustment:** The appropriation includes an increase of \$5.3 million General Fund for the MMA State Contribution Payment's caseload and program costs. Before ARRA adjustments, this program is anticipated to cost \$91.9 million General Fund for the prescription drug costs for an average monthly caseload of 56,908 clients eligible for both the Medicaid and Medicare programs.

**ARRA adjustment:** The appropriation reflects the ARRA impact for programs in this section qualifying for the enhanced federal match. This amount includes a reduction of \$21.2 million General Fund for the MMA State Contribution Payment. The adjustment assumes that the enhanced ARRA match is available through June 2011.

**Programs transferred to Executive Director Office:** The appropriation includes a decrease of \$3.1 million total funds (including \$58,752 General Fund) for two programs that were transferred from this section to the Executive Director's Office, Transfers to Other Departments section. This change consolidates all of the funds transferred to the Department of Public Health and Environment into one section of the Long Bill for easier reference.

**Changes to Public School Health Services program:** The appropriation includes a decrease of \$2.2 million total funds to eliminate a one-time FY 2009-10 increase for Public School Health Services retroactive claims. This decrease is offset by an increase of \$3.2 million to annualize funding changes for the Medicaid Administrative Claiming (MAC) program. This program reimburses school districts for the administrative costs associated with identifying and enrolling potentially eligible children and their families into Medicaid. The appropriation also includes an additional \$300,000 for audit costs associated with the MAC program.

**Changes in revenue available:** The appropriation includes a decrease of \$30,000 for lower tobacco tax revenues.

---

## **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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$423,355,163	\$208,832,705	\$632,903	\$2,125,467	\$211,764,088	0.0
HB 09-1293	159,003	0	79,612	0	79,391	0.0
HB 10-1300	(8,407,018)	(4,198,202)	(11,060)	6,128	(4,203,884)	0.0
HB 10-1376	(877,069)	(45,215,540)	(130,499)	(59,746)	44,528,716	0.0
HB 10-1384	<u>17,309</u>	<u>8,584</u>	<u>76</u>	<u>0</u>	<u>8,649</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$414,247,388</b>	<b>\$159,427,547</b>	<b>\$571,032</b>	<b>\$2,071,849</b>	<b>\$252,176,960</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$414,247,388	\$159,427,547	\$571,032	\$2,071,849	\$252,176,960	0.0
Division of Youth Corrections	701,710	350,856	0	0	350,854	0.0
Information Technology Services	306,218	245,862	(86,593)	(12,835)	159,784	0.0
Services for People with Disabilities	(5,422,629)	(2,530,904)	(14,932)	(165,480)	(2,711,313)	0.0
Reverse FY 2009-10 ARRA adjustment	0	44,836,752	130,499	0	(44,967,251)	0.0
ARRA adjustment	0	(44,183,084)	(127,075)	0	44,310,159	0.0
Executive Director's Office	(443,099)	(391,281)	0	0	(51,818)	0.0
Mental Health and Alcohol and Drug Abuse Services	(332,363)	(142,069)	(24,114)	0	(166,180)	0.0
Office of Operations	(322,746)	(161,374)	0	0	(161,372)	0.0
Division of Child Welfare	(289,678)	(144,839)	0	0	(144,839)	0.0
Self Sufficiency and other adjustments	(39,798)	(19,899)	0	0	(19,899)	0.0
<b>HB 10-1376</b>	<b>\$408,405,003</b>	<b>\$157,287,567</b>	<b>\$448,817</b>	<b>\$1,893,534</b>	<b>\$248,775,085</b>	<b>0.0</b>
HB 10-1146	184,387	91,434	818	0	92,135	0.0
HB 10-1338	75,209	28,887	0	0	46,322	0.0
HB 10-1384	<u>17,220</u>	<u>8,539</u>	<u>76</u>	<u>0</u>	<u>8,605</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$408,681,819</b>	<b>\$157,416,427</b>	<b>\$449,711</b>	<b>\$1,893,534</b>	<b>\$248,922,147</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>(\$5,565,569)</b>	<b>(\$2,011,120)</b>	<b>(\$121,321)</b>	<b>(\$178,315)</b>	<b>(\$3,254,813)</b>	<b>0.0</b>
Percentage Change	(1.3)%	(1.3)%	(21.2)%	(8.6)%	(1.3)%	n/a

## **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1300 included, among other changes:

- An increase of \$1.2 million total funds from transferring the Colorado Benefits Management System Medical Assistance Project appropriation to this division from the Executive Director's Office division.
- An increase of \$0.6 million total funds to more accurately reflect the impact of furlough days on the regional centers for people with developmental disabilities.
- An increase of \$0.4 million total funds to refinance some medical costs for youth at the Ridge View Youth Services Center facility based on a change to the facility's licensure.
- A decrease of \$5.9 million total funds for the impact of a 2.5 percent Medicaid provider rate reduction for Medicaid home-and community-based waiver programs for people with developmental disabilities.
- A decrease of \$4.2 million total funds for the Medicaid impact of reducing county child welfare allocations.
- A decrease of \$0.3 million total funds associated with the closure of 59 beds at the Mental Health Institute at Fort Logan.
- A decrease of \$0.2 million total funds associated with changes to centrally-appropriated line items in the Department of Human Services' Executive Director's Office.

Supplemental appropriations in H.B. 10-1376 included, among other changes:

- Adjustments to reflect the enhanced federal match received on the Medicaid program from the American Recovery and Reinvestment Act of 2009 (ARRA) for most programs in this section. The change allowed for the refinance of General Fund and cash funds with \$45.0 million in federal funds.
- A reduction of \$0.9 million total funds that primarily reflected savings associated with the closure of the skilled nursing facility at the Grand Junction Regional Center.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Division of Youth Corrections:** The appropriation annualizes the impact of changing the licensure of Ridge View Youth Services Center and an associated Medicaid refinance of medical costs (adds \$579,917 total funds) and includes adjustments for contract placements based on the projected average daily commitment population, among other changes.

**Information Technology Services:** The appropriation includes increases for changes to the Colorado Benefits Management Systems (CBMS), a reduction for statewide information technology consolidation, a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employee salaries pursuant to S.B. 10-146, a decrease for a statewide reduction in operating expenditures, and the Medicaid impact of various changes to information technology centrally-appropriated line items.

**Services for People with Disabilities:** The appropriation reflects reductions in provider rates, the closure of the skilled nursing facility at the Grand Junction Regional Center, annualization of funding for new placements provided in FY 2009-10, and increased funds for Early Intervention Services.

**Reverse FY 2009-10 ARRA adjustment:** The appropriation reverses the one-time ARRA funding received in FY 2009-10.

**ARRA adjustment:** The amount shown is the total FY 2010-11 ARRA impacts for programs qualifying for the enhanced federal match in this section. The adjustment reflects an assumption that the enhanced match would be available through June 2011.

**Executive Director's Office:** The appropriation includes a reduction of \$405,930 to annualize savings related to the closure of a unit at the Grand Junction Regional Center and the Medicaid impact of various changes to centrally-appropriated line items.

**Mental Health and Alcohol and Drug Abuse Services:** The appropriation includes a reduction of \$257,624 to annualize savings related to the closure of a treatment division at the Colorado Mental Health Institute at Fort Logan, a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employee salaries pursuant to S.B. 10-146, a decrease as part of a statewide reduction in operating expenditures, and the Medicaid impact of a 2.0 percent provider rate reduction to providers of behavioral health services.

**Office of Operations:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employee salaries pursuant to S.B. 10-146, and a decrease as part of a statewide reduction in operating expenditures, among other changes.

**Division of Child Welfare:** The appropriation includes the Medicaid impact of a 2.0 percent provider rate reduction to county allocations for Child Welfare Services.

**Self Sufficiency and other adjustments:** The appropriation includes various other Medicaid adjustments.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1384, see also the "Recent Legislation" section at the end of the Department of Human Services.

## Recent Legislation

### 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.

**S.B. 09-209:** 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.

**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:** Allows the Supplemental Old Age Pension Health and Medical Care Fund to pay up to \$6.0 million dollars in FY 2009-10 of the state costs associated with serving Old Age Pension medical clients in the Medicaid program.

**S.B. 09-262:** 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.

**S.B. 09-263:** 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:** 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.

**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 was repealed by H.B. 10-1382.

**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 Cash Fund Appropriations FY 2009-10
<b>Department of Health Care Policy and Financing</b>	
Comprehensive Primary and Preventive Care Grants Program	(\$99,177)
Medicaid shortfalls at Children's Hospital	<u>(5,359)</u>
<b>Subtotal - Department of Health Care Policy and Financing</b>	<b>(\$104,536)</b>

**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.

**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)
Tobacco Education Programs Fund	8,000,000
Prevention, Early Detection and Treatment Fund	12,000,000
Primary Care Fund	7,400,000
Indigent Care Program, Primary Care Fund Program	
Primary Care Fund	<u>(7,400,000)</u>
<b>Total -- Department of Health Care Policy and Financing</b>	<b>(\$7,400,000)</b>

**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 feasibility 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.

**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 percent of the Federal Poverty Level (FPL) to 250 percent FPL; (2) eligibility for Medicaid adults may increase from 60 percent FPL to 100 percent 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 percent FPL; and (5) creates a new medical assistance program from childless adults with incomes up to 100 percent FPL.

The federal waiver necessary to implement this bill was approved in March 2010. Adjustments to the original fiscal impacts for this bill were also made in H.B. 10-1300, H.B. 10-1372, and H.B. 10-1376.

**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.

## **2010 Session Bills**

**S.B. 10-061:** Requires the state Medicaid program, administered by the Department of Health Care Policy and Financing (DHCPF), to do the following:

- pay class 1 nursing facilities directly for the room and board costs of a person who is receiving hospice care while in such a nursing facility; and
- pay the room and board costs of a hospice patient in a licensed hospice inpatient facility.

These changes are conditional upon: (1) federal approval to implement such payments; and (2) the receipt of sufficient gifts, grants, and donations to fund the department's approval process. Under current law, room and

board expenses are only paid for patients receiving hospice care in a nursing facility. Hospice providers submit claims for these room and board expenses and then reimburse the nursing facilities.

The bill also creates the Hospice Care Account in the DHCPF Cash Fund and allows the department to seek and accept gifts, grants, and donations for the purpose of implementing the bill. Funds in the cash fund account are subject to annual appropriation. For FY 2010-11, the bill appropriates \$51,285 cash funds and \$51,285 federal funds for the costs of seeking a waiver.

**S.B. 10-167:** This bill creates the Colorado Medicaid False Claims Act and requires the Department to pursue other administrative cost savings including:

- appointing an internal auditor and to ensure that duplicate benefits are not being paid by other states to clients enrolled in DHCPF programs;
- implementing an automated, pre-payment review system to reduce medical services coding errors in Medicaid claims and requiring a report annually on its implementation and identified errors; and
- purchasing private health insurance coverage through the Health Insurance Buy-In Program for up to 2,000 eligible clients to create cost savings for the state.

Five years after becoming law, the legislative services agencies of the General Assembly are required to conduct a post-enactment review of the implementation of the bill. For FY 2010-11, the bill assumes savings of \$1.1 million total funds (including \$414,500 in General Fund).

**S.B. 10-169:** Allows the Hospital Provider Fee Cash Fund to offset General Fund expenditures in the amount of the additional federal revenue received under the American Recovery and Reinvestment Act (ARRA) Enhanced FMAP program for the Hospital Provider Fee Program once a transfer from the Health Care Expansion Fund to the General Fund pursuant to H.B. 10-1320 is repaid. In FY 2009-10, the Hospital Provider Fee is anticipated to offset \$4.9 million in General Fund appropriations otherwise required and to repay the Health Care Expansion Fund through a transfer of \$42.7 million. In FY 2010-11, the Hospital Provider Fee is anticipated to offset \$46.3 million in General Fund appropriations otherwise required.

**S.J.R. 10-010:** Declares a state fiscal emergency for FY 2010-11, which allows Amendment 35 tobacco-tax revenues to be used in that year for any health-related purpose. See the description of H.B. 10-1381 for a list of related adjustments to appropriations (both in this Department and the Department of Public Health and Environment).

**H.B. 10-1005:** Makes the following changes to the provision of home health telemedicine services established in S.B. 07-196:

- telemedicine services are now eligible for Medicaid reimbursement;
- reimbursement rates are no longer required to be budget-neutral;
- reductions in travel costs by home health care and home- and community-based service providers are no longer required to be considered when setting reimbursement rates; and
- incorrect references to the way reimbursement payments are made are removed.

The bill makes payment of telemedicine reimbursements contingent upon the receipt of gifts, grants, and donations in the newly created Home Health Telemedicine Cash Fund. In FY 2010-11, the bill contains an appropriation of \$123,300 total funds (no General Fund impact).

**H.B. 10-1027:** Under current law, Colorado requires a certified medical prognosis of life expectancy of 6 months or less for a patient to receive hospice care in the Medicaid program. This bill changes the time requirement from 6 months to 9 months, contingent upon the Department of Health Care Policy and Financing receiving federal approval to make such a change. If approved, the department is required to notify the Revisor of Statutes within 60 days after receipt of federal approval. In FY 2010-11 the bill appropriates \$12,500 cash funds and \$12,500 federal funds to the Department for the costs associated with applying for the waiver.

**H.B. 10-1033:** Adds screening, brief intervention, and referral for treatment (SBIRT) for substance abuse to the list of optional services covered by Medicaid. The bill is contingent upon enactment of and revenue from H.B.10-1284 (Medical Marijuana Regulations), which is anticipated to generate a sufficient amount of sales and use tax to meet the General Fund requirements of the bill. In FY 2010-11, the bill appropriates \$870,155 total funds (including \$334,227 General Fund) for the costs associated with the SBIRT program.

**H.B. 10-1053:** Requires that two studies be conducted, if sufficient gifts, grants, and donations are received. Specifically, the bill requires that:

- the Department of Health Care Policy and Financing (DHCPF) contract for a study of long-term care under home- and community-based services (HCBS) waivers; and
- the Department of Human Services (DHS) contract for a study of additional services and potential cost savings under the Older Coloradans Program, and develop a strategic plan for implementing potential cost saving measures.

The bill also authorizes the departments to accept gifts, grants, and donations for any additional studies that may be required, based on the strategic plans developed as a result of these two studies. In FY 2010-11 the bill appropriates \$75,000 to the Department of Health Care Policy and Financing to conduct the HCBS waiver study and \$200,000 to the Department of Human Services to conduct the Older Coloradans Program study.

**H.B. 10-1146:** Transfers the Single Entry Point (SEP) contract for Home Care Allowance clients from the Department of Health Care Policy and Financing to the Department of Human Services. For information on H.B. 10-1146, see also the "Recent Legislation" section at the end of the Department of Human Services.

**H.B. 10-1300:** Supplemental appropriation to the Department of Health Care Policy and Financing to modify the FY 2009-10 appropriations contained in the FY 2009-10 Long Bill (S.B. 09-259). The bill also modified FY 2009-10 appropriations contained in S.B. 09-264 and H.B. 09-1293. Lastly, the bill also modified the FY 2008-09 appropriation contained in the FY 2008-09 Long Bill (H.B. 08-1375).

**H.B. 10-1320:** During the 2009 Session, the General Assembly passed Senate Joint Resolution 09-035, which declared a state fiscal emergency in FY 2009-10 and thus allows Amendment 35 tobacco-tax revenues to be used for any health related purpose.

Pursuant to the passage of S.J.R. 09-035, this bill allows moneys in the Health Care Expansion Fund, which supports Medicaid and the Children's Basic Health Plan, to be used to offset General Fund appropriations in

the Medicaid program. The bill also allows moneys in the Health Disparities Grant Program Fund to be used to offset General Fund appropriations in the Medicaid program. The table below shows the General Fund offsets anticipated as a result of this bill.

FY 2009-10 Appropriation Clause Summary				
	General Fund	Cash Funds	Reappropriated Funds	Total Funds
Department of Health Care Policy and Financing, Medical Services Premiums Line Item /1	(\$43,693,900)	\$42,693,900	\$1,000,000	\$0
Department of Public Health and Environment, Administration and Support, Special Health Programs, Health Disparities Program, Health Disparities Grants /2	<u>0</u>	<u>0</u>	<u>(1,000,000)</u>	<u>0</u>
<b>Total Appropriation Change</b>	<b>(\$43,693,900)</b>	<b>\$42,693,900</b>	<b>\$0</b>	<b>(\$1,000,000)</b>

/1 The cash fund appropriation includes \$42,693,900 from the Health Care Expansion Fund and \$1,000,000 from the Health Disparities Grant Program Fund.

/2 The cash fund appropriation includes a reduction of \$1,000,000 from the Health Disparities Grant Program Fund.

**H.B. 10-1321:** Changes reimbursement to health clinics from the Health Care Services Fund and the Primary Care Fund in order to achieve General Fund savings. Specifically, for FY 2009-10:

1. Changes the General Fund appropriation to the Health Care Services Fund from \$11.9 million to \$10.4 million.
2. Specifies that the Health Care Services Fund shall be distributed as follows: (1) 20 percent to Denver Health, and (2) 80 percent to community health clinics.
3. Creates the Primary Care Special Distribution Fund in order to minimize the adverse impact to certain providers from reducing the appropriation from the Primary Care Fund. This new fund has two distributions: (1) \$1.6 million will be distributed to health clinics that qualify for payments from the Primary Care Fund but that do not participate in the Colorado Indigent Care Program; and (2) \$405,000 shall be distributed to health clinics that participate in the Colorado Indigent Care Program that experience a reduction in funding due to transfers from the Primary Care Fund.
4. Transfers approximately \$2.0 million from the Primary Care Fund to the new Primary Care Special Distribution Fund.
5. Increases the amount of the Primary Care Fund that may offset General Fund appropriations from levels established in S.B. 09-217 and provides an appropriation to implement such offsets for FY 2009-10. Senate Bill 09-217 contained the following provisions: (a) authorized the use of up to \$15.0 million from the Primary Care Fund to offset General Fund, and (b) implemented a General Fund offset of \$7.4 million out of the \$15.0 million authorized. House Bill 10-1381: (a) increases the amount of the Primary Care Fund that can offset General Fund appropriations from \$15.0 million to \$17.8 million, and (b) provides an appropriation to offset \$10.4 million General Fund (in addition to the \$7.4 million already appropriated) with the Primary Care Fund.

The contains an appropriation clause for FY 2009-10 as outlined in the table below. The appropriation clause both implements the provisions mentioned above and makes corrections to appropriation amounts found in S.B. 09-259 and S.B. 09-264.

<b>FY 2009-10 Appropriation Clause Summary - Department of Health Care Policy and Financing</b>					
	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
Medical Services Premiums	(\$10,390,000)	\$10,390,000	\$0	\$0	\$0
Colorado Health Care Services Fund	(1,553,000)	0	0	0	(1,553,000)
The Children's Hospital, Clinic Based Indigent Care	0	0	(306,069)	298,267	(7,802)
Health Care Services Fund Program	0	0	(1,246,931)	(1,695,020)	(2,941,951)
Primary Care Fund Program		(12,395,000)	0	0	(12,395,000)
Special Distribution from the Primary Care Fund	<u>0</u>	<u>2,005,000</u>	<u>0</u>	<u>0</u>	<u>2,005,000</u>
<b>Total Department</b>	<b>(\$11,943,000)</b>	<b>\$0</b>	<b>(\$1,553,000)</b>	<b>(\$1,396,753)</b>	<b>(\$14,892,753)</b>

**H.B. 10-1322:** Repeals the statutory provisions requiring the Department of Health Care Policy and Financing to conduct a pilot program on the use of telemedicine. The Department has a contract for the telemedicine program within their Medical Services Premiums line item. For FY 2009-10, provides ten months of savings from eliminating the contract of \$317,500 (including \$158,750 from the General Fund). In FY 2010-11, the savings are annualized to \$380,000 (including \$190,000 from the General Fund).

**H.B. 10-1323:** For FY 2009-10, limits the amount of funding available for the Comprehensive Primary Care Grant Program to only those moneys committed on or before September 30, 2009. Transfers the remaining amount of money to the General Fund. For FY 2010-11, transfers all of the moneys from the Comprehensive Primary Care Grant Program to the General Fund.

Repeals the Supplemental Tobacco Litigation Settlement Money Account of the Comprehensive Primary and Preventive Care Fund. In FY 2009-10, the distribution that formerly went to this account is transferred to the General Fund. For FY 2010-11 and thereafter, the Children's Basic Health Plan Trust Fund receives the distribution that formerly went to this account.

Permits moneys in the AIDS and HIV Prevention Fund, which supports the Department of Public Health and Environment's AIDS and HIV Prevention Program, to be appropriated to the Department of Public Health and Environment's AIDS Drug Assistance Program in FY 2010-11, extending for one year a provision that was added to statute last year.

In FY 2009-10, the General Fund will be increased by \$2.6 million by transferring funds from the Comprehensive Primary and Preventive Care Fund and from the Account. In FY 2010-11, the General Fund will be increased by \$2.9 million by transfers from the Comprehensive Primary and Preventative Care Fund. In FY 2010-11, the Children's Basic Health Plan Trust Fund will receive an increased distribution from the Master Tobacco Tax Settlement moneys of approximately \$2.2 million. This will offset anticipated General Fund expenditures in the Children's Basic Health Plan in FY 2010-11.

Revenue Impacts for H.B. 10-1323			
	General Fund	Cash Fund	Total Funds
FY 2009-10			
Transfer uncommitted balance from Comprehensive Primary and Preventative Care Fund	\$648,053	(\$648,053)	\$0
Eliminate and transfer funding from Supplemental Tobacco Litigation Settlement Money Account of the Comprehensive Primary and Preventive Care Fund	<u>1,990,500</u>	<u>(1,990,500)</u>	<u>0</u>
<b>Total FY 2009-10 Revenue Impact</b>	<b>\$2,638,553</b>	<b>(\$2,638,553)</b>	<b>\$0</b>
FY 2010-11			
Transfer Comprehensive Primary and Preventative Care Fund	\$2,880,957	(\$2,880,957)	\$0
Decrease to Supplemental Tobacco Litigation Settlement Money Account of the Comprehensive Primary and Preventive Care Fund	0	(2,245,000)	(2,245,000)
Increase to Children's Basic Health Plan Trust Fund	<u>0</u>	<u>2,245,000</u>	2,245,000
<b>Total FY 2010-11 Revenue Impact</b>	<b>\$2,880,957</b>	<b>(\$2,880,957)</b>	<b>\$0</b>

The FY 2009-10 appropriation clause for the Primary and Preventative Care Grants Fund will be reduced by \$639,082 and the appropriation clause for the Comprehensive Primary and Preventative Care rural and Public Hospital Grant Program will be reduced by \$5.0 million. The table below summarizes the appropriation clause in the bill. Adjustments to the FY 2010-11 appropriation are included in the 2010 Long Bill.

FY 2009-10 Appropriation Clause Summary				
	FTE	Cash Funds	Federal Funds	Total Funds
Administrative Costs (various line item)	(0.2)	(\$8,971)	\$0	(\$8,971)
Comprehensive Primary and Preventative Care Grants	0.0	(639,082)	0	(639,082)
Comprehensive Primary and Preventative Care Rural and Public Hospital Grant Program	<u>0.0</u>	<u>(1,990,500)</u>	<u>(3,009,500)</u>	<u>(5,000,000)</u>
<b>Total Appropriation Change</b>	<b>(0.2)</b>	<b>(\$2,638,553)</b>	<b>(\$3,009,500)</b>	<b>(\$5,648,053)</b>

**H.B. 10-1324:** Reduces the per diem rates paid to class I nursing facilities by 1.5 percent. Also allows the Department to increase the supplemental Medicaid payments made to providers due to this reduction. This allows the nursing facilities to use their provider fee to reduce the overall impact of the reduction. Finally, authorizes moneys in the Medicaid Nursing Facility Cash Fund to be used to reimburse the General Fund due to an increase in reimbursements that were paid to nursing facilities in FY 2009-10 (based on FY 2008-09 claims) for services provided to hospice patients.

For FY 2009-10, the bill also allows the Nursing Facility Provider Fee to be used to reimburse the General Fund for increased rates paid to the nursing facilities for services provided to hospice clients due to the enactment of H.B. 08-1114. The table below shows the appropriation impact from this bill in FY 2009-10.

FY 2009-10 Appropriation Clause Summary - Department of Health Care Policy and Financing				
	General Fund	Cash Funds	Federal Funds	Total Funds
Nursing Fee 1.5% Reductions	(\$933,446)	\$0	(\$933,446)	(\$1,866,892)
Use Supplemental Payment to Reduce Impact of Reduction	\$0	\$933,446	\$933,446	\$1,866,892
Reimburse General Fund for Hospice Impact from HB 08-1114	(\$997,362)	\$997,362	\$0	\$0
<b>Total change to the Medical Services Premium Line Item</b>	<b>(\$1,930,808)</b>	<b>\$1,930,808</b>	<b>\$0</b>	<b>\$0</b>

**H.B. 10-1338:** The bill increases appropriations in the Department by \$75,209 (including \$28,887 General Fund). For information on H.B. 10-1146, see also the "Recent Legislation" section at the end of the Judicial Department.

**H.B. 10-1376:** General Appropriations Act for FY 2010-11.

**H.B. 10-1378:** Senate Joint Resolution 10-010 declared a fiscal emergency for FY 2010-11 (pursuant to Section 21 (7) of Article X of the State Constitution). Declaring a fiscal emergency allows for tobacco tax revenues collected pursuant to Section 21 of Article X of the State Constitution to be used for purposes other than those intended in the State Constitution. Associated with fiscal emergency, this bill contained the following appropriation adjustments to the Department of Health Care Policy and Financing.

FY 2010-11 Appropriation Impacts from H.B. 10-1378					
Line Items	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds
Medical Service Premiums	(\$12,800,000)	\$12,800,000	\$0	\$0	\$0
Health Care Services Fund	0	11,940,000	0	19,145,655	31,085,655
Primary Care Special Distribution Fund	0	3,560,000	0	0	3,560,000
Primary Care Fund	0	(28,300,000)	0	0	(28,300,000)
<b>TOTAL</b>	<b>(\$12,800,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,145,655</b>	<b>\$6,345,655</b>

**H.B. 10-1379:** Under current law, in FY 2010-11 nursing facility Medicaid reimbursement rates are reduced by 1.5 percent below the standard calculated amount. House Bill 10-1379 further reduces reimbursement rates to 2.5 percent below the standard calculation. This rate reduction is temporary and does not apply to rates developed in FY 2011-12 or thereafter.

House Bill 10-1379 also reduces the allowable General Fund increase for per diem rates from up to five percent per year to up to 1.9 percent per year in FY 2010-11. For fiscal years after FY 2010-11, the allowable General Fund growth returns to the current law cap of up to 3.0 percent per year.

For FY 2010-11 total state expenditures for the Department of Health Care Policy and Financing are anticipated to decrease by \$6.2 million total funds as a result of this bill as shown in the table below.

Total Expenditure Impact of H.B. 10-1379				
	General Fund	Cash Funds	Federal Funds	Total Funds
Class 1 Nursing Facilities	(\$7,905,850)	\$5,806,343	(\$3,366,535)	(\$5,466,042)
Class 2 Nursing Facilities	(8,809)	0	(14,125)	(22,934)
PACE	<u>(296,674)</u>	<u>0</u>	<u>(449,039)</u>	<u>(745,713)</u>
<b>Total</b>	<b>(\$8,211,333)</b>	<b>\$5,806,343</b>	<b>(\$3,829,699)</b>	<b>(\$6,234,689)</b>

This bill only impacts nursing facility rate calculations for FY 2010-11. In FY 2011-12 rate calculations will return to the standard methodology.

**H.B. 10-1380:** Allows funds from the Supplemental Old Age Pension Health and Medical Care Fund to be used to offset General Fund costs for persons 65 years of age or older who are served through the State's Medicaid program. The purpose is to offset General Fund costs for providing the services.

Allows up to \$4,850,000 for FY 2010-11 to be used from the Supplemental Old Age Pension Health and Medical Care Fund for the purpose of providing services for participants in the State's Medicaid program who are 65 years of age or older.

**H.B. 10-1381:** This bill is a companion to Senate Joint Resolution 10-010, which declares a state fiscal emergency and thus allows Amendment 35 tobacco-tax revenues to be used for any health related purpose. Because a declared state fiscal emergency only lasts for one year, this bill only alters the distribution of Amendment 35 revenue for FY 2010-11.

Appropriates \$25.7 million of Amendment 35 money to the Department of Health Care Policy and Financing (HCPF) to support Medical Services Premiums. Of this appropriation, \$15.5 million is from the Tobacco Education Programs Fund, \$5.7 million is from the Prevention, Early Detection and Treatment Fund, and \$4.5 million is from the Health Disparities Grant Program Fund. These appropriations allow the General Fund appropriation for Medical Services Premiums to be reduced by \$25.7 million. For additional information on H.B. 10-1381, see also the "Recent Legislation" section at the end of the Department of Public Health and Environment.

**H.B. 10-1382:** Senate Bill 09-265 authorized the Department of Health Care Policy and Financing to delay the last Medicaid fee-for-service payment cycle in FY 2009-10. In addition, the bill authorized that capitation payments made to Medicaid managed care organizations (MCOs) would only be paid following the first day of the month following a client's enrollment into a MCO. With these provisions in effect, only 51 weeks of fee-for-service payments and 11 months of MCO payments would be made in FY 2009-10. House Bill 10-1382 repeals S.B. 09-265. Thus, the normal payment cycle will be followed in FY 2009-10. Table 1 below shows the appropriation impact to FY 2009-10.

Table 1: FY 2009-10 Fiscal Impacts					
Line Item	General Fund	Cash Funds	Reappropriated Funds	Federal Fund	Total Funds
Medical Services Premiums	\$20,490,833	\$2,828,773	\$27,866	\$37,460,929	\$60,808,401
Mental Health Capitation Payments	6,695,582	592,211	905	11,688,108	18,976,806
Children's Basic Health Plan Trust	207,860	0	0	0	207,860
Children's Basic Health Plan Premium Costs	0	4,278,871	0	7,946,473	12,225,344
Children's Basic Health Plan Dental Costs	<u>0</u>	<u>310,140</u>	<u>0</u>	<u>575,973</u>	<u>886,113</u>
<b>Total Impact</b>	<b>\$27,394,275</b>	<b>\$8,009,995</b>	<b>\$28,771</b>	<b>\$57,671,483</b>	<b>\$93,104,524</b>

House Bill 10-1382 also has a FY 2010-11 impact. The FY 2010-11 Long Bill (H.B. 10-1376) assumes current law provisions. Therefore, in the base assumptions for H.B. 10-1376 was the assumption that 53 weeks of fee-for-service payments would be made during FY 2010-11. Because H.B. 10-1382 eliminated the one week of payment delay contained in FY 2009-10, only 52 weeks of fee-for-service payments in FY 2010-11 are necessary. This reduces appropriations by \$43.1 million total funds for the Medical Services Premiums program. However, because the MCO payments were not delayed in FY 2009-10, the Children's Basic Health Plan Trust Fund will be depleted more than anticipated under S.B. 09-265 and will need additional funding in order to maintain a positive fund balance in FY 2010-11. Therefore, \$2.6 million General Fund is deposited into the CBHP Trust Fund to support the CBHP program in FY 2010-11. Table 2 shows the FY 2010-11 impacts from H.B. 10-1382.

Table 2: FY 2010-11 Fiscal Impacts					
Line Item	General Fund	Cash Funds	Reappropriated Funds	Federal Fund	Total Funds
Medical Services Premiums	(\$14,679,904)	(\$2,023,356)	(\$17,380)	(\$26,400,595)	(\$43,121,235)
Children's Basic Health Plan Trust	<u>2,554,602</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,554,602</u>
<b>Total Impact</b>	<b>(\$12,125,302)</b>	<b>(\$2,023,356)</b>	<b>(\$17,380)</b>	<b>(\$26,400,595)</b>	<b>(\$40,566,633)</b>

**H.B. 10-1384:** Resolves conflicting state statutory provisions determining the eligibility of noncitizens for Colorado's Old Age Pension (OAP) program. Effective July 1, 2010, bars qualified aliens from accessing the OAP program for five years after their date of entry into the United States with certain exceptions. Effective January 1, 2014, requires that the income and resources of a qualified alien's sponsor be considered when determining OAP eligibility with certain exceptions. Among other appropriations, provides funding for changes to the Colorado Benefits Management System in FY 2009-10 and FY 2010-11. This includes appropriations to the Department of Health Care Policy and Financing, Department of Human Services Medicaid-Funded Programs for the Colorado Benefits Management System of \$17,309 total funds for FY 2009-10 and \$17,220 total funds for FY 2010-11. For additional information on H.B. 10-1384, see the "Recent Legislation" section at the end of the Department of Human Services.

# DEPARTMENT OF HIGHER EDUCATION

The 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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund/1	\$747,717,300	\$661,973,800	\$428,761,033	\$644,870,589
Cash Funds/2	23,204,523	1,224,926,051	1,433,870,516	1,601,678,889
Cash Funds Exempt/2	1,764,573,730	n/a	n/a	n/a
Reappropriated Funds/2	n/a	582,085,866	362,747,643	586,167,393
Federal Funds	<u>20,478,236</u>	<u>170,906,168</u>	<u>402,284,178</u>	<u>109,482,271</u>
<b>Total Funds</b>	<b>\$2,555,973,789</b>	<b>\$2,639,891,885</b>	<b>\$2,627,663,370</b>	<b>\$2,942,199,142</b>
Full Time Equiv. Staff	19,277.9	19,803.3	20,954.9	21,397.5

/1 Includes General Fund Exempt.

/2 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 Higher Education accounts for 9.3 percent of state General Fund appropriations in FY 2010-11, making it the fourth largest General Fund appropriation behind the Department of Education, Department of Health Care Policy and Financing, and Department of Corrections. Higher Education has the largest number of state employees, with 21,397.5 appropriated full-time-equivalent (FTE) positions in FY 2010-11.

The Colorado Commission on Higher Education (Commission) oversees the higher education delivery system. Each state-operated institution also reports to a governing board. The members of the Commission and of the governing boards are appointed by the Governor, except at the University of Colorado, where they are elected.

Through statutes the General Assembly has delegated significant budgetary control to the governing boards for the higher education institutions. Within broad parameters the governing boards are allowed to determine how to spend the revenue they earn, and they can retain unspent funds at the end of each fiscal year for future initiatives.

Another significant part of the department's duties is to regulate the state's occupational education programs. The Community College System administers the Colorado Vocational Act, which provides resources for high school technical education, the federal Perkins program, and economic development funds to help companies provide industry-specific training. The Community College System also has responsibility for the three Area Vocational Schools (Emily Griffith Opportunity School, T.H. Pickens Technical Center, and Delta-Montrose Vocational Technical Center).

### **Individual versus Public Responsibility for Higher Education**

A key factor driving the budget for the Department of Higher Education is how much policy makers view paying for higher education as an individual versus public responsibility. Higher education is perceived as benefitting individuals by increasing their earning potential and exposing them to cultural and social experiences that may improve their quality of life, but it also has perceived public benefits. An educated populous may attract businesses and cultural resources to the community, and it is associated with higher wages, and lower unemployment and dependence on public resources. Some studies have linked it with better physical health and a greater degree of civic involvement.

### **Higher Education Performance Expectations**

Hand in hand with decisions about the degree of individual versus public funding for higher education, legislators determine what they expect from public higher education institutions in exchange for the General Fund support. Some examples of current statutory expectations include the minimum percentage of in-state students relative to out-of-state students that an institution must accept, and how selective each institution may be with admissions criteria.

Another type of performance criteria is the tuition and fee rates charged by the institutions. Senate Bill 10-003 temporarily removes statutory provisions providing that the General Assembly annually set limits on tuition increases and replaces these provisions with authority for governing boards to increase tuition, but increases greater than 9.0 percent require approval from the Colorado Commission on Higher Education. The delegated tuition authority lasts for five years, from FY 2011-12 through FY 2015-16.

At times the legislature has attempted to use performance criteria such as time to graduation or graduation rates as a basis for determining the distribution of funding and/or the total level of funding for higher education. Currently, higher education institutions report this type of data as part of performance contracts with the Colorado Commission on Higher Education and, while it may influence legislative funding decisions, it is not overtly part of the General Fund distribution formula.

### **Impact of the Statewide Budget Outlook**

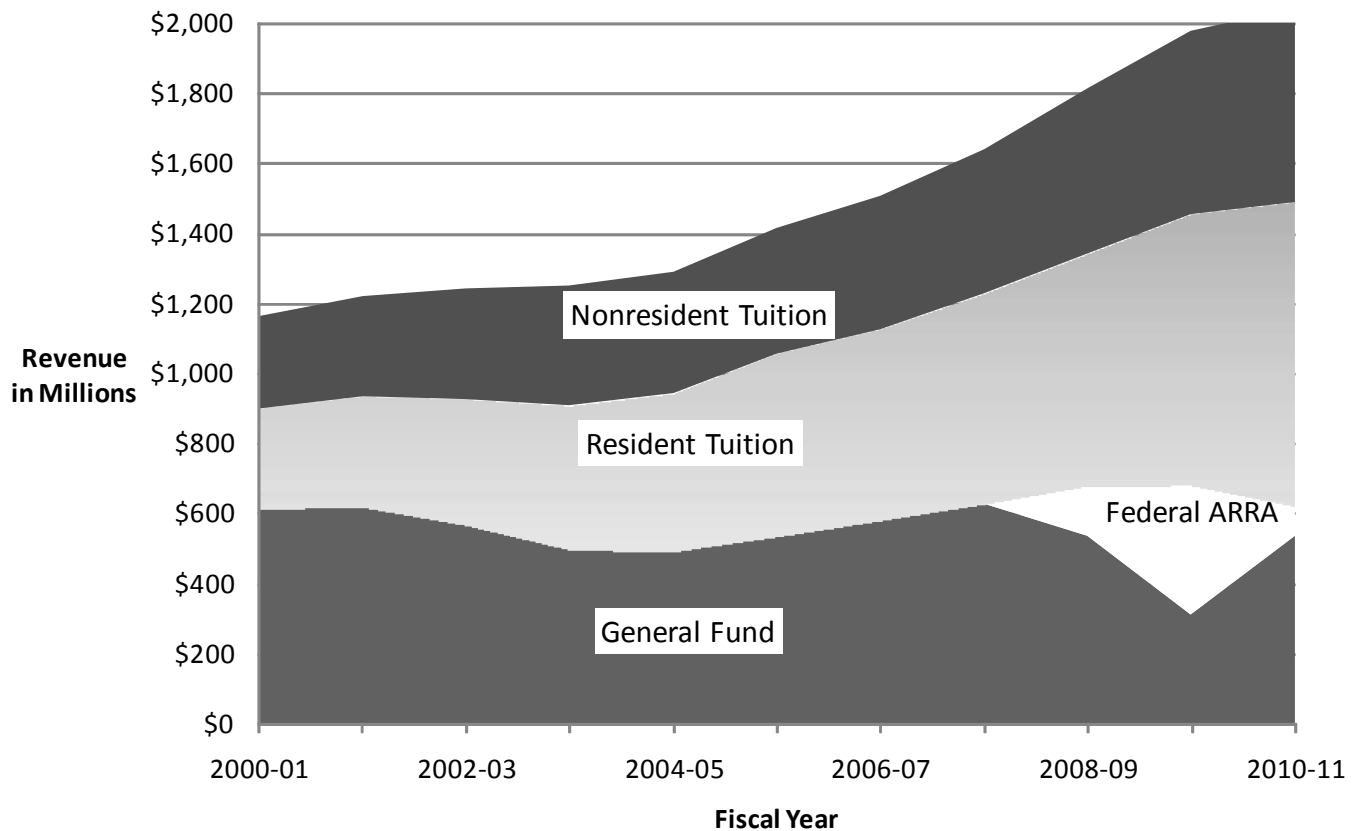
Statewide General Fund revenues significantly impact higher education appropriations, as evidenced by the sharp declines in General Fund appropriations for higher education during economic downturns in FY 2002-03 through FY 2004-05, and again in FY 2008-09 and FY 2009-10. The decreases in General Fund appropriations for higher education were disproportionately larger than decreases for other state agencies during the same time frames.

The availability of alternative fund sources for higher education may partly explain the disproportionate reductions for higher education. During these years tuition charges increased significantly, and from FY 2008-09 through FY 2010-11 federal money available through the American Recovery and Reinvestment Act of 2009 (ARRA) has been used to partially offset General Fund reductions.

As a condition of accepting the ARRA federal funds for education, the federal government requires states to maintain at least the FY 2005-06 General Fund appropriation level for higher education institutions. In FY 2009-10 Colorado qualified for a waiver from this maintenance of effort requirement, but not in FY 2010-11.

The following chart illustrates how federal ARRA funds and tuition are augmenting General Fund revenues for the higher education institutions, and may provide a portion of the explanation for why higher education has historically been such a big part of budget balancing efforts in Colorado and other states during recessions. It should be noted that the chart does not include adjustments for changes in the number of students served, inflationary factors impacting the cost of providing services, or analysis of whether resources are being used optimally by the higher education institutions, and thus the chart is not intended to draw conclusions about the adequacy of General Fund and tuition resources. It is fair to observe from the chart that increases in tuition and decreases in General Fund have transferred more of the burden for funding higher education from state tax revenues to students and their families.

## Higher Education Institutions General Fund + Tuition Revenue



### College Opportunity Fund Program

Colorado uses a method of distributing higher education funding that is unique among the states. Instead of appropriating General Fund directly to the institutions for their day-to-day operations, the General Assembly appropriates money into a fund that provides stipends to eligible undergraduate students. In addition, the General Assembly appropriates money for differences in the cost of programs at each institution. This second appropriation for cost differentials delivers funding to the institutions through what are called fee-for-service contracts between the Commission and the governing boards.

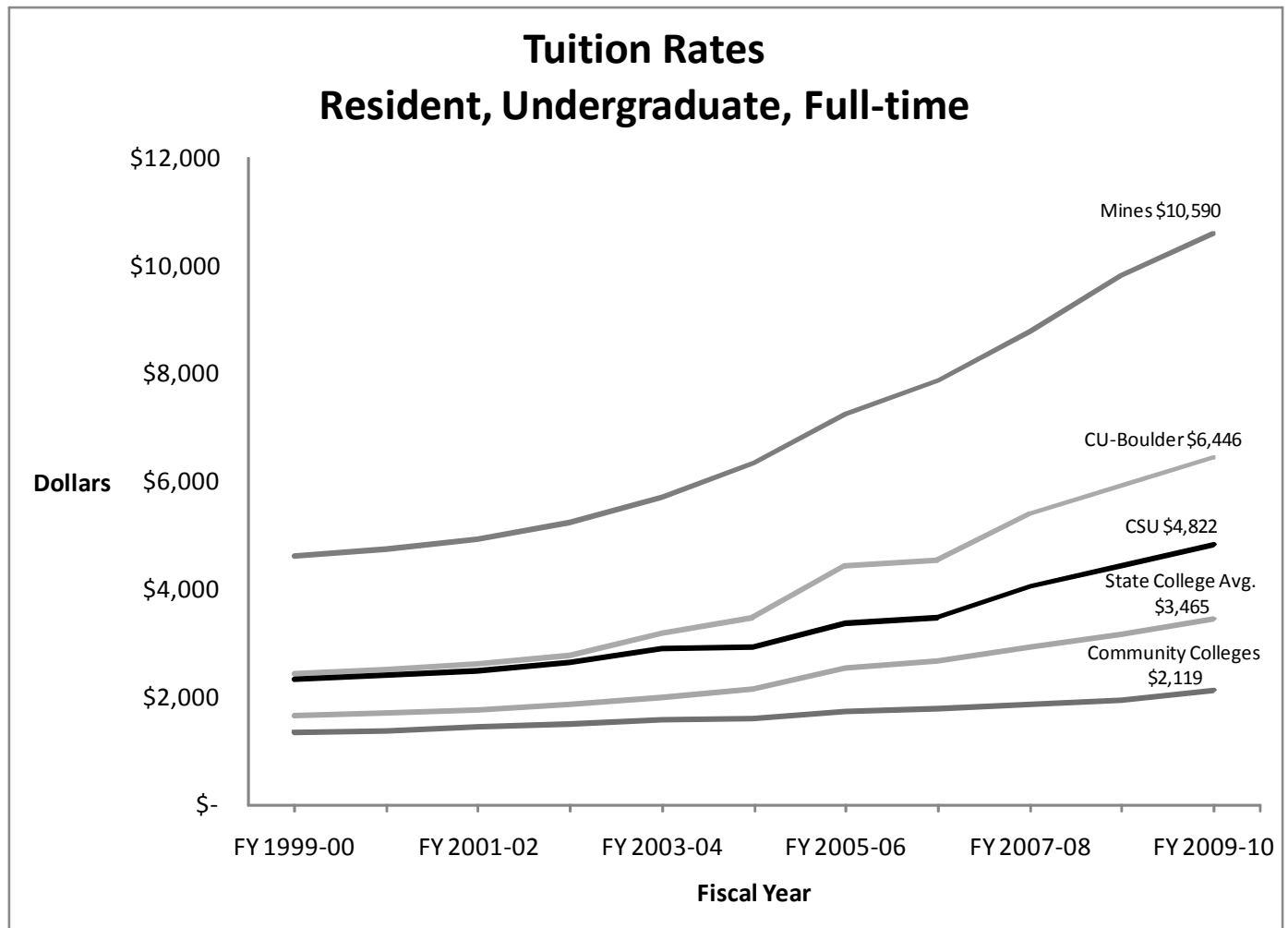
It may be helpful for policy makers to focus on the sum of stipends and fee-for-service contracts, rather than each separately. In practice, once stipends and fee-for-service contracts are paid to a higher education institution the institution makes no distinction between them. The sum of stipends and fee-for-service contracts is the state General Fund support provided to each institution for their operations.

## Enterprise Status

The bill that authorized stipends and fee-for-service contracts (S.B. 04-189) also provided a mechanism for designating qualifying state higher education institutions as enterprises under TABOR. Revenue, such as tuition, that is generated by enterprises is exempt from the limits imposed by TABOR and has no impact on the refund. 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. Stipends and fee-for-service contracts are defined in statute as different from a state grant. All of the institutions have been designated as TABOR enterprises.

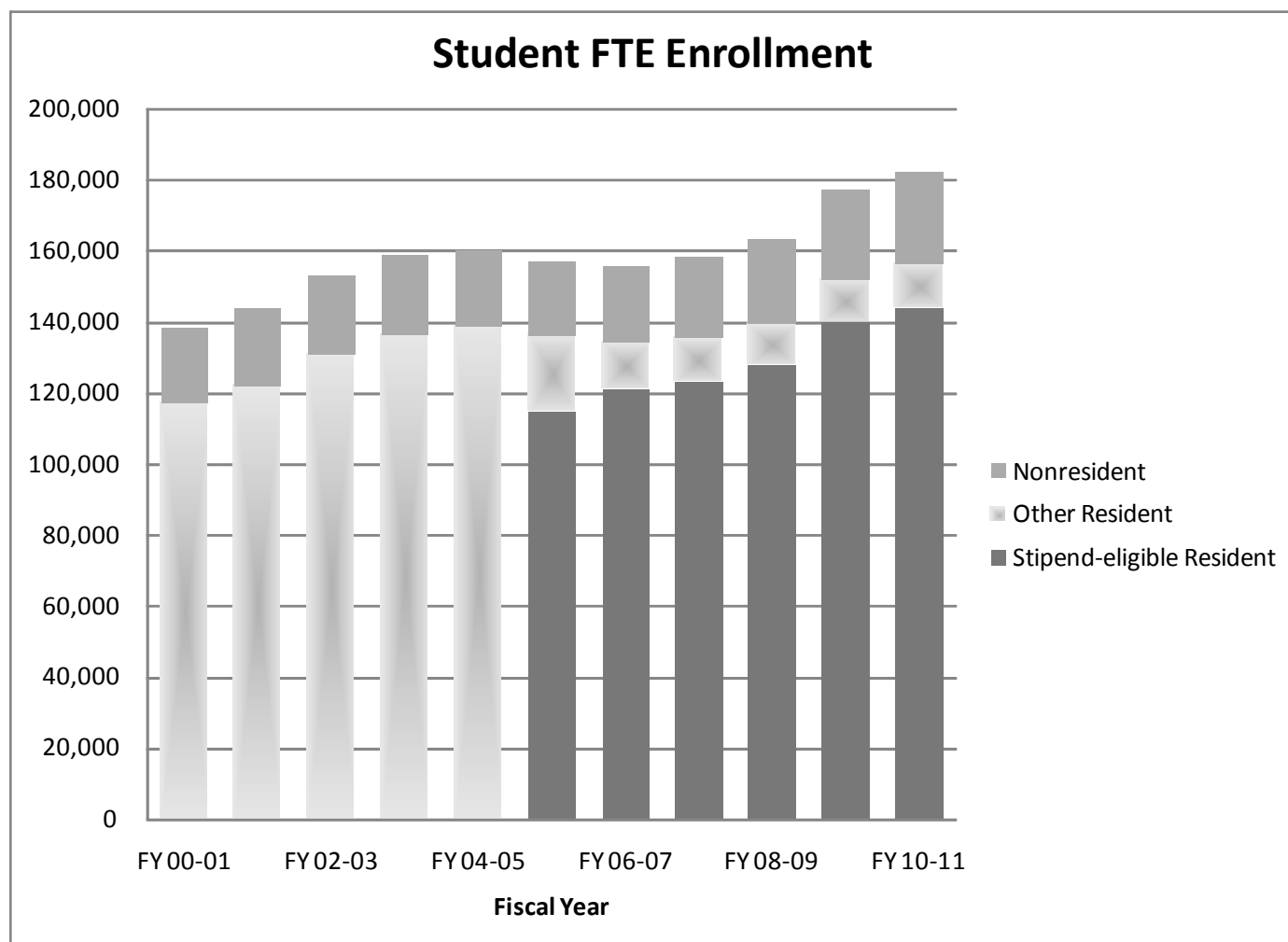
## Tuition

As noted above, S.B. 10-003 delegates significant tuition authority to higher education governing boards beginning in FY 2011-12. Tuition rates are a central consideration in discussions about access and affordability. Total projected tuition revenue for the governing boards influences legislative decisions about how much General Fund to appropriate for stipends and fee-for-service contracts. The graph below charts changes in tuition rates at selected institutions over the last several years. The table reports tuition rates through FY 2009-10; tuition rates for FY 2010-11 were not yet set for all institutions at the time of this publication.



## 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 the last several years. Thirty credit hours in a year equals one full-time-equivalent student. The community college system especially has been impacted by enrollment increases in recent years, with 51 percent growth since FY 2000-01 while resident enrollment system-wide increased 33 percent.



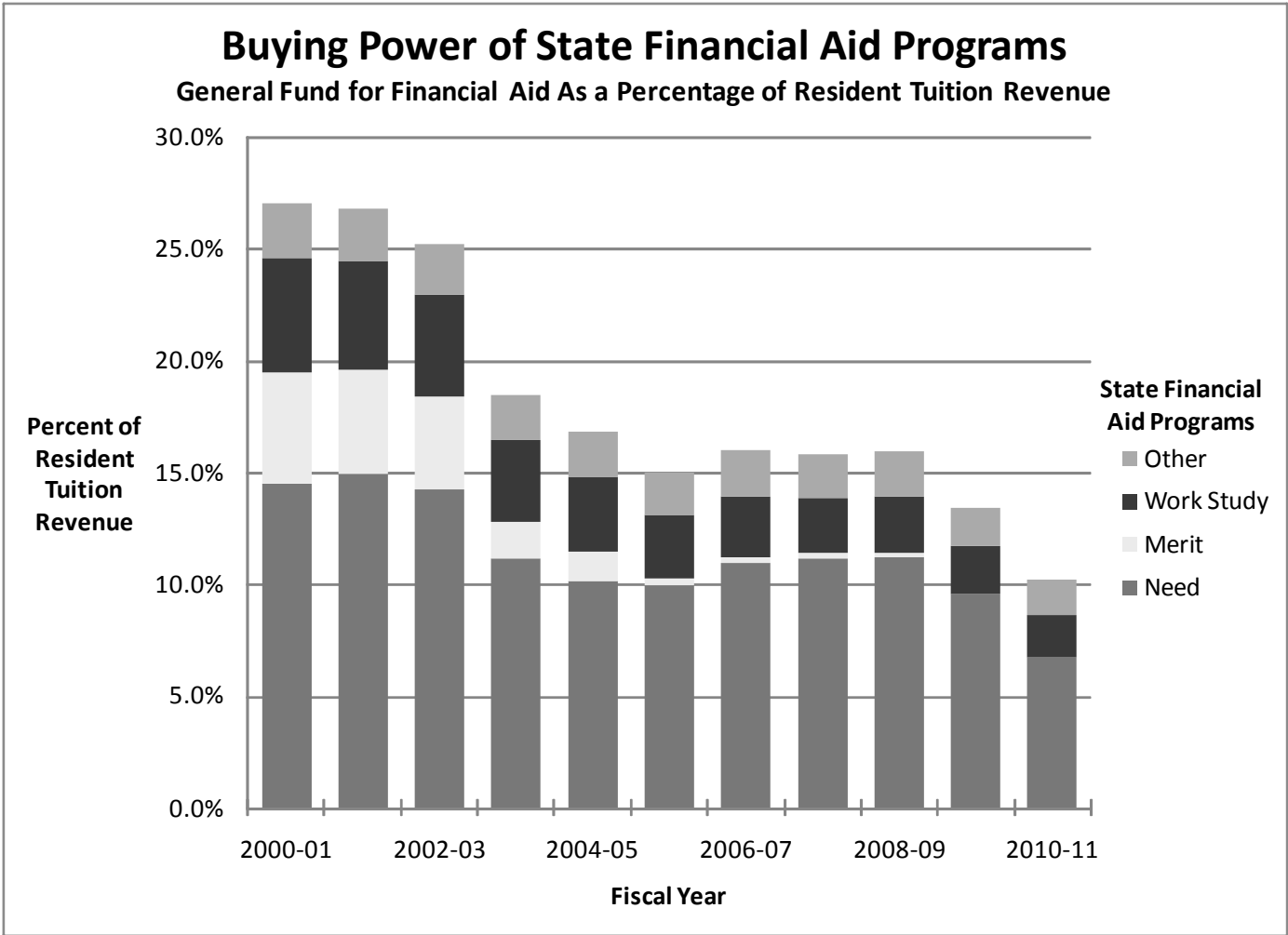
## Financial Aid

Of the General Fund appropriation for higher education in FY 2010-11, \$88.6 million (13.7 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 \$196.1 million in FY 2008-09. Federal guaranteed loan programs provided another \$972.4 million for students and their parents. In Colorado, 64% of all students completing a bachelor’s degree in FY 2008-09 graduated with the support of federal student loans, and the average amount of federal loans for people graduating with a bachelor's degree was \$20,639 at public institutions. 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 2008-09 was \$327.9 million.



## Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of Higher Education						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$2,627,663,370</b>	<b>\$428,761,033</b>	<b>\$1,433,870,516</b>	<b>\$362,747,643</b>	<b>\$402,284,178</b>	<b>20,954.9</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	1,785,092	0	992,547	749,454	43,091	0.0
Colorado Commission on Higher Education	25,539,989	0	22,238,938	2,923,989	377,062	38.9
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	312,963,947	312,883,577	0	0	80,370	0.0
Governing Boards	2,070,378,612	0	1,387,664,411	314,669,728	368,044,473	20,563.6
Local District Junior College Grants	15,890,257	7,350,751	0	0	8,539,506	0.0
Division of Occupational Education	53,508,107	4,417,273	0	26,708,808	22,382,026	32.0
Auraria Higher Education Center	17,670,252	0	0	17,670,252	0	191.3
State Historical Society	24,094,770	202,500	22,974,620	0	917,650	128.9
<u>Breakdown of Total Appropriation by Bill</u>						
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
HB 10-1301	(211,199,130)	(231,814,699)	12,107,984	(222,895,539)	231,403,124	6.9
HB 10-1376	48,293,937	0	48,293,937	0	0	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$2,942,199,142</b>	<b>\$644,870,589</b>	<b>\$1,601,678,889</b>	<b>\$586,167,393</b>	<b>\$109,482,271</b>	<b>21,397.5</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Department Administrative Office	2,278,617	0	1,424,654	722,007	131,956	0.0
Colorado Commission on Higher Education	26,596,578	0	23,328,130	2,892,390	376,058	39.3
Colorado Commission on Higher Education Financial Aid	106,139,746	88,548,595	15,400,000	291,151	1,900,000	0.0
College Opportunity Fund Program	536,125,406	536,125,406	0	0	0	0.0

<b>Department of Higher Education</b>						
	<b>Total Funds</b>	<b>General Fund/1</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Governing Boards	2,156,651,128	0	1,533,388,645	537,670,447	85,592,036	21,034.0
Local District Junior College Grants	15,467,729	12,601,934	836,339	0	2,029,456	0.0
Division of Occupational Education	52,843,669	7,392,154	0	26,921,146	18,530,369	32.0
Auraria Higher Education Center	17,670,252	0	0	17,670,252	0	166.3
State Historical Society	28,426,017	202,500	27,301,121	0	922,396	125.9
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	2,941,566,190	660,270,589	1,585,645,937	586,167,393	109,482,271	21,397.1
SB 10-064	(403,868)	0	(403,868)	0	0	0.0
SB 10-108	36,820	0	36,820	0	0	0.4
HB 10-1339	1,000,000	0	1,000,000	0	0	0.0
HB 10-1383	0	(15,400,000)	15,400,000	0	0	0.0
<b>Increase/(Decrease)</b>	<b>\$314,535,772</b>	<b>\$216,109,556</b>	<b>\$167,808,373</b>	<b>\$223,419,750</b>	<b>(\$292,801,907)</b>	<b>442.6</b>
Percentage Change	12.0%	50.4%	11.7%	61.6%	(72.8)%	2.1%

/1 Includes \$101,266,667 General Fund Exempt in FY 2010-11. See division detail for more information.

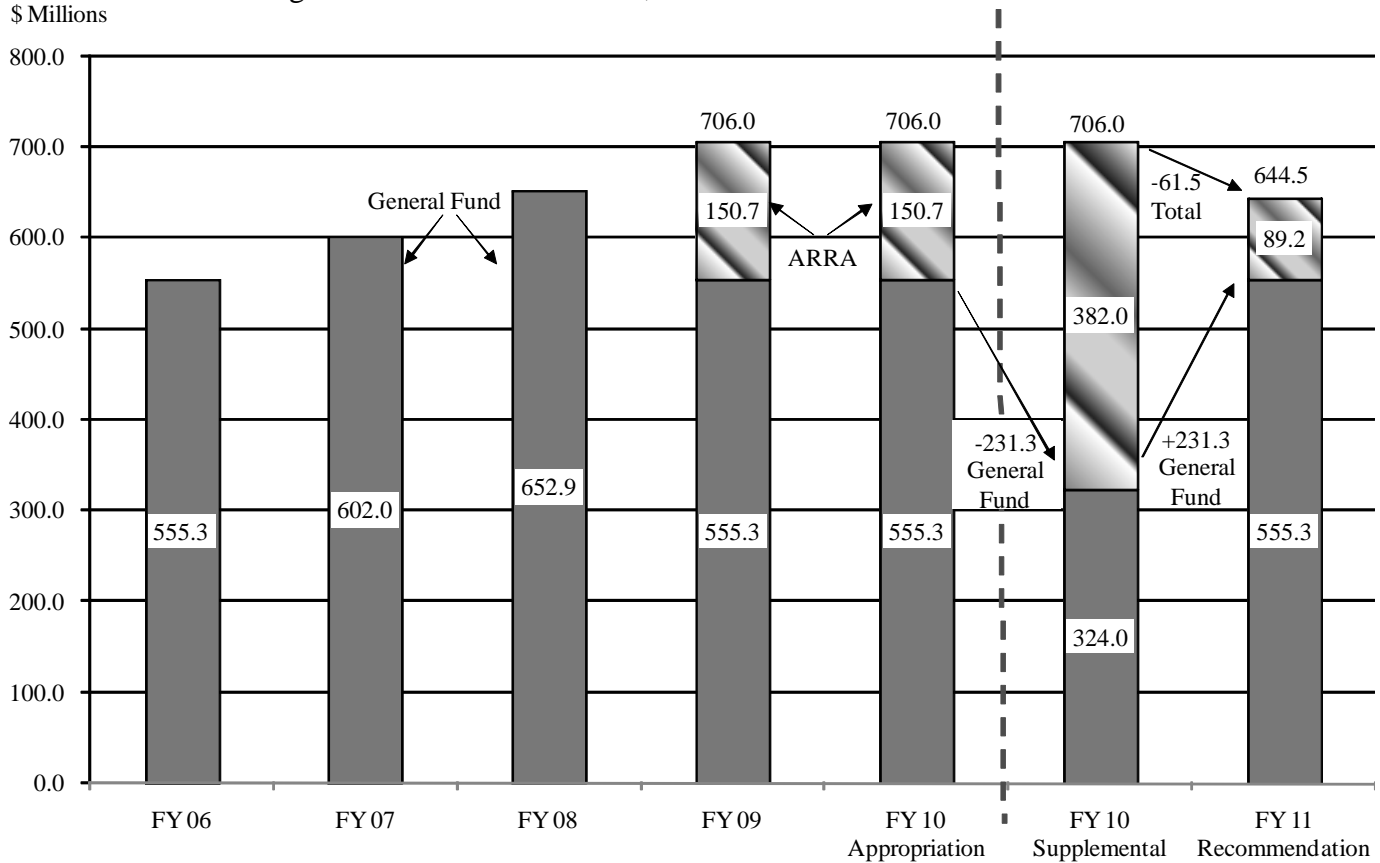
### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations reduce \$231.3 million General Fund from the higher education institutions and backfill funding for the institutions with federal funds from the American Recovery and Reinvestment Act of 2009 (ARRA).

### **FY 2010-11 Appropriation Highlights:**

1. The appropriation provides \$231.3 million General Fund for the higher education institutions to restore one-time reductions made in FY 2009-10 and meet the maintenance of effort requirement of the American Recovery and Reinvestment Act of 2009 (ARRA).
2. The appropriation reflects a \$292.8 million decrease in federal funds available through ARRA.

## Higher Education Institutions, General Fund and Federal ARRA



3. The appropriation provides \$125.9 million additional cash funds spending authority for a 9.0 percent increase in resident undergraduate tuition rates, an assumed 9.0 percent increase in resident graduate tuition rates, an assumed 5.0 percent increase in nonresident tuition rates, and changes in the enrollment forecast.
4. The appropriation increases cash funds spending authority for fees by \$13.8 million.
5. The appropriation reflects, for informational purposes, the projected \$8.4 million limited gaming funds that will be distributed to higher education institutions with a 2-year mission.
6. The appropriation reflects, for informational purposes, the estimate by each governing board of current year FTE.
7. The appropriation refinances \$15.4 million General Fund for Need Based Grants with cash funds from the Colorado CollegeInvest Scholarship Trust Fund pursuant to H.B. 10-1383. The bill also transfers \$29.8 million from the Colorado CollegeInvest Scholarship Trust Fund to the General Fund.

## 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$1,803,348	\$0	\$1,003,720	\$755,546	\$44,082	0.0
HB 10-1301	<u>(18,256)</u>	<u>0</u>	<u>(11,173)</u>	<u>(6,092)</u>	<u>(991)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,785,092</b>	<b>\$0</b>	<b>\$992,547</b>	<b>\$749,454</b>	<b>\$43,091</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,785,092	\$0	\$992,547	\$749,454	\$43,091	0.0
Centrally-appropriated line items	493,525	0	432,107	(27,447)	88,865	0.0
<b>HB 10-1376</b>	<b><u>\$2,278,617</u></b>	<b><u>\$0</u></b>	<b><u>\$1,424,654</u></b>	<b><u>\$722,007</u></b>	<b><u>\$131,956</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$2,278,617</b>	<b>\$0</b>	<b>\$1,424,654</b>	<b>\$722,007</b>	<b>\$131,956</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$493,525	\$0	\$432,107	(\$27,447)	\$88,865	0.0
Percentage Change	27.6%	n/a	43.5%	(3.7)%	206.2%	n/a

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; and payment to risk management and property funds.

### 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1301	<u>(41,745)</u>	<u>0</u>	<u>(13,952)</u>	<u>(27,259)</u>	<u>(534)</u>	<u>6.9</u>
<b>TOTAL</b>	<b>\$25,539,989</b>	<b>\$0</b>	<b>\$22,238,938</b>	<b>\$2,923,989</b>	<b>\$377,062</b>	<b>38.9</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$25,539,989	\$0	\$22,238,938	\$2,923,989	\$377,062	38.9
Restore FY 2009-10 furlough reductions	71,921	0	13,952	50,445	7,524	0.0
WICHE dues	5,000	0	0	5,000	0	0.0
Postage adjustment	315	0	0	315	0	0.0
Fund source adjustment	0	0	47,510	(47,510)	0	0.0
State PERA contribution reduction	(57,467)	0	(9,090)	(39,849)	(8,528)	0.0
<b>HB 10-1376</b>	<b>\$25,559,758</b>	<b>\$0</b>	<b>\$22,291,310</b>	<b>\$2,892,390</b>	<b>\$376,058</b>	<b>38.9</b>
SB 10-108	36,820	0	36,820	0	0	0.4
HB 10-1339	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$26,596,578</b>	<b>\$0</b>	<b>\$23,328,130</b>	<b>\$2,892,390</b>	<b>\$376,058</b>	<b>39.3</b>
<b>Increase/(Decrease)</b>	\$1,056,589	\$0	\$1,089,192	(\$31,599)	(\$1,004)	0.4
Percentage Change	4.1%	n/a	4.9%	(1.1)%	(0.3)%	1.0%

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**WICHE dues:** The appropriation includes an increase for dues owed to the Western Interstate Commission on Higher Education (WICHE).

**Postage adjustment:** The appropriation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Fund source adjustment:** The appropriation reflects an increase in the portion of indirect cost recoveries from cash fund sources (CollegeInvest and College Assist) versus reappropriated fund sources.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

## Colorado Commission on Higher Education Financial Aid

This division includes the state funded financial aid programs administered by CCHE. The source of cash funds is a one-time appropriation from the CollegeInvest Scholarship Trust Fund to refinance General Fund for need-based grants. The source of reappropriated funds is indirect cost recoveries.

Colorado Commission on Higher Education Financial Aid						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$105,832,344	\$103,906,932	\$0	\$25,412	\$1,900,000	0.2
HB 09-1290	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$105,832,344</b>	<b>\$103,906,932</b>	<b>\$0</b>	<b>\$25,412</b>	<b>\$1,900,000</b>	<b>0.2</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$105,832,344	\$103,906,932	\$0	\$25,412	\$1,900,000	0.2
Native American students	807,402	807,402	0	0	0	0.0
Fund source adjustment	0	(265,739)	0	265,739	0	0.0
Teach Colorado Grant	(500,000)	(500,000)	0	0	0	(0.2)
<b>HB 10-1376</b>	<b>\$106,139,746</b>	<b>\$103,948,595</b>	<b>\$0</b>	<b>\$291,151</b>	<b>\$1,900,000</b>	<b>0.0</b>
HB 10-1383	<u>0</u>	<u>(15,400,000)</u>	<u>15,400,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$106,139,746</b>	<b>\$88,548,595</b>	<b>\$15,400,000</b>	<b>\$291,151</b>	<b>\$1,900,000</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>\$307,402</b>	<b>(\$15,358,337)</b>	<b>\$15,400,000</b>	<b>\$265,739</b>	<b>\$0</b>	<b>(0.2)</b>
Percentage Change	0.3%	(14.8)%	n/a	1045.7%	0.0%	(100.0)%

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Native American students:** The appropriation includes a General Fund increase for payments to Fort Lewis College for Native American student tuition waivers provided in FY 2009-10, pursuant to Section 23-52-105, C.R.S.

**Fund source adjustment:** The appropriation reflects an increase in the amount of indirect cost recoveries available to offset the need for General Fund.

**Teach Colorado Grant:** The appropriation eliminates all General Fund for the program and makes a 0.2 FTE base reduction for the Teach Colorado Grant.

**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 resident students attending state-operated higher education institutions and resident students attending certain private institutions located in the state, 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1301	(223,241,829)	(223,322,199)	0	0	80,370	0.0
HB 10-1376	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$312,963,947</b>	<b>\$312,883,577</b>	<b>\$0</b>	<b>\$0</b>	<b>\$80,370</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$312,963,947	\$312,883,577	\$0	\$0	\$80,370	0.0
Fee-for-service contracts	140,273,799	140,273,799	0	0	0	0.0
Stipends State-operated institutions	82,726,920	82,726,920	0	0	0	0.0
Private Stipends	160,740	241,110	0	0	(80,370)	0.0
<b>HB 10-1376</b>	<b>\$536,125,406</b>	<b>\$536,125,406</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
SB 10-064	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$536,125,406</b>	<b>\$536,125,406</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>\$223,161,459</b>	<b>\$223,241,829</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$80,370)</b>	<b>0.0</b>
Percentage Change	71.3%	71.4%	n/a	n/a	(100.0)%	n/a

/1 This amount includes a General Fund Exempt appropriation.

<b>General Fund Summary</b>	<b>Total General Fund</b>	<b>General Fund</b>	<b>General Fund Exempt</b>
<b>FY 2009-10 Appropriation</b>	<b>\$312,883,577</b>	<b>\$312,883,577</b>	<b>\$0</b>
Stipend payments	9,076,320	9,076,320	0
Fee-for-service contracts	<u>(9,076,320)</u>	<u>(9,076,320)</u>	<u>0</u>
<b>FY 2009-10 Adjusted Appropriation</b>	<b>\$312,883,577</b>	<b>\$312,883,577</b>	<b>\$0</b>
Stipend payments	82,968,030	82,968,030	0
Fee-for-service contracts	<u>140,273,799</u>	<u>39,007,132</u>	<u>101,266,667</u>
<b>Total FY 2010-11 Long Bill Appropriation</b>	<b>\$536,125,406</b>	<b>\$434,858,739</b>	<b>\$101,266,667</b>

## General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap<sup>1</sup>, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. 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 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1301 reduced General Fund for stipends and fee-for-service contracts. Appropriations in the Governing Boards section from the federal American Recovery and Reinvestment Act backfilled the lost revenue. Supplemental appropriations in H.B. 10-1376 increase the stipends for students attending state-operated institutions by \$9,076,320 General Fund to reflect a projected increase in the eligible population over the appropriated level, and reduce the General Fund for fee-for-service contracts by a like amount to offset the increased cost of the stipends.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Fee-for-service contracts:** The appropriation includes an increase in fee-for-service contracts so that the General Fund for stipends and fee-for-service contracts combined equals the combined total in FY 2005-06. As a condition of accepting federal funds through the American Recovery and Reinvestment Act of 2009 (ARRA), the state must maintain at least the FY 2005-06 General Fund appropriation level for the higher education institutions. In FY 2009-10 Colorado meets the criteria for a waiver from this maintenance of effort requirement, and the General Fund appropriation is below the FY 2005-06 threshold. For FY 2010-11, Colorado does not meet the waiver criteria, and an increase in General Fund is required to meet the federal maintenance of effort requirement. For more detail of the impact by institution, see the Governing Boards section below.

---

<sup>1</sup> The "excess state revenues cap" is equal to the highest annual total state revenues from FY 2005-06 through FY 2009-10, adjusted each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes.

**Stipends State-operated institutions:** The appropriation includes a \$540 increase in the stipend rate for full-time students attending public higher education institutions (from \$1,320 per 30 credit hours to \$1,860 per 30 credit hours) and a projected increase of 3,843, or 2.7 percent, in the stipend-eligible student FTE (from 139,961 to 143,804). For more detail of the impact by institution, see the Governing Boards section below.

Note that S.B. 10-064 increased the projected stipend population by an additional 217.1 SFTE over the estimate used for the Long Bill, and provided another \$403,868 General Fund for stipends. The bill reduced General Fund for fee-for-service contracts by the same amount for a net \$0 General Fund impact.

**Private stipends:** The appropriation includes a \$270 increase in the stipend rate for eligible full-time students attending participating private institutions (from \$660 to \$930 per 30 credit hours). To be eligible a student attending a private institution must demonstrate financial need by qualifying for the federal Pell grant. The private stipend rate is set by statute at 50.0 percent of the public stipend rate.

## Governing Boards

This division includes cash funds spending authority for 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1301	12,208,968	0	12,208,968	(223,000,719)	223,000,719	0.0
HB 10-1376	<u>48,293,937</u>	<u>0</u>	<u>48,293,937</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,070,378,612</b>	<b>\$0</b>	<b>\$1,387,664,411</b>	<b>\$314,669,728</b>	<b>\$368,044,473</b>	<b>20,563.6</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$2,070,378,612	\$0	\$1,387,664,411	\$314,669,728	\$368,044,473	20,563.6
Stipends and fee-for-service contracts	223,000,719	0	0	223,000,719	0	0.0
Tuition	125,943,656	0	125,943,656	0	0	0.0
Academic fees	13,805,169	0	13,805,169	0	0	0.0
Limited gaming	7,524,792	0	7,524,792	0	0	0.0
FTE Adjustment	0	0	0	0	0	470.4

Governing Boards						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Federal stimulus	(282,452,437)	0	0	0	(282,452,437)	0.0
Tobacco	(1,145,515)	0	(1,145,515)	0	0	0.0
<b>HB 10-1376</b>	<b>\$2,157,054,996</b>	<b>\$0</b>	<b>\$1,533,792,513</b>	<b>\$537,670,447</b>	<b>\$85,592,036</b>	<b>21,034.0</b>
SB 10-064	(403,868)	0	(403,868)	0	0	0.0
<b>TOTAL</b>	<b>\$2,156,651,128</b>	<b>\$0</b>	<b>\$1,533,388,645</b>	<b>\$537,670,447</b>	<b>\$85,592,036</b>	<b>21,034.0</b>
<b>Increase/(Decrease)</b>	\$86,272,516	\$0	\$145,724,234	\$223,000,719	(\$282,452,437)	470.4
Percentage Change	4.2%	n/a	10.5%	70.9%	(76.7)%	2.3%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1301 decreased appropriations from stipends and fee-for-service contracts and increased funding from the federal American Recovery and Reinvestment Act of 2009 to backfill the reduction. House Bill 10-1376 increased stipends to reflect actual enrollment, and reduced fee-for-service contracts for the increased cost of stipends. Also, H.B. 10-1376 provided additional spending authority for tuition and fees. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Stipends and 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 stipend spending authority reflects a \$540 increase in the stipend rate for full-time students attending public higher education institutions (from \$1,320 per 30 credit hours to \$1,860 per 30 credit hours) and a projected increase of 3,843, or 2.7 percent, in the stipend-eligible student FTE (from 139,961 to 143,804). The fee-for-service contract spending authority provides enough General Fund so that the total for stipends and fee-for-service contracts combined equals the combined total in FY 2005-06. This satisfies the American Recovery and Reinvestment Act of 2009 (ARRA) requirement that the state maintain at least the FY 2005-06 General Fund appropriation level for the higher education institutions. In FY 2009-10 Colorado meets the criteria for a waiver from this maintenance of effort requirement, and the General Fund appropriation is below the FY 2005-06 threshold. For FY 2010-11, Colorado does not meet the waiver criteria, and General Fund was increased to meet the federal maintenance of effort requirement.

In addition to the changes to appropriations contained in H.B. 10-1376, S.B. 10-064 increased the projected stipend population by an additional 217.1 student FTE over the estimate used for the Long Bill, and provided another \$403,868 reappropriated funds spending authority for stipends. The bill reduced General Fund for fee-for-service contracts by the same amount for a net \$0 reappropriated funds impact.

<b>Stipends and Fee-for-service Contracts</b>					
<b>Governing Board</b>	<b>FY 2009-10*</b>	<b>Changes in H.B. 10-1376</b>	<b>Changes in S.B. 10-064</b>	<b>FY 2010-11</b>	<b>Percent Change</b>
<b>Adams</b>	<b><u>\$14,608,449</u></b>	<b><u>(\$1,160,504)</u></b>	<b><u>\$0</u></b>	<b><u>\$13,447,945</u></b>	<b><u>(7.9)%</u></b>
Stipends	1,995,840	874,140	1,612	2,871,592	43.9%
Fee-for-service	5,281,159	3,998,183	(1,612)	9,277,730	75.7%
ARRA	7,331,450	(6,032,827)	0	1,298,623	(82.3)%
<b>Mesa</b>	<b><u>24,005,607</u></b>	<b><u>(1,918,555)</u></b>	<b><u>0</u></b>	<b><u>22,087,052</u></b>	<b><u>(8.0)%</u></b>
Stipends	6,771,600	3,190,560	1,674	9,963,834	47.1%
Fee-for-service	5,327,698	4,598,534	(1,674)	9,924,558	86.3%
ARRA	11,906,309	(9,707,649)	0	2,198,660	(81.5)%
<b>Metro</b>	<b><u>49,713,412</u></b>	<b><u>(5,645,681)</u></b>	<b><u>0</u></b>	<b><u>44,067,731</u></b>	<b><u>(11.4)%</u></b>
Stipends	23,191,080	9,985,740	218,922	33,395,742	44.0%
Fee-for-service	1,339,995	5,261,753	(218,922)	6,382,826	376.3%
ARRA	25,182,337	(20,893,174)	0	4,289,163	(83.0)%
<b>Western</b>	<b><u>12,173,017</u></b>	<b><u>(964,136)</u></b>	<b><u>0</u></b>	<b><u>11,208,881</u></b>	<b><u>(7.9)%</u></b>
Stipends	1,841,400	727,260	0	2,568,660	39.5%
Fee-for-service	4,035,352	3,288,135	0	7,323,487	81.5%
ARRA	6,296,265	(4,979,531)	0	1,316,734	(79.1)%
<b>CSU System</b>	<b><u>146,891,512</u></b>	<b><u>(14,831,252)</u></b>	<b><u>0</u></b>	<b><u>132,060,260</u></b>	<b><u>(10.1)%</u></b>
Stipends	27,107,520	11,879,940	177,196	39,164,656	44.5%
Fee-for-service	38,580,334	36,052,234	(177,196)	74,455,372	93.0%
ARRA	81,203,658	(62,763,426)	0	18,440,232	(77.3)%
<b>Fort Lewis</b>	<b><u>12,736,330</u></b>	<b><u>(1,233,059)</u></b>	<b><u>0</u></b>	<b><u>11,503,271</u></b>	<b><u>(9.7)%</u></b>
Stipends	3,024,120	1,214,820	4,464	4,243,404	40.3%
Fee-for-service	1,876,108	2,642,774	(4,464)	4,514,418	140.6%
ARRA	7,836,102	(5,090,653)	0	2,745,449	(65.0)%
<b>CU Regents</b>	<b><u>209,099,449</u></b>	<b><u>(16,633,929)</u></b>	<b><u>0</u></b>	<b><u>192,465,520</u></b>	<b><u>(8.0)%</u></b>
Stipends	38,101,800	17,244,360	0	55,346,160	45.3%
Fee-for-service	50,109,292	53,648,530	0	103,757,822	107.1%
ARRA	120,888,357	(87,526,819)	0	33,361,538	(72.4)%
<b>Mines</b>	<b><u>23,237,386</u></b>	<b><u>(1,781,141)</u></b>	<b><u>0</u></b>	<b><u>21,456,245</u></b>	<b><u>(7.7)%</u></b>
Stipends	3,705,240	1,621,800	0	5,327,040	43.8%
Fee-for-service	6,889,073	6,577,512	0	13,466,585	95.5%
ARRA	12,643,073	(9,980,453)	0	2,662,620	(78.9)%
<b>UNC</b>	<b><u>44,086,311</u></b>	<b><u>(3,462,221)</u></b>	<b><u>0</u></b>	<b><u>40,624,090</u></b>	<b><u>(7.9)%</u></b>
Stipends	10,662,960	4,983,360	0	15,646,320	46.7%
Fee-for-service	9,852,819	9,677,739	0	19,530,558	98.2%
ARRA	23,570,532	(18,123,320)	0	5,447,212	(76.9)%
<b>Com. Colleges</b>	<b><u>143,787,197</u></b>	<b><u>(11,821,240)</u></b>	<b><u>0</u></b>	<b><u>131,965,957</u></b>	<b><u>(8.2)%</u></b>
Stipends	68,346,960	31,004,940	0	99,351,900	45.4%
Fee-for-service	4,253,847	14,528,405	0	18,782,252	341.5%
ARRA	71,186,390	(57,354,585)	0	13,831,805	(80.6)%
<b>TOTAL</b>	<b><u>\$680,338,670</u></b>	<b><u>(\$59,451,718)</u></b>	<b><u>\$0</u></b>	<b><u>\$620,886,952</u></b>	<b><u>(8.7)%</u></b>
Stipends	184,748,520	82,726,920	403,868	267,879,308	45.0%
Fee-for-service	127,545,677	140,273,799	(403,868)	267,415,608	109.7%
ARRA	368,044,473	(282,452,437)	0	85,592,036	(76.7)%

\* As adjusted by the supplemental add-on.

**Tuition:** The appropriation provides a 9.0 percent increase in resident undergraduate tuition spending authority. It assumes a 9.0 percent increase in resident graduate tuition and a 5.0 percent increase in nonresident

tuition spending authority. The appropriation also reflects projected enrollment changes. See the tuition footnote in the Long Bill for more detail.

In addition to the changes to appropriations contained in H.B. 10-1376, S.B. 10-064 reduced the projected resident tuition revenue from the estimate used for the Long Bill by a total of \$403,868.

Tuition Spending Authority						FY 2009-10 Resident Undergraduate Full-time (30 credits) Rate
	FY 2009-10 Appropriation	Updated Estimate of FY 2009-10	Changes in H.B. 10-1376	Changes in S.B. 10-064	FY 2010-11 Appropriation	
Adams	\$7,946,868	\$11,231,927	\$1,160,373	(\$1,612)	\$12,390,688	\$2,712
Mesa	27,732,023	31,225,774	4,041,411	(1,674)	35,265,511	\$4,692
Metro	61,493,135	62,493,493	6,450,061	(218,922)	68,724,632	\$2,850
Western	9,347,471	9,215,455	585,085	0	9,800,540	\$3,140
CSU System	229,249,116	226,513,160	18,413,728	(177,196)	244,749,692	\$4,822
Fort Lewis	27,606,152	28,116,299	631,645	(4,464)	28,743,480	\$3,102
CU Regents	596,692,241	608,474,045	57,921,764	0	666,395,809	\$6,446
Mines	66,680,711	67,916,700	7,900,060	0	75,816,760	\$10,590
UNC	56,013,623	61,387,761	6,946,690	0	68,334,451	\$4,296
Com Colleges	171,765,547	192,539,559	21,892,839	0	214,432,398	\$2,649
TOTAL	\$1,254,526,887	\$1,299,114,173	\$125,943,656	(\$403,868)	\$1,424,653,961	

**Academic fees:** The appropriation includes an enrollment adjustment for academic fees and academic facility fees at all facilities, and spending authority for new or increased fees at Adams, Metro, Western, CSU, and Mines. These new or increased fees are primarily for construction projects approved by the Capital Development Committee with the exception of Metropolitan State College at Denver (Metro), which is considering a fee ranging from \$100 to \$200 for peer mentoring support services for at-risk students, and Western State College (Western), which is considering new \$20 per course lab and studio 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.

Academic Fees and Academic Facility Fees			
	FY 2009-10*	FY 2010-11	Difference
Adams	\$1,750,998	\$2,120,308	\$369,310
Mesa	516,069	538,354	22,285
Metro	8,699,054	12,665,327	3,966,273
Western	26,000	110,760	84,760
CSU System	12,233,700	19,582,601	7,348,901
Fort Lewis	1,000,000	995,955	(4,045)
CU Regents	31,520,444	32,387,627	867,183
Mines	2,778,488	3,500,000	721,512
UNC	4,433,337	4,605,826	172,489
Com Colleges	8,442,148	8,698,649	256,501
TOTAL	\$71,400,238	\$85,205,407	\$13,805,169

\* As adjusted by the supplemental add-on.

**Limited gaming:** The appropriation includes an estimate of the limited gaming funds that will be distributed to higher education institutions with a two-year mission pursuant to Section 12-47.1-701.5 (3) (c) (I), C.R.S.

Estimated Allocation of Amendment 50 Moneys by Governing Board			
Institution	FY08-09 Resident FTE	FY08-09 Percentage of Total	FY10-11 Projected Allocation
Arapahoe	4,370	8.4%	706,379
Colorado Northwestern	686	1.3%	110,887
Aurora	3,338	6.5%	539,563
Denver	4,933	9.5%	797,384
Front Range	9,945	19.2%	1,607,537
Lamar	674	1.3%	108,947
Morgan	999	1.9%	161,481
Northeastern	1,343	2.6%	217,086
Otero	1,123	2.2%	181,525
Pikes Peak	7,624	14.7%	1,232,364
Pueblo	3,761	7.3%	607,938
Red Rocks	4,841	9.4%	782,512
Trinidad State	1,283	2.5%	207,388
<b>Community Colleges</b>	<b>44,920</b>	<b>86.8%</b>	<b>7,260,991</b>
Aims	3,031	5.9%	489,939
Colorado Mountain College	2,143	4.1%	346,400
<b>Local District Total</b>	<b>5,174</b>	<b>10.0%</b>	<b>836,339</b>
Adams State College	197	0.4%	31,844
Mesa State College	1,435	2.8%	231,957
<b>Total</b>	<b>51,726</b>	<b>100.0%</b>	<b>8,361,132</b>

**Note:** this distribution is based on FY08-09 resident FTE, the most recent year available, per Section 12-47.1-701.5, (3) (c) (I), C.R.S.

**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 as the FTE appropriation for the next fiscal year. Thus, the FTE reported lags funding decisions.

Full-time Equivalent Employees				
	FY 2009-10 Long Bill	Estimate in FY 2010-11 Request	Difference	Percent
Adams	271.2	274.4	3.2	1.2%
Mesa	508.9	519.2	10.3	2.0%
Metro	1,196.9	1,266.1	69.2	5.8%
Western	242.3	243.2	0.9	0.4%
CSU System	4,228.0	4,136.9	(91.1)	(2.2)%
Fort Lewis	461.9	418.2	(43.7)	(9.5)%
CU Regents	6,914.5	6,920.9	6.4	0.1%
Mines	667.5	684.2	16.7	2.5%
UNC	983.4	986.9	3.5	0.4%
Com. Colleges	5,089.0	5,584.0	495.0	9.7%
<b>TOTAL</b>	<b>20,563.6</b>	<b>21,034.0</b>	<b>470.4</b>	<b>2.3%</b>

**Federal stimulus:** The appropriation reflects anticipated federal funds through the American Recovery and Reinvestment Act of 2009. See the table under stipends and fee-for-service contracts for the allocation by governing board.

**Tobacco:** The appropriation reflects the projection of tobacco settlement 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. The source of cash funds is limited gaming money and the source of federal funds is the American Recovery and Reinvestment Act of 2009.

Local District Junior College Grants						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$15,890,257	\$12,601,934	\$0	\$0	\$3,288,323	0.0
HB 10-1301	<u>0</u>	<u>(5,251,183)</u>	<u>0</u>	<u>0</u>	<u>5,251,183</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$15,890,257</b>	<b>\$7,350,751</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,539,506</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$15,890,257	\$7,350,751	\$0	\$0	\$8,539,506	0.0
Limited gaming	836,339	0	836,339	0	0	0.0
Federal maintenance of effort	(1,258,867)	5,251,183	0	0	(6,510,050)	0.0
<b>HB 10-1376</b>	<b><u>\$15,467,729</u></b>	<b><u>\$12,601,934</u></b>	<b><u>\$836,339</u></b>	<b><u>\$0</u></b>	<b><u>\$2,029,456</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$15,467,729</b>	<b>\$12,601,934</b>	<b>\$836,339</b>	<b>\$0</b>	<b>\$2,029,456</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>(\$422,528)</b>	<b>\$5,251,183</b>	<b>\$836,339</b>	<b>\$0</b>	<b>(\$6,510,050)</b>	<b>0.0</b>
Percentage Change	(2.7)%	71.4%	n/a	n/a	(76.2)%	n/a

### FY 2009-10 Appropriation Adjustments

House Bill 10-1301 decreased General Fund appropriations for the Local District Junior Colleges and backfilled with federal funds from the American Recovery and Reinvestment Act.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Limited gaming:** The appropriation includes an estimate of the limited gaming funds that will be distributed to higher education institutions with a 2-year mission pursuant to Section 12-47.1-701.5 (3) (c) (I), C.R.S.

**Federal maintenance of effort:** The appropriation includes an increase in General Fund to match the FY 2005-06 appropriation. The appropriation also reflects anticipated federal funds through the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of accepting federal funds through ARRA, the state must maintain at least the FY 2005-06 General Fund appropriation level for the higher education institutions. In FY 2009-10 Colorado meets the criteria for a waiver from this maintenance of effort requirement, and the General Fund appropriation is below the FY 2005-06 threshold. For FY 2010-11, Colorado does not meet the waiver criteria, and an increase in General Fund is required to meet the federal maintenance of effort requirement.

### 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. The primary source of reappropriated funds is a transfer from the Department of Education for career and technical education, but there is also a smaller transfer from the Governor's Office for training related to economic development, and reappropriated funds from indirect cost recoveries. The federal funds are from the American Recovery and Reinvestment Act, grants from the Carl D. Perkins Vocational and Technical Education Act, and miscellaneous smaller grants.

Division of Occupational Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1301	<u>0</u>	<u>(3,218,817)</u>	<u>0</u>	<u>138,531</u>	<u>3,080,286</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$53,508,107</b>	<b>\$4,417,273</b>	<b>\$0</b>	<b>\$26,708,808</b>	<b>\$22,382,026</b>	<b>32.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$53,508,107	\$4,417,273	\$0	\$26,708,808	\$22,382,026	32.0
Career and Technical Education	106,933	0	0	106,933	0	0.0
Fund source adjustment	0	(105,405)	0	105,405	0	0.0
Area vocational school support	(771,371)	3,080,286	0	0	(3,851,657)	0.0
<b>HB 10-1376</b>	<b><u>\$52,843,669</u></b>	<b><u>\$7,392,154</u></b>	<b><u>\$0</u></b>	<b><u>\$26,921,146</u></b>	<b><u>\$18,530,369</u></b>	<b><u>32.0</u></b>

Division of Occupational Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>TOTAL</b>	<b>\$52,843,669</b>	<b>\$7,392,154</b>	<b>\$0</b>	<b>\$26,921,146</b>	<b>\$18,530,369</b>	<b>32.0</b>
<b>Increase/(Decrease)</b>	(\$664,438)	\$2,974,881	\$0	\$212,338	(\$3,851,657)	0.0
Percentage Change	(1.2)%	67.3%	n/a	0.8%	(17.2)%	0.0%

### FY 2009-10 Appropriation Adjustments

House Bill 10-1301 decreased General Fund appropriations for the Area Vocational Schools and backfilled with federal funds from the American Recovery and Reinvestment Act, among other things.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Career and Technical Education:** The appropriation includes a \$106,933, or 0.5 percent, increase in the transfer from the Department of Education to secondary career and technical education programs. 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 General Fund and an increase of reappropriated funds for administration of the Division of Occupational Education based on higher indirect cost recoveries.

**Area vocational school support:** The appropriation includes an increase in General Fund to match the FY 2005-06 appropriation. The appropriation also reflects anticipated federal funds through the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of accepting federal funds through ARRA, the state must maintain at least the FY 2005-06 General Fund appropriation level for the higher education institutions. In FY 2009-10 Colorado meets the criteria for a waiver from this maintenance of effort requirement, and the General Fund appropriation is below the FY 2005-06 threshold. For FY 2010-11, Colorado does not meet the waiver criteria, and an increase in General Fund is required to meet the federal maintenance of effort requirement.

### 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	<u>\$17,670,252</u>	<u>\$0</u>	<u>\$0</u>	<u>\$17,670,252</u>	<u>\$0</u>	<u>191.3</u>
<b>TOTAL</b>	<b>\$17,670,252</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,670,252</b>	<b>\$0</b>	<b>191.3</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$17,670,252	\$0	\$0	\$17,670,252	\$0	191.3
FTE Adjustment	0	0	0	0	0	(25.0)
<b>HB 10-1376</b>	<b><u>\$17,670,252</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$17,670,252</u></b>	<b><u>\$0</u></b>	<b><u>166.3</u></b>
<b>TOTAL</b>	<b>\$17,670,252</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,670,252</b>	<b>\$0</b>	<b>166.3</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	(25.0)
<b>Percentage Change</b>	0.0%	n/a	n/a	0.0%	n/a	(13.1)%

#### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**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.

#### **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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$24,201,038	\$225,000	\$23,050,479	\$0	\$925,559	128.9
HB 10-1301	<u>(106,268)</u>	<u>(22,500)</u>	<u>(75,859)</u>	<u>0</u>	<u>(7,909)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$24,094,770</b>	<b>\$202,500</b>	<b>\$22,974,620</b>	<b>\$0</b>	<b>\$917,650</b>	<b>128.9</b>

State Historical Society						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$24,094,770	\$202,500	\$22,974,620	\$0	\$917,650	128.9
Statewide preservation grant program	3,965,838	0	3,965,838	0	0	0.0
Gaming cities distribution	551,519	0	551,519	0	0	0.0
Restore FY 2009-10 furlough reductions	182,872	0	164,941	0	17,931	0.0
Statewide information technology common policy adjustments	(221,314)	0	(221,314)	0	0	(3.0)
State PERA contribution reduction	(147,668)	0	(134,483)	0	(13,185)	0.0
<b>HB 10-1376</b>	<b><u>\$28,426,017</u></b>	<b><u>\$202,500</u></b>	<b><u>\$27,301,121</u></b>	<b><u>\$0</u></b>	<b><u>\$922,396</u></b>	<b><u>125.9</u></b>
<b>TOTAL</b>	<b>\$28,426,017</b>	<b>\$202,500</b>	<b>\$27,301,121</b>	<b>\$0</b>	<b>\$922,396</b>	<b>125.9</b>
<hr/>						
<b>Increase/(Decrease)</b>	\$4,331,247	\$0	\$4,326,501	\$0	\$4,746	(3.0)
Percentage Change	18.0%	0.0%	18.8%	n/a	0.5%	(2.3)%

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Statewide preservation grant program:** The appropriation reflects anticipated 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.

**Gaming cities distribution:** The appropriation reflects anticipated distributions to gaming cities for historic preservation based on projected gaming revenues and the constitutional distribution formula.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Statewide information technology common policy adjustments:** The appropriation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; management and administration of the Office of Information Technology; and communication services payments.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

## Recent Legislation

### 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
<b>TOTAL</b>	<b>\$1,863,374</b>	<b>\$0</b>	<b>\$750,000</b>	<b>\$1,113,374</b>	<b>\$0</b>

**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. 09-259:** 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 prohibiting state financial assistance to students at "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.

## 2010 Session Bills

**S.B. 10-003:** Temporarily removes statutory provisions providing that the General Assembly annually set limits on tuition increases and replaces those provisions with authority for governing boards to increase tuition, but increases greater than 9.0 percent require approval from the Colorado Commission on Higher Education. To obtain approval for increases greater than 9.0 percent, institutions must provide a 4-year financial and accountability plan specifying:

- the amount of increase;
- the manner in which the school will ensure access and affordable tuition for low- and middle-income students and disadvantaged students;
- the manner in which the school is implementing flexibility with state fiscal rules; and
- measures the school will implement to ensure service levels and quality academic programs.

This delegated tuition authority lasts for five years, from FY 2011-12 through FY 2015-16, after which authority to limit tuition revenues reverts to the General Assembly.

In addition, the bill:

- Requires CCHE to submit a master plan for higher education by December 15, 2010;
- Requires each governing board to submit plans by November 10, 2010 to fund the schools under its control in the following fiscal year if the General Assembly reduces overall state funding for higher education by 50 percent;
- Reduces requirements for the University of Colorado and Colorado State University regarding the percentage of students who must be residents, if the institutions admit all qualified resident first-time freshmen applicants, among other requirements;
- Permits higher education institutions to distribute financial aid allocated to them by the Colorado Commission on Higher Education according to their own policies and procedures;
- Permits schools to adopt their own fiscal procedures and be exempt from the fiscal rules of the state controller and from participation in central services (e.g., printing, document management, mail-related services);
- Reduces the Colorado Commission on Higher Education's duties to review acquisitions of real property;
- Allows schools to provide post-employment compensation regardless of the length of employment; and,
- Provides for a new performance contract with the Colorado School of Mines, and for appropriations through this performance contract in lieu of a fee-for-service contract.

**S.B. 10-064:** Permits an institution of higher education to make an application for the College Opportunity Fund on behalf of an enrolled student, if the student gives his or her permission. Increases stipend spending authority by \$403,868 and reduces tuition spending authority by the same amount based on projected increases in the number of students authorizing the stipend. Also, reduces fee-for-service contracts by \$403,868 to offset the General Fund cost of the increased stipends.

Impact of S.B. 10-064 by Governing Board				
Governing Board	TOTAL	Stipends	Fee-for-service	Tuition
Adams State College	(\$1,612)	\$1,612	(\$1,612)	(\$1,612)
Mesa State College	(1,674)	1,674	(1,674)	(1,674)
Metropolitan State College of Denver	(218,922)	218,922	(218,922)	(218,922)
Colorado State University System	(177,196)	177,196	(177,196)	(177,196)
Fort Lewis College	(4,464)	4,464	(4,464)	(4,464)
<b>TOTAL</b>	<b>(\$403,868)</b>	<b>\$403,868</b>	<b>(\$403,868)</b>	<b>(\$403,868)</b>

**S.B. 10-108:** Allows nonpublic institutions to request that the Department of Higher Education review courses for whether they meet general education requirements for inclusion in the statewide guaranteed transfer agreement between institutions through the "gtPATHWAYS" program. Appropriates \$36,820 and 0.4 FTE from a review fee to cover all direct and indirect costs.

**H.B. 10-1301:** Supplemental appropriation to modify FY 2009-10 appropriations to the Department of Higher Education included in the FY 2009-10 Long Bill (S.B. 09-259).

**H.B. 10-1327:** Makes the following transfers from cash funds to the General Fund in FY 2009-10 to augment FY 2009-10 General Fund revenue:

Cash Fund Transfers in H.B. 10-1327		
Cash Funds	Department	Amount
Higher Education Maintenance and Reserve Fund	Department of Higher Education	2,300,000
Motor Fleet Management Fund	Department of Personnel and Administration	397,143
Waste Tire Cleanup Fund	Department of Local Affairs	1,900,000
Public Safety Communications Trust Fund	Governor's Office	230,520
Capital Construction Fund - Emergency Controlled Maintenance Account	Department of Personnel and Administration	335,000
Processors and End Users of Waste Tires Cash Fund	Department of Local Affairs	500,000
Local Government Permanent Fund	Department of Local Affairs	14,305,697
Perpetual Base Account of the Severance Tax Trust Fund	Department of Natural Resources	\$2,000,000
Operational Account of the Severance Tax Trust Fund	Department of Natural Resources	11,000,000
Local Government Severance Tax Fund	Department of Local Affairs	50,327,796
Law Enforcement Assistance Fund	Department of Transportation	1,560,315
<b>Total</b>		<b>\$84,856,471</b>

**H.B. 10-1339:** Makes changes to the distribution of limited gaming funds, including providing \$2.0 million for distribution to the Higher Education Competitive Research Authority in FY 2009-10. Provides an increase of \$1.0 million over the appropriation in the Long Bill for the Department to expend the money in FY 2010-11. Without H.B. 10-1339, distributions to the Higher Education Competitive Research Authority were not

expected to occur in FY 2009-10, based on statutory triggers tied to revenue forecasts. For more information, see the "Recent Legislation" section at the end of the Governor - Lieutenant Governor - State Planning and Budgeting.

**H.B. 10-1376:** General appropriations act for FY 2010-11. Contains supplemental adjustments to FY 2009-10 and FY 2008-09 appropriations.

**H.B. 10-1383:** Refinances \$15.4 million General Fund appropriated in the Long Bill for need-based financial aid with cash funds from the CollegeInvest Scholarship Trust Fund. Transfers \$29.8 million from the CollegeInvest Scholarship Trust Fund to the General Fund. Provides a one-year exception during FY 2010-11 to a statutory requirement that appropriations for financial aid increase by at least the same percentage increase as appropriations for the higher education institutions.

# 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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$649,483,006	\$680,013,238	\$651,948,502	\$639,803,262
Cash Funds/1	110,605,461	350,103,548	351,463,783	344,632,848
Cash Funds Exempt/1	634,002,276	n/a	n/a	n/a
Reappropriated Funds/1	n/a	429,630,630	438,101,302	429,957,794
Federal Funds	<u>639,620,692</u>	<u>680,176,054</u>	<u>703,213,520</u>	<u>738,717,337</u>
<b>Total Funds</b>	<b>\$2,033,711,435</b>	<b>\$2,139,923,470</b>	<b>\$2,144,727,107</b>	<b>\$2,153,111,241</b>
Full Time Equiv. Staff	5,489.3	5,528.1	5,491.1	5,177.4

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 2010-11 consists of 29.7 percent General Fund, 16.0 percent cash funds, 20.0 percent reappropriated funds, and 34.3 percent federal funds. Some of the most important factors driving the budget are reviewed below.

### Employee Salaries and Benefits

Like other state departments, the Department of Human Services receives appropriations for staff salaries, as well as state contributions for health, life, and dental benefits and the Public Employees' Retirement Association (PERA) pension fund. Funding for staff salaries and benefits is particularly significant for the Department of Human Services, due to its large number of full-time-equivalent (FTE) staff. Many of these employees work in 24-hour institutional facilities such as the mental health institutes, regional centers for people with developmental disabilities, and youth corrections facilities.

While employee salaries and benefits typically drive major annual funding increases, in FY 2010-11, statewide budget-reduction measures provide savings over FY 2009-10 appropriation levels.

- Pursuant to S.B. 10-146, employees are required to contribute an additional 2.5 percent of their salaries to the PERA pension fund for FY 2010-11, with a matching reduction to the employer contribution. This provides state savings of \$5.9 million total funds, including \$3.7 million General Fund, in the Department of Human Services. (These savings are partially offset by a \$1.4 million total funds increase for line items that support PERA's long-term solvency.)
- Consistent with statewide policy, no funding was provided for staff salary increases for FY 2010-11. In FY 2008-09 (the last year in which salary increases were budgeted), the Department was appropriated \$13.4 million total funds for salary survey and performance pay awards.
- Statewide policy on department contributions for benefits results in a net reduction of \$2.0 million from assorted fund sources in appropriations for health, life, and dental benefits, short-term disability, and shift differential for FY 2010-11.

### Community Provider Rates

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 have typically received community provider rate adjustments: County Administration, Child Welfare, Child Care, Mental Health Community Programs, Developmental Disability Services, Vocational Rehabilitation, and community programs in Youth Corrections.

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10*	FY 2010-11*
Provider Rate Increase/Decrease	2.0%	3.3%	1.5%	1.5%	varied	(2.0)%

\*Some developmental disability providers were reduced by 2.5 percent and some youth corrections providers were reduced by 2.0 percent in 2009-10. Reductions for these providers were continued at this level in FY 2010-11 while providers not previously cut were reduced 2.0 percent.

In 2008-09, an increase of 1.5 percent was allocated for most providers (\$12.9 million total funds). This was initially maintained in the base for FY 2009-10. However, through mid-year actions, FY 2009-10 rate reductions were applied to Medicaid developmental disability providers (2.5 percent) and to youth corrections contract placements (2.0 percent). These cuts were continued in FY 2010-11, and rates for other community providers not affected in FY 2009-10 were reduced by 2.0 percent for FY 2010-11. Thus, most provider rates for FY 2010-11 are 0.5 to 1.0 percent below FY 2007-08 levels.

The FY 2009-10 mid-year rate reductions provided total savings in the Department of Human Services of \$6.6 million (including \$0.7 million General Fund and \$5.9 million Medicaid reappropriated funds that originate as General Fund and federal funds in the Department of Health Care Policy and Financing). The FY 2010-11 budget action provided additional savings of \$17.7 million (including \$6.1 million General Fund and \$8.5 million Medicaid reappropriated funds) to annualize FY 2009-10 provider rate reductions to a full year and to reflect rate reductions to other programs.

## 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 2008-09, counties received 76,144 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 41,918 children who received child welfare services in FY 2008-09: 19,016 (45.3) percent remained in their own home; 10,560 (25.2 percent) were children who had been adopted out of foster care but whose adoptive families continued to receive financial support from county departments; and 12,342 (29.4 percent) were in foster care.

Appropriations for child welfare programs for FY 2010-11 (\$406.7 million) consist of 48.9 percent General Fund, 32.9 percent federal funds, and 18.1 percent county funds and various cash fund sources.<sup>1</sup> 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 changes and inflationary increases in the cost of providing services. Most recently, allocations have been reduced. A county that overspends its annual share of state and federal funds is required to cover the over-expenditure with other funds, which may include federal Temporary Assistance for Needy Families (TANF) block grant transfers or county tax revenue. 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 sometimes occurred in just a few counties.

Child Welfare Allocations to Counties and County Over-expenditures						
	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Approp. for Child Welfare Services and Family and Children's Programs line items (\$ millions)	\$359.3	\$370.4	\$384.9	\$394.9	\$389.4	\$384.0
<i>Percent Change</i>	<i>n/a</i>	<i>3.1%</i>	<i>3.9%</i>	<i>2.6%</i>	<i>(1.4)%</i>	<i>(1.4)%</i>

<sup>1</sup>General Fund and federal funds amounts include Medicaid funds appropriated in the Department of Health Care Policy and Financing that are transferred to the Department of Human Services.

Child Welfare Allocations to Counties and County Over-expenditures						
	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
County Expenditures In Excess of Capped Allocations (\$ millions)	\$14.2	\$12.2	\$20.4	\$16.6	n/a	n/a
Shortfall as Percent of Capped Allocations	4.0%	3.3%	5.3%	4.2%	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 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 are for residential services for adults with developmental disabilities. The table below reflects, for FY 2010-11, 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 by Medicaid. Family Support Services are funded entirely with state General Fund, and Early Intervention services are funded primarily by state General Fund.

Community Services for People with Developmental Disabilities				
Community Program Costs <sup>1</sup>	FY 2010-11 Funding	Full Year Placements Funded FY 2010-11	Avg. Cost per Full Year Placement Funded	Waiting List June 2010
Adult Comprehensive Services	\$269,004,046	4,287	\$62,749	1,550
Adult Supported Living Services	52,317,915	3,955	13,230	2,364
Children's Extensive Support	<u>6,576,446</u>	<u>393</u>	16,734	<u>269</u>
Subtotal	327,898,407	8,635		4,183

Community Services for People with Developmental Disabilities				
Community Program Costs <sup>1</sup>	FY 2010-11 Funding	Full Year Placements Funded FY 2010-11	Avg. Cost per Full Year Placement Funded	Waiting List June 2010
Early Intervention <sup>2</sup>	12,798,328	2,176	5,882	n/a
Family Support Services	6,219,699	n/a	n/a	n/a
Case Management <sup>3</sup>	22,370,389	12,008	1,863	n/a
Special Purpose	<u>879,572</u>	n/a	n/a	n/a
Total	\$370,166,395			

/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 The number of children served in early intervention services exceeds the number supported by state funds. Additional children are served with federal Part C "payer of last resort" dollars, insurance funds, and local funds; waiting lists are not allowed.

/3 The case management caseload also includes people receiving family support services.

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 <sup>1</sup>						
Community Programs:	FY 2005-06 Approp	FY 2006-07 Approp	FY 2007-08 Approp	FY 2008-09 Approp <sup>2</sup>	FY 2009-10 Approp	FY 2010-11 Approp
Total (\$ millions)	\$287.2	\$314.1	\$341.6	\$344.8	\$370.6	\$370.2
Change (\$ millions)	\$15.6	\$26.9	\$27.5	\$3.2	\$25.8	(\$0.4)
Percent Change	5.7%	9.4%	8.8%	0.9%	7.5%	(0.1)%

/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.

### Number of Participants

The table below reflects changes in the number of persons served and funded.

Community Services for People with Developmental Disabilities						
	Persons Served			Full-year Persons Funded		
	FY 2005-06 Served June	FY 2006-07 Served March	FY 2007-08 Served June	FY 2008-09 Approp.	FY 2009-10 Approp.	FY 2010-11 Approp.
Adult Comprehensive <sup>1</sup>	3,652	3,607	3,845	4,049	4,233	4,287
Percent Change	1.2%	(1.2)%	6.6%	5.3%	4.5%	1.3%

Community Services for People with Developmental Disabilities						
	Persons Served			Full-year Persons Funded		
	FY 2005-06 Served June	FY 2006-07 Served March	FY 2007-08 Served June	FY 2008-09 Approp.	FY 2009-10 Approp.	FY 2010-11 Approp.
Adult Supported Living	3,703	3,427	3,612	3,812	3,940	3,955
<i>Percent Change</i>	<i>1.1%</i>	<i>(7.5)%</i>	<i>5.4%</i>	<i>5.5%</i>	<i>3.4%</i>	<i>0.4%</i>
Early Intervention <sup>2</sup>	2,755	2,496	4,770	2,176	2,176	2,176
<i>Percent Change</i>	<i>31.3%</i>	<i>(9.4)%</i>	<i>91.1%</i>	<i>(54.4)%</i>	<i>0.0%</i>	<i>0.0%</i>
Children's Extensive Support	341	328	388	393	393	393
<i>Percent Change</i>	<i>62.4%</i>	<i>(3.8)%</i>	<i>18.3%</i>	<i>1.3%</i>	<i>0.0%</i>	<i>0.0%</i>

/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 early intervention 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.

### Rate Adjustments

The table below reflects the impact of provider rate and base rate adjustments on the budget from FY 2005-06 through FY 2010-11. Provider rate increases are generally provided to qualified programs throughout state government based on a common policy. Base rate adjustments shown in the table below were provided exclusively for developmental disability programs.

Community Services for People with Developmental Disabilities: Rate Changes						
	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10 <sup>1</sup>	FY 2010-11 <sup>2</sup>
Provider Rate Increase	2.0%	3.3%	1.5%	1.5%	(2.5)%	(2.0)%
Base Rate Increase	0.4%	1.4%	0.0%	0.0%	0.0%	0.0%
Total Impact on base of DD Community Programs (\$ millions)	\$6.3	\$11.1	\$4.7	\$4.9	(\$5.9)	(\$8.9)

/1 The rate reduction took effect October 2009. The dollar reflect the FY 2009-10 savings.

/2 Of the \$8.9 million savings, \$2.0 million is to annualize the October 2009 reduction and \$6.9 represents the additional rate reduction effective July 2010. There were differences in the programs subject to the reductions in FY 2009-10 and FY 2010-11.

## 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 and decreases in the number of detained, committed and paroled juveniles may significantly impact funding requirements. The impact of these changes on appropriations has been limited in recent years, however, by the following factors:

- Some savings related to a decrease in the commitment population have been redirected to parole program services within the Division;
- Parole funding has not been adjusted in recent years based on population and has instead reflected increases for program service intensity; and
- Senate Bill 03-286 capped the youth detention population at 479, limiting any further population growth and budget adjustments for detention costs.

Figures in the table below are based on the actual average daily population (ADP) and legislative staff population projections for ADP.

Youth Corrections Average Daily Population						
	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Actual 7/09-5/10	FY 2010-11 Projection
Commitment	1,453	1,425	1,286	1,228	1,176	1,233
<i>Percent Change</i>	<i>n/a</i>	<i>(1.9)%</i>	<i>(9.8)%</i>	<i>(4.5)%</i>	<i>(4.3)%</i>	<i>4.8%</i>
Parole/1	500	517	508	435	446	434
<i>Percent Change</i>	<i>n/a</i>	<i>3.4%</i>	<i>(1.7)%</i>	<i>(14.4)%</i>	<i>2.5%</i>	<i>(2.7)%</i>
Detention	426	415	409	399	362	not available
<i>Percent Change</i>	<i>n/a</i>	<i>(2.6)%</i>	<i>(1.4)%</i>	<i>(2.4)%</i>	<i>(9.3)%</i>	

/1 Senate Bill 03-284 reduced the period of mandatory parole from 9 months to 6 months.

/2 Population projections for FY 2010-11 reflect the Legislative Council Staff December 2009 forecast modified for the projected impact of H.B. 10-1413.

## The Mental Health Institutes

The Department of Human Services operates two State Mental Health Institutes providing inpatient hospitalization for individuals with serious mental illness. The Colorado Mental Health Institute at Fort Logan (Fort Logan), located in southwest Denver County, is organized into two treatment divisions (adult and Therapeutic Residential Child Care Facility) with 114 total beds. The Colorado Mental Health Institute at Pueblo (CMHIP) is organized into six treatment divisions (adolescent, adult, geriatric, co-occurring mental illness and substance abuse disorders, special needs unit, and forensics) with 454 total beds. Of the 454 beds at CMHIP, 310 are for forensic patients placed in the legal custody of the Department by the courts for competency evaluations and restoration to competency services. The forensics treatment division also provides services to individuals found not guilty by reason of insanity (NGRI). The forensics treatment division is formally known as the Institute for Forensic Psychiatry (IFP). The average annual cost per bed at the facilities is \$230,605.

The Mental Health Institutes play an important role in the continuum of care in the mental health system in Colorado. Over time, the Institutes have moved away from housing mentally ill patients to providing active treatment in a secure setting with the goal of reintegrating severely mentally ill individuals back into the

community. The majority of the patients are currently referred to the Institutes by Community Mental Health Centers (CMHCs) when the patient is too unstable for community services to be effective. The Institutes, therefore, have become the provider of short-term secure stabilization services to the State's most severely mentally ill citizens.

The Institutes' FY 2010-11 combined budget is \$89.1 million, a decrease of \$6.3 from the previous fiscal year. During FY 2009-10, the Department closed the geriatric, adolescent, and children's treatment divisions at Fort Logan. The treatment division closures, which included the elimination of 59 beds, resulted in a State savings of \$7.2 million and 96.8 FTE.

<b>Mental Health Institutes</b>					
	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Approp.</b>
Institute Budget	\$89,015,608	\$94,443,534	\$97,979,967	\$95,335,827	\$89,055,212
FTE (staff)	1,217.0	1,249.1	1,310.6	1,247.0	1,182.9
Ft. Logan Avg. Daily Census (patients)	147	149	143	112	n/a
CMHIP Avg. Daily Census	<u>378</u>	<u>404</u>	<u>402</u>	<u>399</u>	<u>n/a</u>
Total Avg. Daily Census	525	553	545	511	n/a
Change in Funding	\$4,678,201	\$5,427,926	\$3,536,433	(\$2,644,140)	(\$6,280,615)
Change in FTE	21.2	32.1	61.5	(63.6)	(64.1)
Change in Census	(1)	28	(8)	(34)	n/a

## County Administration

The majority of public welfare programs in Colorado are state-supervised and county administered. Funding for county administrative activities associated with programs such as the Supplemental Nutrition Assistance Program (formerly known as the Food Stamp program) are funded through the County Administration group of line items, while county administrative funding for other programs is integrated into the Self Sufficiency, Child Welfare, and Child Care divisions in the Department of Human Services. Funding for county administration of Medicaid programs is included in the Department of Health Care Policy and Financing budget.

Funding provided by the State for county administration is capped, and many counties supplement state funding with county tax revenues. Recent-year changes to state funding have:

- decreased the level of support for county contingency/county tax base relief (supplemental funding for the poorest, highest need counties);
- transferred funds to other Department of Human Services sections and to other departments to draw down additional federal dollars (*e.g.* pursuant to S.B. 06-219); and
- adjusted county funding based on common "provider rate" policy.

The FY 2009-10 appropriation includes a cut to funding for county tax base relief (consistent with the provisions of S.B. 10-149), and funding for FY 2010-11 is reduced based on a 2.0 percent provider rate reduction, as well as a transfer of funds to the Office of Self Sufficiency.

## **Self Sufficiency Programs**

Self sufficiency programs include county- and state-administered programs such as the Colorado Works Program, the Child Support Enforcement Program, and other programs designed to assist low income families, individuals with disabilities, and refugees. The vast majority of funding is from federal sources. A substantial share of the federal funds for these programs are federal Temporary Assistance to Needy Families (TANF) block grant funds, which are subject to appropriation by the General Assembly. Most funding changes in recent years have been based on the level of federal support available, including temporary increases in TANF funds provided under the American Recovery and Reinvestment Act of 2009 (ARRA), as well as changes to federal funding levels for programs outside the control of the General Assembly.

## **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. Excise and sales tax revenues that are not utilized for the OAP Program are transferred into the General Fund. Costs for this program are driven by the size of the benefit and the number of qualified individuals. The General Assembly has limited control over expenditures for OAP, as 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. The General Assembly did modify funding levels for 2010-11: estimated benefit expenditures are reduced from \$90.9 million to \$77.5 million (a \$13.4 million reduction) by Senate Bill 10-1384, which imposes a five year waiting period for most new legal immigrants before they may access the program. The bill imposes additional restrictions on immigrants' access to the program, and is expected to provide additional savings, effective January 1, 2014.

### *Aid to the Needy Disabled and Home Care Allowance Programs*

The Aid to the Needy Disabled (AND) and Home Care Allowance (HCA) programs provide cash assistance for low income individuals with disabilities. For some beneficiaries, these funds supplement federal Supplemental Security Income (SSI) payments. Other beneficiaries either do not qualify for federal SSI or have applications for federal SSI pending.

In the last few years, budget adjustments have been minimal, and beneficiary payment levels for these programs have been internally adjusted by the Department of Human Services so that total expenditures remain within budgeted amounts. However, some funding adjustments have been required over the years to ensure that the State complies with a federal maintenance-of-effort (MOE) agreement with the Social Security Administration to provide at least as much state assistance to SSI recipients in each calendar year as it did in any previous calendar year. This includes adjustments in new legislation, such as those in H.B. 09-1215 and H.B. 10-1146, which are designed at least in part to direct a larger share of total funds available to individuals who qualify for the federal SSI program.

### *Community Services for the Elderly*

The state distributes state and federal funds to Area Agencies on Aging, which provide a variety of community services for the elderly such as transportation, congregate meals, "meals on wheels", and in-home support services. Funding levels have been adjusted in recent years based on federal funding levels, as well as based on state budgetary and statutory action by the General Assembly to direct state funds to these services. Funding from state sources increased significantly through FY 2008-09 based on statutory changes to increase funding from the Older Coloradans Cash Fund. This Fund is derived from a portion of state sales and excise taxes that

is statutorily directed to the Fund in lieu of the General Fund. For FY 2010-11, funding is adjusted based primarily on additional federal funds available.

## Information Technology Systems

The Department makes significant expenditures to support the large information technology systems required to manage social services programs in Colorado. These systems include: the County Financial Management System (CFMS), which tracks county expenditures for social services; Colorado Trails, which provides case management and tracking for the Division of Youth Corrections and county and state child welfare services workers; and the Colorado Benefits Management System (CBMS).

CBMS became operational in September 2004, and replaced six different systems used by county staff to determine eligibility for financial, medical, and nutritional benefits. The system is involved in the distribution of over \$2 billion in benefits to over 500,000 individual clients annually. Each month, CBMS is used to process approximately 30,000 new client applications and 40,000 client reauthorizations. In addition to these client-side functions, CBMS communicates with over 100 external systems. The external systems with which CBMS communicates include other state systems, systems operated by other states, and federal systems. For FY 2010-11, CBMS is appropriated \$30.8 million total funds for operating and personal services expenses. The FY 2010-11 CBMS appropriation includes funds for one-time adjustments related to changes in benefits programs, as well as measures taken to address increased caseloads in benefits programs.

## Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$2,144,727,107</b>	<b>\$651,948,502</b>	<b>\$351,463,783</b>	<b>\$438,101,302</b>	<b>\$703,213,520</b>	<b>5,491.1</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	63,518,665	34,786,410	2,257,616	16,372,616	10,102,023	149.6
Office of Information Technology Services	52,358,118	21,145,595	1,474,387	11,480,978	18,257,158	163.3
Office of Operations	41,020,242	22,576,541	2,567,011	11,434,867	4,441,823	465.3
County Administration	63,213,245	22,928,627	18,754,752	0	21,529,866	0.0
Division of Child Welfare	412,279,855	201,231,836	72,974,991	14,641,650	123,431,378	49.5
Division of Child Care	104,595,734	18,531,569	10,069,229	0	75,994,936	65.8
Office of Self Sufficiency	346,166,283	6,378,081	26,094,639	2,184,598	311,508,965	289.0
Mental Health and Alcohol and Drug Abuse Services	223,570,154	136,729,335	17,642,662	11,432,114	57,766,043	1,333.2
Services for People with Disabilities	554,064,624	38,137,706	86,412,165	366,711,323	62,803,430	1,945.3
Adult Assistance Programs	153,159,854	24,443,675	113,125,613	105,280	15,485,286	28.5
Division of Youth Corrections	130,780,333	125,059,127	90,718	3,737,876	1,892,612	1,001.6

Department of Human Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
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	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 /1	415,097	0	117,065	159,003	139,029	0.0
HB 10-1302	(31,308,620)	(14,465,008)	(8,331,740)	(10,210,583)	1,698,711	(72.6)
HB 10-1376	(4,295,546)	(4,144,613)	0	(877,069)	726,136	(18.1)
HB 10-1384	46,000	11,347	2,143	17,309	15,201	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$2,153,111,241</b>	<b>\$639,803,262</b>	<b>\$344,632,848</b>	<b>\$429,957,794</b>	<b>\$738,717,337</b>	<b>5,177.4</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	61,799,888	33,756,059	2,067,315	15,812,908	10,163,606	150.0
Office of Information Technology Services	58,139,287	21,604,217	1,538,380	11,835,055	23,161,635	0.0
Office of Operations	40,019,638	23,274,893	2,012,407	10,048,378	4,683,960	456.3
County Administration	61,422,230	22,524,068	17,798,893	0	21,099,269	0.0
Division of Child Welfare	406,734,684	193,454,250	73,767,696	14,427,178	125,085,560	57.0
Division of Child Care	90,062,237	17,361,838	9,950,708	0	62,749,691	66.0
Office of Self Sufficiency	388,218,547	5,731,428	32,265,728	34,766	350,186,625	256.2
Mental Health and Alcohol and Drug Abuse Services	215,936,670	131,616,695	16,271,537	10,266,773	57,781,665	1,268.8
Services for People with Disabilities	555,822,985	39,882,497	87,727,807	362,987,333	65,225,348	1,896.2
Adult Assistance Programs	142,110,438	24,777,848	101,141,238	105,817	16,085,535	28.5
Division of Youth Corrections	132,844,637	125,819,469	91,139	4,439,586	2,494,443	998.4
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	2,161,358,509	637,144,282	357,503,922	429,694,417	737,015,888	5,177.4
SB 10-068	966,000	0	0	0	966,000	0.0

<b>Department of Human Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
SB 10-171	175,000	175,000	0	0	0	0.0
HB 10-1035	249,700	0	0	0	249,700	0.0
HB 10-1053	200,000	0	200,000	0	0	0.0
HB 10-1146	1,130,357	761,227	22,822	184,387	161,921	0.0
HB 10-1284	334,227	334,227	0	0	0	0.0
HB 10-1338	1,719,794	991,919	343,959	75,209	308,707	0.0
HB 10-1369	0	13,439	0	(13,439)	0	0.0
HB 10-1384	(13,394,226)	11,288	(13,437,855)	17,220	15,121	0.0
HB 10-1413	371,880	371,880	0	0	0	0.0
<b>Increase/(Decrease)</b>	<b>\$8,384,134</b>	<b>(\$12,145,240)</b>	<b>(\$6,830,935)</b>	<b>(\$8,143,508)</b>	<b>\$35,503,817</b>	<b>(313.7)</b>
<b>Percentage Change</b>	<b>0.4%</b>	<b>(1.9)%</b>	<b>(1.9)%</b>	<b>(1.9)%</b>	<b>5.0%</b>	<b>(5.7)%</b>

/1 The appropriation for H.B. 09-1293 reflects that the Revisor of Statutes received written notice by March 31, 2010, that the federal government had approved a waiver establishing the hospital provider fee created in Section 25.5-4-402.3 (3), C.R.S.

### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations provide a one-time increase of \$29.0 million federal funds based on additional Temporary Assistance to Needy Families (TANF) block grant funds available under the American Recovery and Reinvestment Act of 2009 (ARRA). This includes \$11.25 million for subsidized employment, \$8.6 million for low income energy assistance, \$4.75 million for homeless prevention, and \$4.38 million for refugee assistance.
2. Supplemental appropriations add \$3.3 million, including \$0.8 million General Fund, for transferring the Colorado Benefits Management System (CBMS) Medical Assistance Project from the Department of Health Care Policy and Financing to the Department of Human Services.
3. Supplemental appropriations add \$0.5 million, including \$0.1 million General Fund, for increases in client correspondence generated by CBMS.
4. Supplemental appropriations add \$90,090 General Fund for new community placements for individuals previously served by the Colorado Mental Health Institute at Fort Logan.
5. Supplemental appropriations provide for a refinance of \$3.0 million General Fund in Child Welfare Services with federal TANF funds.
6. Supplemental appropriations reflect, for informational purposes, a reduction of \$33.2 million federal funds based on the estimated county reserves of federal TANF block grant funds as of September 2009.

7. Supplemental appropriations reduce funding for the Division of Child Welfare by \$13.2 million, including the following: \$8.4 million (including \$2.5 million General Fund and \$4.2 million Medicaid funds that originate as General Fund and federal funds) for a 2.4 percent reduction to child welfare county allocations, \$3.3 million (including \$2.6 million General Fund) to eliminate an appropriation for Functional Family Therapy programs, and \$1.5 million federal funds to reflect lower-than-anticipated federal receipts for child welfare services under Title IV-E of the Social Security Act.
8. Supplemental appropriations include a reduction of \$6.1 million to Old Age Pension cash assistance based on no rate increase for FY 2009-10 (\$1.8 million) and a technical correction to the cash assistance projection (\$4.3 million). Sales and excise revenue not required for the Old Age Pension "spills over" to the General Fund: a decrease in Old Age Pension expenditures results in an increase in General Fund revenue available to address other needs.
9. Supplemental appropriations reduce \$5.9 million reappropriated funds for a 2.5 percent reduction to developmental disability Medicaid rates for community-operated programs.
10. Supplemental appropriations reduce \$3.8 million, including \$1.1 million General Fund, and 48.4 FTE for the closure of the children's, adolescent, and geriatric treatment divisions at the Colorado Mental Health Institute at Fort Logan.
11. Supplemental appropriations reduce funding for the Division of Youth Corrections by \$3.5 million, including a reduction of \$4.6 million General Fund, partially offset by increases in federal funds (\$0.7 million) and Medicaid reappropriated funds (\$0.4 million). Reductions include:
  - \$3.9 million (including \$3.7 million General Fund) associated with operating youth corrections facilities at 120 percent of capacity;
  - \$0.7 million General Fund for 2.0 percent provider rate reductions;
  - \$0.4 million General Fund and 6.4 FTE for changes to staff-to-client ratios;
  - \$0.3 million General Fund for a cut to a managed care pilot;
  - \$0.2 million General Fund to eliminate a mental health detention pilot program; and
  - refinance of \$1.1 million General Fund with \$0.7 million federal funds and \$0.4 million Medicaid reappropriated funds based on a change to the licensing of the Ridge View Youth Services Center.

Reductions are partially offset by a funding increase for the estimated commitment population (\$1.6 million, including \$1.4 million General Fund) and an increase for the actual impact of FY 2009-10 furlough days on the Division (\$0.5 million General Fund).

12. Supplemental appropriations include a reduction of \$2.95 million General Fund to limit funding for County Tax Base Relief to the amount required to fund "Tier I" counties (those with the lowest property tax base and highest social service costs), consistent with the provisions of S.B. 10-149.
13. Supplemental appropriations reduce \$1.3 million Medicaid funds for closure of the skilled nursing facility at the Grand Junction Regional Center.

14. Supplemental appropriations reduce \$0.5 million, including \$0.3 million General Fund, and 7.0 FTE for decreases in technical operations, financial management, and systems development personal services in the Office of Information Technology Services.
15. Supplemental appropriations reduce \$0.4 million, including \$0.2 million General Fund, and 3.0 FTE for decreases in personal and contract services supporting the Colorado Trails system.
16. Supplemental appropriations reduce \$0.3 million, including \$0.1 million General Fund, and 4.0 FTE for decreases in personal and contract services in the Office of Operations.

**FY 2010-11 Appropriation Highlights:**

1. The appropriation reflects, for informational purposes, an additional \$45.5 million federal funds for low-income energy assistance and refugee programs and an additional \$35.3 million federal funds for county reserves of TANF funds designated for child care and child welfare programs. All of these adjustments are based on changes to amounts that are shown in the Long Bill, rather than on substantive changes to funding available.
2. The appropriation adds \$5.7 million General Fund to compensate for reductions in federal Title IV-E funding for child welfare services.
3. The appropriation adds \$4.1 million, including \$1.9 million net General Fund, for new community placements for people with developmental disabilities moving out of the skilled nursing facility at the Grand Junction Regional Center.
4. The appropriation adds \$2.6 million in cash and federal funds for state child support enforcement initiatives by temporarily redirecting \$0.8 million cash funds from county incentive payments. The source of the cash funds is the state share of child support enforcement recoveries.
5. The appropriation provides \$2.4 million Medicaid funds for new placements for people with developmental disabilities.
6. The appropriation adds \$1.9 million federal TANF funds for refugee services and reduces funding for the Colorado Works Program Maintenance Fund by the same amount.
7. The appropriation provides \$1.7 million General Fund for a projected increase in the population eligible for Early Intervention Services for people with developmental disabilities.
8. The appropriation reflects an anticipated \$1.5 million additional cash funds from private insurance payments to the Early Intervention Services Trust Fund pursuant to H.B. 09-1237 and 1.0 FTE for administration.
9. Pursuant to HB 10-1146, the appropriation transfers the Single Entry Point contract for the Home Care Allowance (HCA) program to the Department of Human Services (\$1.0 million General Fund), provides funding for related CBMS changes (\$0.5 million total funds), and reduces total HCA funding (\$0.4 million General Fund).

10. The appropriation adds \$1.0 million General Fund for federal Title IV-E related county administrative activities that are designed to increase Title IV-E revenues for child welfare services.
11. The appropriation includes an increase of \$700,000 federal funds to implement TANF specific changes in CBMS to aid the implementation of the Colorado Works Program in accordance with federal requirements.
12. The appropriation adds \$0.5 million, including \$0.1 million General Fund, for increases in client correspondence generated by CBMS.
13. Pursuant to H.B. 10-1284 (regulation of medical marijuana), the appropriation provides \$0.3 million General Fund for a new Co-occurring Behavioral Health Services subdivision within the Mental Health and Alcohol and Drug Abuse Services division. The act requires the first \$2.0 million in sales and use tax from medical marijuana be divided equally between the Departments of Human Services and Health Care Policy and Financing to fund substance abuse programs. The amount appropriated to the Department of Human Services is based on medical marijuana sales and use tax revenue projections for FY 2010-11.
14. The appropriation refinances \$7.0 million General Fund with \$7.0 million federal TANF funds in the Division of Child Welfare. It includes associated reductions of \$6.0 million federal TANF funds for the Colorado Works Statewide Strategic Use Fund and \$0.9 million federal TANF funds for the Colorado Works Program Maintenance Fund to offset the increase in TANF funding for child welfare.
15. The appropriation refinances \$1.5 million General Fund with \$1.5 million from federal Child Care Development Fund reserves.
16. The appropriation reflects eliminating one-time federal ARRA funding, including reductions of \$29.0 million for TANF-funded programs in the Office of Self Sufficiency (support for subsidized employment, homeless prevention, low-income energy assistance, and refugee services) and \$13.6 million for child care assistance and child care quality initiatives.
17. The appropriation includes the transfer of \$28.7 million total funds to the Governor's Office of Information Technology for the technical operation of CBMS. Although most associated funding remains in the Department of Human Services, these amounts are then "reappropriated" to the Governor's Office.
18. The appropriation reduces \$17.7 million total funds, including \$6.8 million General Fund and \$8.5 million Medicaid reappropriated funds, to annualize FY 2009-10 provider rate reductions for developmental disability services and youth corrections contract placements and to reflect additional 2.0 provider rate reductions in areas not subject to rate reductions in FY 2009-10. (The total includes the impact of H.B. 10-1338, which partially restored the FY 2010-11 rate reduction for child welfare services.)
19. Pursuant to H.B. 10-1384, the appropriation reduces projected Old Age Pension program expenditures by \$13.4 million cash funds based on the imposition of a five year bar on eligibility for legal immigrants. This effectively increases General Fund revenue available for other purposes, because sales and excise tax revenues not required for the Old Age Pension are deposited to the General Fund.

20. The appropriation reduces \$8.8 million total funds, including \$3.4 General Fund and 96.8 FTE, as part of the annualization of the treatment division closures at the Colorado Mental Health Institute at Fort Logan.
21. The appropriation reflects a reduction of \$5.9 million total funds, including \$3.6 million General Fund, based on a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.
22. The appropriation is reduced \$3.7 million, including \$1.6 million General Fund, to annualize to a full year savings associated with the closure of the skilled nursing facility for people with developmental disabilities at the Grand Junction Regional Center in FY 2009-10. The total annual savings associated with closing this unit is \$5.0 million, including \$2.2 million General Fund.
23. The appropriation includes a reduction of \$1.5 million total funds, including \$0.7 million General Fund, and 197.1 FTE, due to the transfer of information technology staff resources to OIT.
24. The appropriation reduces \$0.8 million total funds, including \$0.5 million General Fund, for a Department-wide decrease in operating expenditures.

## **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.

<b>Executive Director's Office</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1302	(1,416,343)	(990,676)	(17,849)	(297,838)	(109,980)	0.0
HB 10-1376	<u>(280,492)</u>	<u>0</u>	<u>0</u>	<u>(280,492)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$63,518,665</b>	<b>\$34,786,410</b>	<b>\$2,257,616</b>	<b>\$16,372,616</b>	<b>\$10,102,023</b>	<b>149.6</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$63,518,665	\$34,786,410	\$2,257,616	\$16,372,616	\$10,102,023	149.6
Centrally-appropriated line items	629,824	390,258	(231,742)	(86,888)	558,196	0.0
Restore FY 2009-10 furlough reductions	434,579	201,407	21,724	64,893	146,555	0.0
Statewide IT staff consolidation	(1,741,874)	(938,835)	(32,116)	(213,063)	(557,860)	(1.0)
Annualize Fort Logan treatment division closures	(634,919)	(634,919)	0	0	0	0.0
Annualize Grand Junction Regional Center unit closure	(406,930)	0	0	(406,930)	0	0.0
State PERA contribution reduction	(223,676)	(92,994)	(12,894)	(31,865)	(85,923)	0.0
Capital outlay and operating reduction	(132,447)	(129,147)	0	(3,300)	0	0.0
Other	(18,334)	(1,121)	(135,273)	117,445	615	1.4
<b>HB 10-1376</b>	<b>\$61,424,888</b>	<b>\$33,581,059</b>	<b>\$1,867,315</b>	<b>\$15,812,908</b>	<b>\$10,163,606</b>	<b>150.0</b>
SB 10-171	175,000	175,000	0	0	0	0.0
HB 10-1053	<u>200,000</u>	<u>0</u>	<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$61,799,888</b>	<b>\$33,756,059</b>	<b>\$2,067,315</b>	<b>\$15,812,908</b>	<b>\$10,163,606</b>	<b>150.0</b>
<b>Increase/(Decrease)</b>	<b>(\$1,718,777)</b>	<b>(\$1,030,351)</b>	<b>(\$190,301)</b>	<b>(\$559,708)</b>	<b>\$61,583</b>	<b>0.4</b>
Percentage Change	(2.7)%	(3.0)%	(8.4)%	(3.4)%	0.6%	0.3%

### FY 2009-10 Appropriation Adjustments

Significant supplemental appropriations in H.B. 10-1302 included:

- a reduction of \$682,179, including \$396,173 General Fund, for adjustments to workers compensation and risk management costs;
- a reduction of \$453,508 General Fund for staff benefits and other centrally appropriated line items associated with the closure of units at the Colorado Mental Health Institute at Fort Logan; and
- a reduction of \$275,114, including \$137,494 General Fund, for adjustments related to the actual impact of FY 2009-10 furlough days.

Supplemental adjustments in H.B. 10-1376 reduced appropriations for centrally-appropriated line items associated with the closure of the skilled nursing facility at the Grand Junction Regional Center.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; administrative law judge services; and payment to risk management and property funds.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**Annualize Fort Logan treatment division closures:** The appropriation annualizes reductions to centrally-appropriated line items associated with the closure of three treatment divisions at the Fort Logan mental health facility.

**Annualize Grand Junction Regional Center unit closure:** The appropriation annualizes reductions to centrally-appropriated line items associated with closing the 32-bed skilled nursing facility at the Grand Junction Regional Center.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Capital outlay and operating reduction:** The appropriation includes a reduction for centrally-appropriated capital outlay as part of a Department-wide plan to reduce non-food non-medical General Fund and Medicaid operating expenses by 5.0 percent.

**Other:** The appropriation includes annualization of FY 2009-10 legislation and adjustments associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

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

---

### **Office of Information Technology Services**

The Office of Information Technology Services (OITS) is responsible for developing and maintaining the major centralized computer systems of the Department, including systems that link to all counties in the state. The office supports centralized databases and provides support and training to users, including county staff and private social service providers. The office also helps to set policies and strategic directions for de-centralized information technology systems that are operated by individual divisions within the Department. Major systems funded in this section of the budget include the Colorado Benefits Management System (CBMS), the Colorado

Financial Management System, and the Colorado Trails information system. This section includes information systems that support multiple program areas, thus there are multiple sources of cash funds, reappropriated funds, and federal funds used to finance information technology support functions and systems. The most significant source of reappropriated funds is Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). Significant sources of federal funds include Title IV-E of the Social Security Act and the Temporary Assistance for Needy Families (TANF) block grant.

Beginning in FY 2010-11, all information technology staff in OITS are transferred to the Governor's Office of Information Technology (OIT) as part of the statewide consolidation of information technology staff resources. Services provided by OIT staff to the Department are billed back to the Department through existing Information Technology Common Policies. Appropriations for the Information Technology Common Policies are included in the OITS budget.

Office of Information Technology Services						
	Total Funds	General Fund	Cash Funds	Reappropria ted Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$49,462,646	\$20,983,814	\$1,204,990	\$10,026,971	\$17,246,871	173.3
SB 09-245	86,000	86,000	0	0	0	0.0
HB 09-1293 /1	415,097	0	117,065	159,003	139,029	0.0
HB 10-1302	2,348,375	64,434	150,189	1,277,695	856,057	(10.0)
HB 10-1384	<u>46,000</u>	<u>11,347</u>	<u>2,143</u>	<u>17,309</u>	<u>15,201</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$52,358,118</b>	<b>\$21,145,595</b>	<b>\$1,474,387</b>	<b>\$11,480,978</b>	<b>\$18,257,158</b>	<b>163.3</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$52,358,118	\$21,145,595	\$1,474,387	\$11,480,978	\$18,257,158	163.3
Statewide IT staff consolidation	3,100,049	1,406,395	(206,758)	(123,021)	2,023,433	(163.3)
CHATS transfer and refinance	766,628	(321,400)	(13,940)	(112,701)	1,214,669	0.0
Annualize prior year funding	760,705	(56,391)	248,102	233,393	335,601	0.0
TANF-Specific CBMS changes	700,000	0	0	0	700,000	0.0
CBMS client correspondence increase	488,703	120,551	22,761	183,899	161,492	0.0
Restore FY 2009-10 furlough reductions	383,648	216,533	9,070	53,003	105,042	0.0
Fund source adjustment	0	8,745	(7,071)	(1,006)	(668)	0.0
Statewide IT common policy adjustments	(1,800,652)	(844,810)	(3,810)	(19,915)	(932,117)	0.0
State PERA contribution reduction	(279,312)	(157,645)	(6,603)	(38,588)	(76,476)	0.0
Operating adjustments	(90,061)	(45,514)	(2,712)	(22,594)	(19,241)	0.0

Office of Information Technology Services						
	Total Funds	General Fund	Cash Funds	Reappropria ted Funds	Federal Funds	FTE
<b>HB 10-1376</b>	<b>\$56,387,826</b>	<b>\$21,472,059</b>	<b>\$1,513,426</b>	<b>\$11,633,448</b>	<b>\$21,768,893</b>	<b>0.0</b>
SB 10-068	966,000	0	0	0	966,000	0.0
HB 10-1035	249,700	0	0	0	249,700	0.0
HB 10-1146	490,000	120,870	22,822	184,387	161,921	0.0
HB 10-1384	<u>45,761</u>	<u>11,288</u>	<u>2,132</u>	<u>17,220</u>	<u>15,121</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$58,139,287</b>	<b>\$21,604,217</b>	<b>\$1,538,380</b>	<b>\$11,835,055</b>	<b>\$23,161,635</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$5,781,169	\$458,622	\$63,993	\$354,077	\$4,904,477	(163.3)
Percentage Change	11.0%	2.2%	4.3%	3.1%	26.9%	(100.0)%

/1 The appropriation for H.B. 09-1293 reflects that the revisor of statutes received 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 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1302 included:

- an increase of \$3,302,100, including \$814,545 General Fund, to transfer the CBMS Medical Assistance Project from HCPF to DHS;
- an increase of \$488,702, including \$120,550 General Fund, to support the increased volume of client correspondence generated from CBMS;
- an increase of \$62,485 federal funds to transfer support costs associated with the Child Care Automated Tracking System (CHATS) from the Division of Child Care to the OITS;
- a reduction of \$450,000, including \$346,500 General Fund, and 7.0 FTE to eliminate Department-wide information technology support positions;
- a reduction of \$400,000, including \$216,000 General Fund, and 3.0 FTE to eliminate personal and contract services supporting the Colorado Trails system;
- a reduction of \$280,475, including \$166,610 General Fund, for adjustments related to Information Technology Common Policies established by OIT;
- a decrease of \$223,222, including \$55,065 General Fund, for adjustments to a Department of Personnel and Administration mail system upgrade; and
- a reduction of \$151,215, including \$86,486 General Fund, for adjustments related to the actual impact of FY 2009-10 furlough days.

Supplemental adjustments in H.B. 10-1384 increased appropriations to implement changes to CBMS to comply with adjustments in the implementation of the Old Age Pension (OAP) program.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to OIT. The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**CHATS transfer and refinance:** The appropriation includes the transfer of costs associated with the operation of the Child Care Automated Tracking System (CHATS) from the Division of Child Care to the Office of Information Technology Services. The appropriation also consolidates the costs of CHATS into one line item, rather than spread over several information technology line items.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**TANF-Specific CBMS changes:** The appropriation adds \$700,000 federal funds to the CBMS budget for system adjustments to enable Colorado Works Program to comply with federal guidelines.

**CBMS client correspondence increase:** The appropriation includes an increase to support the increase in benefits program-generated client correspondence.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Fund source adjustment:** The appropriation includes an increase in General Fund offset by a decrease in cash funds, reappropriated funds, and federal funds.

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; management and administration of OIT; and communication services payments.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating adjustments:** The appropriation includes a decrease of \$90,061, including \$45,514 General Fund, as part of the statewide reduction in operating expenditures.

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

---

## Office of Operations

This section of the budget contains appropriations for various central Departmental functions, and incorporates four department units: Facilities Management, Accounting, Procurement, and Contract Management. The largest of these units, the Division of Facilities Management, is responsible for operating, cleaning, and maintaining all 301 Department buildings and facilities, including youth correctional facilities, 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, overall accounts and controls over expenditures and revenues from multiple state and federal sources, and private party billing for the Department's various community and institutional programs. The Procurement Division purchases goods and services for Departmental programs, and operates warehouses and distribution centers for all facilities that house 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.

Cash funds, reappropriated funds, and federal funds appropriated to this section of the budget are from various sources, including indirect cost recoveries. A portion of the reappropriated funds amounts are Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF).

Office of Operations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$41,538,795	\$21,746,620	\$2,693,180	\$12,618,172	\$4,480,823	470.7
HB 10-1302	(518,553)	829,921	(126,169)	(1,183,305)	(39,000)	(5.4)
<b>TOTAL</b>	<b>\$41,020,242</b>	<b>\$22,576,541</b>	<b>\$2,567,011</b>	<b>\$11,434,867</b>	<b>\$4,441,823</b>	<b>465.3</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$41,020,242	\$22,576,541	\$2,567,011	\$11,434,867	\$4,441,823	465.3
Restore FY 2009-10 furlough reductions	552,531	260,356	44,159	208,681	39,335	0.0
Centrally-appropriated line items	112,781	69,728	28,386	16,242	(1,575)	0.0
Fund source adjustment	0	(250,000)	0	0	250,000	0.0
Annualize prior year funding	(592,122)	(54,596)	(488,353)	(41,061)	(8,112)	(2.0)
State PERA contribution reduction	(526,376)	(248,283)	(41,991)	(198,591)	(37,511)	0.0
Grand Junction Regional Center closure	(319,295)	0	0	(319,295)	0	(4.7)
Operating adjustments	(137,882)	(116,636)	0	(21,246)	0	0.0
Annualize Fort Logan treatment division closures	(66,699)	1,061,325	(96,805)	(1,031,219)	0	(1.5)
Closure of CMHIP General Hospital	(23,542)	(23,542)	0	0	0	(0.8)
<b>HB 10-1376</b>	<b>\$40,019,638</b>	<b>\$23,274,893</b>	<b>\$2,012,407</b>	<b>\$10,048,378</b>	<b>\$4,683,960</b>	<b>456.3</b>
<b>TOTAL</b>	<b>\$40,019,638</b>	<b>\$23,274,893</b>	<b>\$2,012,407</b>	<b>\$10,048,378</b>	<b>\$4,683,960</b>	<b>456.3</b>
<b>Increase/(Decrease)</b>	<b>(\$1,000,604)</b>	<b>\$698,352</b>	<b>(\$554,604)</b>	<b>(\$1,386,489)</b>	<b>\$242,137</b>	<b>(9.0)</b>
Percentage Change	(2.4)%	3.1%	(21.6)%	(12.1)%	5.5%	(1.9)%

## **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1302 included:

- a reduction of \$267,462, including \$138,441 General Fund, and 4.0 FTE to eliminate personal services and contract expenses associated with the management of facilities and purchasing functions;
- a reduction of \$108,514, including \$46,308 General Fund, for adjustments related to the actual impact of FY 2009-10 furlough days;
- a reduction of \$66,698, including an increase of \$1,061,325 General Fund, and 1.4 FTE to eliminate personal services and operating expenses associated with the closure of units at the Colorado Mental Health Institute at Fort Logan;
- a reduction of \$56,010, including \$36,403 General Fund, for the annual fleet vehicle replacement expense true-up;
- a reduction of \$16,991, including \$8,496 General Fund, for Capitol Complex building maintenance expense adjustments; and
- a reduction of \$2,878, including \$1,756 General Fund, for adjustments to a Department of Personnel and Administration mail system upgrade.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for vehicle lease payments and Capitol complex leased space.

**Fund source adjustment:** The appropriation includes an increase in federal funds offset by a decrease in General Fund.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Grand Junction Regional Center closure:** The appropriation reduces funding and 4.7 FTE for housekeeping and maintenance as part of the closure of the Grand Junction Regional Center for individuals with developmental disabilities.

**Operating adjustments:** The appropriation includes a decrease of \$137,882, including \$116,636 General Fund, as part of the statewide reduction in operating expenditures.

**Annualize Fort Logan treatment division closures:** The appropriation annualizes the cost reductions associated with the closure of three treatment divisions at the Fort Logan mental health facility.

**Closure of CMHIP General Hospital:** The appropriation reduces funding and 0.8 FTE for housekeeping and maintenance as part of the closure of the General Hospital at the Colorado Mental Health Institute at Pueblo (CMHIP).

## 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$66,165,211	\$25,880,593	\$18,754,752	\$0	\$21,529,866	0.0
HB 10-1302	<u>(2,951,966)</u>	<u>(2,951,966)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$63,213,245</b>	<b>\$22,928,627</b>	<b>\$18,754,752</b>	<b>\$0</b>	<b>\$21,529,866</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$63,213,245	\$22,928,627	\$18,754,752	\$0	\$21,529,866	0.0
Provider rate decrease	(1,022,778)	(404,559)	(187,622)	0	(430,597)	0.0
Reduce county incentive payments	(768,237)	0	(768,237)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$61,422,230</u></b>	<b><u>\$22,524,068</u></b>	<b><u>\$17,798,893</u></b>	<b><u>\$0</u></b>	<b><u>\$21,099,269</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$61,422,230</b>	<b>\$22,524,068</b>	<b>\$17,798,893</b>	<b>\$0</b>	<b>\$21,099,269</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>(\$1,791,015)</b>	<b>(\$404,559)</b>	<b>(\$955,859)</b>	<b>\$0</b>	<b>(\$430,597)</b>	<b>0.0</b>
Percentage Change	(2.8)%	(1.8)%	(5.1)%	n/a	(2.0)%	n/a

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1302 reduced funding for County Tax Base Relief to the amount required to fund "Tier I" counties (those with the lowest property tax base and highest social service costs), consistent with the provisions of S.B. 10-149.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Provider rate decrease:** The appropriation includes a 2.0 percent provider rate decrease for county administration.

**Reduce county incentive payments:** The appropriation reduces incentive payments to counties for child support enforcement. The appropriation temporarily redirects this amount (which is from the state's share of intercepted and recovered funds from child support enforcement activities) to statewide child support enforcement initiatives.

### 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1302	<u>(13,190,867)</u>	<u>(8,177,243)</u>	<u>(1,428,738)</u>	<u>(4,240,498)</u>	<u>655,612</u>	<u>(0.5)</u>
<b>TOTAL</b>	<b>\$412,279,855</b>	<b>\$201,231,836</b>	<b>\$72,974,991</b>	<b>\$14,641,650</b>	<b>\$123,431,378</b>	<b>49.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$412,279,855	\$201,231,836	\$72,974,991	\$14,641,650	\$123,431,378	49.5
Title IV-E related county administrative activities	1,000,000	1,000,000	0	0	0	0.0
Annualize FY 2009-10 increases for child welfare staffing and training academy	934,449	586,059	0	0	348,390	7.5
Reflect decline in Title IV-E federal revenue and provide backfill	819,843	5,689,483	(178,806)	0	(4,690,834)	0.0
Restore FY 2009-10 furlough reductions	86,518	48,899	0	4,155	33,464	0.0
Refinance child welfare with TANF	0	(7,000,000)	0	0	7,000,000	0.0
Provider rate decrease (2.0 percent)	(7,583,672)	(4,578,074)	(1,462,268)	(290,165)	(1,253,165)	0.0
Reflect no revenue for Excess Federal Title IV-E Cash Fund allocations	(1,701,252)	0	(1,701,252)	0	0	0.0

Division of Child Welfare						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize one-time funding	(301,250)	(101,250)	(200,000)	0	0	0.0
Annualize prior year legislation	(249,950)	(4,178,534)	3,991,072	0	(62,488)	0.0
Transfer to HCPF	(165,000)	(165,000)	0	0	0	0.0
State PERA contribution reduction	(82,575)	(49,698)	0	(3,025)	(29,852)	0.0
Operating adjustments	(22,076)	(21,390)	0	(646)	(40)	0.0
<b>HB 10-1376</b>	<b>\$405,014,890</b>	<b>\$192,462,331</b>	<b>\$73,423,737</b>	<b>\$14,351,969</b>	<b>\$124,776,853</b>	<b>57.0</b>
HB 10-1338	<u>1,719,794</u>	<u>991,919</u>	<u>343,959</u>	<u>75,209</u>	<u>308,707</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$406,734,684</b>	<b>\$193,454,250</b>	<b>\$73,767,696</b>	<b>\$14,427,178</b>	<b>\$125,085,560</b>	<b>57.0</b>
<b>Increase/(Decrease)</b>	<b>(\$5,545,171)</b>	<b>(\$7,777,586)</b>	<b>\$792,705</b>	<b>(\$214,472)</b>	<b>\$1,654,182</b>	<b>7.5</b>
Percentage Change	(1.3)%	(3.9)%	1.1%	(1.5)%	1.3%	15.2%

## FY 2009-10 Appropriation Adjustments

Significant supplemental appropriations in H.B. 10-1302 included:

- a reduction of \$8,413,972, including \$2.5 million General Fund and \$4.2 million Medicaid reappropriated funds (originating as General Fund and federal funds in the Department of Health Care Policy and Financing), for a 2.4 percent reduction to county child welfare block allocations;
- a reduction of \$3,281,941, including \$2,632,599 General Fund, to eliminate a new appropriation for Functional Family Therapy programs;
- a reduction of \$1,455,926 federal funds to reflect lower-than-anticipated federal receipts for child welfare services under Title IV-E of the Social Security Act;
- a refinance of \$3,000,000 General Fund in Child Welfare Services with federal Temporary Assistance to Needy Families funds; and
- a reduction \$37,491, including \$15,496 General Fund, for adjustments related to the actual impact of FY 2009-10 furlough days.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Title IV-E-related county administrative activities:** The appropriation includes funding to promote county efforts to identify children and expenditures eligible for federal Title IV-E reimbursement.

**Annualize FY 2009-10 increases for child welfare staffing and training academy:** The appropriation annualizes funding for additional FTE for child welfare administration and for the new child welfare training academy added in FY 2009-10.

**Reflect decline in Title IV-E federal revenue and provide backfill:** The appropriation reflects an ongoing decline in federal revenue that provides at least 50.0 percent reimbursement for out-of-home placements for very low-income children. This decline is offset with General Fund, federal Title XX funds transferred from

the Division of Child Care, and Title IV-E enhanced federal match available through the American Recovery and Reinvestment Act of 2009 (ARRA). The change in federal funds reflects a reduction of \$7,176,036 in Title IV-E (beyond the \$1,455,926 reduced through an FY 2009-10 supplemental), partially offset by a one-time increase of \$1,585,202 from ARRA and \$900,000 in Title XX funds.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Refinance child welfare with TANF:** The appropriation reduces General Fund appropriations for child welfare services and increases funding from the federal Temporary Assistance to Needy Families (TANF) block grant by the same amount. This is feasible due to reductions to TANF-funded programs in the Office of Self Sufficiency.

**Provider rate decrease (2.0 percent):** The appropriation includes a 2.0 percent decrease to provider rates for county-administered child welfare services.

**Reflect no revenue for Excess Federal Title IV-E Cash Fund allocations:** The appropriation eliminates the line item for Excess Federal Title IV-E Reimbursements for Related County Administrative Activities due to the lack of anticipated revenue for FY 2010-11.

**Annualize one-time funding:** The appropriation eliminates funding for the Child Welfare Action Committee (which has completed its work) and initial one-time appropriations related to claiming Title IV-E reimbursement for child placement agency activities.

**Annualize prior year legislation:** The appropriation annualizes the impact of S.B. 09-267 which increased the county share for out-of-home placements and S.B. 09-245 which conformed state child welfare law to new federal legislation.

**Transfer to HCPF:** The appropriation transfers \$165,000 General Fund to the Department of Health Care Policy and Financing (HCPF) to draw down federal matching funds for administrative case management.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating adjustments:** The appropriation includes a reduction of \$22,210 associated with the statewide reduction to operating expenses and an increase of \$134 associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1338, see also the "Recent Legislation" section at the end of the Judicial 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 19,735 children per month will receive CCAP assistance in FY 2010-11. 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 7,423 child care homes and facilities will be licensed by the Division in FY 2010-11. Cash funds sources shown reflect county tax revenues and fees and fines paid by child care facilities. Federal fund sources primarily reflect Child Care Development Funds.

Division of Child Care						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$105,121,702	\$18,737,608	\$10,075,446	\$0	\$76,308,648	69.1
HB 10-1302	<u>(525,968)</u>	<u>(206,039)</u>	<u>(6,217)</u>	<u>0</u>	<u>(313,712)</u>	<u>(3.3)</u>
<b>TOTAL</b>	<b>\$104,595,734</b>	<b>\$18,531,569</b>	<b>\$10,069,229</b>	<b>\$0</b>	<b>\$75,994,936</b>	<b>65.8</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$104,595,734	\$18,531,569	\$10,069,229	\$0	\$75,994,936	65.8
Restore FY 2009-10 furlough reductions	124,603	60,781	17,519	0	46,303	0.0
Refinance General Fund with federal Child Care Development Fund reserves	0	(1,250,000)	0	0	1,250,000	0.0
Annualize prior year refinance	0	110,000	(110,000)	0	0	0.0
Annualize ARRA funding	(13,579,077)	0	0	0	(13,579,077)	0.0
Move to ITS for Child Care Automated Tracking System	(889,147)	0	0	0	(889,147)	0.0
State PERA contribution reduction	(90,717)	(44,252)	(12,755)	0	(33,710)	0.0
Provider rate reduction (2.0 percent)	(41,104)	0	0	0	(41,104)	0.0
Annualize prior year staffing adjustments	(33,967)	(33,130)	(1,285)	0	448	0.2
Operating adjustments	(12,088)	(13,130)	0	0	1,042	0.0
Fines cash funds spending adjustment	(12,000)	0	(12,000)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$90,062,237</u></b>	<b><u>\$17,361,838</u></b>	<b><u>\$9,950,708</u></b>	<b><u>\$0</u></b>	<b><u>\$62,749,691</u></b>	<b><u>66.0</u></b>
<b>TOTAL</b>	<b>\$90,062,237</b>	<b>\$17,361,838</b>	<b>\$9,950,708</b>	<b>\$0</b>	<b>\$62,749,691</b>	<b>66.0</b>
<b>Increase/(Decrease)</b>	<b>(\$14,533,497)</b>	<b>(\$1,169,731)</b>	<b>(\$118,521)</b>	<b>\$0</b>	<b>(\$13,245,245)</b>	<b>0.2</b>
Percentage Change	(13.9)%	(6.3)%	(1.2)%	n/a	(17.4)%	0.3%

## **FY 2009-10 Appropriation Adjustments**

Significant supplemental appropriations in H.B. 10-1302 included, among other adjustments:

- a reduction of \$290,461 federal funds to more accurately reflect anticipated federal child care funding from the American Recovery and Reinvestment Act of 2009 (ARRA);
- a reduction of \$185,774 General Fund and 3.3 FTE to eliminate some child care licensing positions; and
- a reduction \$43,594, including \$20,265 General Fund, for adjustments related to the actual impact of FY 2009-10 furlough days.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Refinance General Fund with federal Child Care Development Fund reserves:** The appropriation provides for a spend-down of federal Child Care Development Fund reserves, offsetting \$1.25 million General Fund that would otherwise be required. In addition to the refinance of General Fund, adjustments include a refinance of \$900,000 federal Title XX block grant funds with \$900,000 federal Child Care Development Funds, enabling the Title XX funds to be applied in the Division of Child Welfare.

**Annualize prior year refinance:** The appropriation reverses a one-time FY 2009-10 refinance of General Fund with child care licensing fees, based on amounts in reserve.

**Annualize ARRA funding:** The appropriation eliminates funding received pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA) that was available in FY 2008-09 and FY 2009-10 only.

**Transfer to ITS for Child Care Automated Tracking System:** The appropriation reflects funding adjustments for the roll-out of a new Child Care Automated Tracking System in December 2010. The appropriation reduces funding for the Child Care Assistance Program and transfers these amounts to the Office of Information Technology Services (ITS) for ongoing support of the computer system.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Provider rate reduction (2.0 percent):** The appropriation includes a 2.0 percent decrease to provider rates for child care licensing.

**Annualize prior year staffing adjustments:** The appropriation annualizes adjustments to eliminate 3.5 FTE licensing positions and to add 2.0 FTE CCAP oversight positions mid-year in FY 2009-10. The combined impact of annualizing these adjustments in FY 2010-11 is 0.2 FTE.

**Operating adjustments:** The appropriation includes a reduction of \$13,130 associated with the statewide reduction to operating expenses and an increase of \$1,042 associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Fines cash fund spending adjustment:** The appropriation includes an adjustment to reflect anticipated expenditure of amounts received for fines assessed against child care licenses.

## 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. Funding changes to these areas are described in the relevant subsections below.

<b>Office of Self Sufficiency</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriat ed Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$344,856,360	\$6,741,726	\$25,261,680	\$2,184,598	\$310,668,356	288.3
SB 09-068	843,430	0	843,430	0	0	0.7
HB 10-1302	<u>466,493</u>	<u>(363,645)</u>	<u>(10,471)</u>	<u>0</u>	<u>840,609</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$346,166,283</b>	<b>\$6,378,081</b>	<b>\$26,094,639</b>	<b>\$2,184,598</b>	<b>\$311,508,965</b>	<b>289.0</b>
<b>FY 2010-11 Appropriation:</b>						
HB 10-1376	<u>\$388,218,547</u>	<u>\$5,731,428</u>	<u>\$32,265,728</u>	<u>\$34,766</u>	<u>\$350,186,625</u>	<u>256.2</u>
<b>TOTAL</b>	<b>\$388,218,547</b>	<b>\$5,731,428</b>	<b>\$32,265,728</b>	<b>\$34,766</b>	<b>\$350,186,625</b>	<b>256.2</b>
<b>Increase/(Decrease)</b>	\$42,052,264	(\$646,653)	\$6,171,089	(\$2,149,832)	\$38,677,660	(32.8)
Percentage Change	12.1%	(10.1)%	23.6%	(98.4)%	12.4%	(11.3)%

## 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.

<b>Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$1,800,051	\$785,430	\$0	\$0	\$1,014,621	22.0
HB 10-1302	<u>(13,367)</u>	<u>(31,108)</u>	<u>0</u>	<u>0</u>	<u>17,741</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,786,684</b>	<b>\$754,322</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,032,362</b>	<b>22.0</b>

<i>Administration</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,786,684	\$754,322	\$0	\$0	\$1,032,362	22.0
Restore FY 2009-10 furlough reductions	44,328	44,328	0	0	0	0.0
State PERA contribution reduction	(32,273)	(32,273)	0	0	0	0.0
Annualize prior year funding	(25,460)	0	0	0	(25,460)	0.0
Operating adjustments	(1,852)	(1,876)	0	0	24	0.0
<b>HB 10-1376</b>	<b><u>\$1,771,427</u></b>	<b><u>\$764,501</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$1,006,926</u></b>	<b><u>22.0</u></b>
<b>TOTAL</b>	<b>\$1,771,427</b>	<b>\$764,501</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,006,926</b>	<b>22.0</b>
<hr/>						
<b>Increase/(Decrease)</b>	(15,257)	\$10,179	\$0	\$0	(\$25,436)	0.0
Percentage Change	(0.9)%	1.3%	n/a	n/a	(2.5)%	0.0%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1302 included a reduction \$12,921, including \$30,796 General Fund, for adjustments related to the actual impact of FY 2009-10 furlough days

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation eliminates one-time funding for the destruction of obsolete forms in FY 2009-10.

**Operating adjustments:** The appropriation includes a reduction of \$1,960 associated with the statewide reduction to operating expenses and an increase of \$84 associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

---

### *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 Program is projected to provide basic cash assistance for an average monthly caseload of 15,150 families in FY 2010-11. 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 2010-11, counties are required to remit reserves in excess of 40 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.

<b>Colorado Works Program</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1302	<u>(11,899,947)</u>	<u>(150,000)</u>	<u>(4,578)</u>	<u>0</u>	<u>(11,745,369)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$256,426,639</b>	<b>\$72,222</b>	<b>\$23,992,868</b>	<b>\$0</b>	<b>\$232,361,549</b>	<b>23.7</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$256,426,639	\$72,222	\$23,992,868	\$0	\$232,361,549	23.7
Reflect county TANF reserves	35,279,032	0	0	0	35,279,032	0.0
Restore FY 2009-10 furlough reductions	58,763	0	4,578	0	54,185	0.0
Annualize ARRA funding	(16,000,000)	0	0	0	(16,000,000)	0.0
Refinance child welfare services	(6,863,249)	0	0	0	(6,863,249)	0.0
Annualize one-time funding	(5,524,726)	0	0	0	(5,524,726)	0.0
Reduce Works Maintenance Fund	(1,989,484)	0	0	0	(1,989,484)	0.0
State PERA contribution reduction	(42,783)	0	(3,333)	0	(39,450)	0.0
Postage adjustment	(339)	0	(147)	0	(192)	0.0
<b>HB 10-1376</b>	<b><u>\$261,343,853</u></b>	<b><u>\$72,222</u></b>	<b><u>\$23,993,966</u></b>	<b><u>\$0</u></b>	<b><u>\$237,277,665</u></b>	<b><u>23.7</u></b>
<b>TOTAL</b>	<b>\$261,343,853</b>	<b>\$72,222</b>	<b>\$23,993,966</b>	<b>\$0</b>	<b>\$237,277,665</b>	<b>23.7</b>
<b>Increase/(Decrease)</b>	<b>\$4,917,214</b>	<b>\$0</b>	<b>\$1,098</b>	<b>\$0</b>	<b>\$4,916,116</b>	<b>0.0</b>
Percentage Change	1.9%	0.0%	0.0%	n/a	2.1%	0.0%

## **FY 2009-10 Appropriation Adjustments**

Significant supplemental appropriations in H.B. 10-1302 included:

- an increase of \$16.0 million federal TANF funds including \$11.25 million for subsidized employment and \$4.75 million for homeless prevention, based on additional funds available under the American Recovery and Reinvestment Act of 2009 (ARRA);
- an increase of \$5,524,726 federal TANF funds for reimbursements to counties for prior year expenditures due to reduction in federal maintenance of effort requirements (allowed for disbursement of funds not distributed in FY 2008-09 due to a federal timing issue);
- a reduction of \$33,215,910 federal funds to reflect county TANF reserves for the Colorado Works program as of September 2009;
- a reduction of \$150,000 General Fund to reduce the state match for the Responsible Fatherhood grant; and
- a reduction \$58,763 for adjustments related to the actual impact of FY 2009-10 furlough days.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Reflect county TANF reserves:** The appropriation includes an adjustment to reflect county reserves of TANF funds as of September 2009 that are applied to Colorado Works, child welfare, and child care programs. The increase is based on reserves designated for child welfare and child care programs that were not previously reflected in the Long Bill.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Annualize ARRA funding:** The appropriation eliminates TANF appropriations that were based on funds available under ARRA. The ARRA funding was used for subsidized employment and homeless prevention programs in FY 2009-10. Although additional funding is not available in FY 2010-11, a portion of the FY 2009-10 appropriation may be rolled-forward for use in the first quarter of FY 2010-11.

**Refinance child welfare services:** The appropriations for the Colorado Works Program Maintenance Fund and the Colorado Works Statewide Strategic Use Fund are reduced by \$863,249 and \$6,000,000, respectively, to allow for a refinance of \$7.0 million General Fund in the Division of Child Welfare.

**Annualize one-time funding:** The appropriation eliminates an additional payment to counties in FY 2009-10 related to the TANF maintenance of effort requirement. Due to a federal delay, a FY 2008-09 payment was made in FY 2009-10, so that FY 2009-10 funding was doubled. This extra funding is eliminated in FY 2010-11.

**Reduce Works Maintenance Fund:** The appropriation to the Colorado Works Program Maintenance Fund is reduced to allow for an increase of the same amount for refugee services in the Self Sufficiency, Special Purpose Welfare Programs subsection.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Postage adjustment:** The appropriation includes an adjustment associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

### *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) systems.

Cash funds sources include: fees paid by agencies participating in the food distribution program, 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.

<i>Special Purpose Welfare Programs</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$44,190,322	\$1,210,902	\$1,682,846	\$2,184,598	\$39,111,976	38.4
HB 10-1302	<u>12,881,387</u>	<u>(11,589)</u>	<u>(7,574)</u>	<u>0</u>	<u>12,900,550</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$57,071,709</b>	<b>\$1,199,313</b>	<b>\$1,675,272</b>	<b>\$2,184,598</b>	<b>\$52,012,526</b>	<b>38.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$57,071,709	\$1,199,313	\$1,675,272	\$2,184,598	\$52,012,526	38.4
Reflect federal funds	45,546,720	0	0	0	45,546,720	0.0
Reflect severance tax revenues	3,250,000	0	3,250,000	0	0	0.0
Increase funding for refugee services	1,989,484	0	0	0	1,989,484	0.0
Restore FY 2009-10 furlough reductions	54,408	11,589	7,574	0	35,245	0.0
Fund source adjustment	0	0	2,149,832	(2,149,832)	0	0.0
Annualize ARRA funding	(12,957,513)	0	0	0	(12,957,513)	0.0
Statewide IT staff consolidation	(77,754)	0	0	0	(77,754)	(1.0)
State PERA contribution reduction	(39,612)	(8,437)	(5,514)	0	(25,661)	0.0
Postage adjustment	(2,568)	(933)	(138)	0	(1,497)	0.0
<b>HB 10-1376</b>	<b><u>\$94,834,874</u></b>	<b><u>\$1,201,532</u></b>	<b><u>\$7,077,026</u></b>	<b><u>\$34,766</u></b>	<b><u>\$86,521,550</u></b>	<b><u>37.4</u></b>
<b>TOTAL</b>	<b>\$94,834,874</b>	<b>\$1,201,532</b>	<b>\$7,077,026</b>	<b>\$34,766</b>	<b>\$86,521,550</b>	<b>37.4</b>

<i>Special Purpose Welfare Programs</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$37,763,165	\$2,219	\$5,401,754	(\$2,149,832)	\$34,509,024	(1.0)
Percentage Change	66.2%	0.2%	322.4%	(98.4)%	66.3%	(2.6)%

## **FY 2009-10 Appropriation Adjustments**

Significant supplemental appropriations in H.B. 10-1302 included:

- an increase of \$12,957,513 federal TANF funds, including \$4,383,512 for refugee assistance and \$8,574,001 for low income energy assistance, based on funding available under the American Recovery and Reinvestment Act of 2009 (ARRA); and
- a reduction \$54,508, including \$11,589 General Fund, for adjustments related to the actual impact of FY 2009-10 furlough days.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Reflect federal funds:** The appropriation includes an increase of \$36,501,895 to more accurately reflect federal Low-income Home Energy Assistance funds likely to be received. The appropriation also includes an increase of \$9,044,825 to more accurately reflect funds likely to be received from the federal Office of Refugee Resettlement. These adjustments do not reflect substantive increases to federal funds available over FY 2009-10 levels.

**Reflect Severance Tax revenues:** The appropriation includes an increase of \$3,250,000 to reflect severance tax funds anticipated to be available for low-income energy assistance in FY 2010-11, based on current statute. Pursuant to H.B. 10-1319, no Severance Tax funding for energy assistance is provided in FY 2009-10.

**Increase funding for refugee services:** The appropriation includes an increase to provide social services and supports to TANF-eligible refugee families. The federal TANF funds used for this increase are subject to appropriation by the General Assembly.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Fund source adjustment:** The appropriation reclassifies funds from Energy Outreach Colorado as cash funds.

**Annualize ARRA funding:** The appropriation eliminates TANF appropriations that were based on funds available under ARRA. The additional funding for FY 2009-10, including \$8,574,001 for low income energy assistance and \$4,383,512 for refugee assistance, is not available in FY 2010-11.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Postage adjustment:** The appropriation includes an adjustment associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

### *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. An estimated \$326.4 million in child support payments will be collected through county child support enforcement programs in FY 2009-10.

<i>Child Support Enforcement</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$13,728,144	\$4,523,172	\$424,818	\$0	\$8,780,154	64.4
HB 10-1302	<u>(501,107)</u>	<u>(170,948)</u>	<u>1,681</u>	<u>0</u>	<u>(331,840)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$13,227,037</b>	<b>\$4,352,224</b>	<b>\$426,499</b>	<b>\$0</b>	<b>\$8,448,314</b>	<b>64.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$13,227,037	\$4,352,224	\$426,499	\$0	\$8,448,314	64.4
State child support enforcement initiatives	2,259,521	0	768,237	0	1,491,284	0.0
Restore FY 2009-10 furlough reductions	86,764	30,071	(1,681)	0	58,374	0.0
Postage adjustment	49,040	16,100	1,681	0	31,259	0.0
Statewide IT staff consolidation	(1,880,695)	(639,435)	0	0	(1,241,260)	(23.0)
State PERA contribution reduction	(97,055)	(32,999)	0	0	(64,056)	0.0
Operating reduction	(53,847)	(18,308)	0	0	(35,539)	0.0
Adjust funding allocation for state IT infrastructure	(43,878)	(14,480)	0	0	(29,398)	0.0
<b>HB 10-1376</b>	<b><u>\$13,546,887</u></b>	<b><u>\$3,693,173</u></b>	<b><u>\$1,194,736</u></b>	<b><u>\$0</u></b>	<b><u>\$8,658,978</u></b>	<b><u>41.4</u></b>
<b>TOTAL</b>	<b>\$13,546,887</b>	<b>\$3,693,173</b>	<b>\$1,194,736</b>	<b>\$0</b>	<b>\$8,658,978</b>	<b>41.4</b>
<b>Increase/(Decrease)</b>	<b>\$319,850</b>	<b>(\$659,051)</b>	<b>\$768,237</b>	<b>\$0</b>	<b>\$210,664</b>	<b>(23.0)</b>
Percentage Change	2.4%	(15.1)%	180.1%	n/a	2.5%	(35.7)%

## **FY 2009-10 Appropriation Adjustments**

Significant supplemental appropriations in H.B. 10-1302 included a reduction of \$400,000, including \$136,000 General Fund, for Automated Child Support Enforcement System contract reductions and a reduction \$86,764, including \$30,071 General Fund, for adjustments related to the actual impact of FY 2009-10 furlough days.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**State child support enforcement initiatives:** The appropriation redirects a portion of the state share of child support recoveries from the county administration section to the state child support enforcement program. This enables the State to draw down matching federal funds. The additional funding will enable the state to contract with a private vendor to process and monitor notices to employers to add children to their parents' health insurance and to clean county files so that the state may switch to a different measure for demonstrating to federal authorities the percent of out-of-wedlock births for which paternity is established.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Postage adjustment:** The appropriation includes an adjustment associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating reduction:** The appropriation includes a General Fund reduction as part of a plan to reduce non-food, non-medical General Fund operating expenses department-wide by 5.0 percent.

**Adjust funding allocation for state IT infrastructure:** The appropriation reallocates costs for maintaining the state's information technology infrastructure among Department programs and funding sources.

---

### *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.

<i>Disability Determination Services</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$17,654,687	\$0	\$0	\$0	\$17,654,687	140.5
HB 10-1302	<u>(473)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(473)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$17,654,214</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,654,214</b>	<b>140.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$17,654,214	\$0	\$0	\$0	\$17,654,214	140.5
Postage adjustment	83	0	0	0	83	0.0
Statewide IT staff consolidation	(752,159)	0	0	0	(752,159)	(8.8)
State PERA contribution reduction	(180,632)	0	0	0	(180,632)	0.0
<b>HB 10-1376</b>	<b><u>\$16,721,506</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$16,721,506</u></b>	<b><u>131.7</u></b>
<b>TOTAL</b>	<b>\$16,721,506</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,721,506</b>	<b>131.7</b>
<b>Increase/(Decrease)</b>	<b>(\$932,708)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$932,708)</b>	<b>(8.8)</b>
Percentage Change	(5.3)%	n/a	n/a	n/a	(5.3)%	(6.3)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1302 reflected adjustments to a Department of Personnel and Administration mail system upgrade.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Postage adjustment:** The appropriation includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

## 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. Funding changes to these areas are described in the relevant subsections below.

<b>Mental Health and Alcohol and Drug Abuse Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1302	<u>(3,132,508)</u>	<u>(1,540,625)</u>	<u>(734,579)</u>	<u>(834,340)</u>	<u>(22,964)</u>	<u>(47.0)</u>
<b>TOTAL</b>	<b>\$223,570,154</b>	<b>\$136,729,335</b>	<b>\$17,642,662</b>	<b>\$11,432,114</b>	<b>\$57,766,043</b>	<b>1,333.2</b>
<b>FY 2010-11 Appropriation:</b>						
<b>HB 10-1376</b>	<b>\$215,602,443</b>	<b>\$131,269,029</b>	<b>\$16,271,537</b>	<b>\$10,280,212</b>	<b>\$57,781,665</b>	<b>1,268.8</b>
HB 10-1284	334,227	334,227	0	0	0	0.0
HB 10-1369	<u>0</u>	<u>13,439</u>	<u>0</u>	<u>(13,439)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$215,936,670</b>	<b>\$131,616,695</b>	<b>\$16,271,537</b>	<b>\$10,266,773</b>	<b>\$57,781,665</b>	<b>1,268.8</b>
<b>Increase/(Decrease)</b>	<b>(\$7,633,484)</b>	<b>(\$5,112,640)</b>	<b>(\$1,371,125)</b>	<b>(\$1,165,341)</b>	<b>\$15,622</b>	<b>(64.4)</b>
Percentage Change	(3.4)%	(3.7)%	(7.8)%	(10.2)%	0.0%	(4.8)%

### Administration

The Administration subsection 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. 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 (HCPF). The primary source of the federal funds is the United States Department of Housing and Urban Development (HUD).

<b>Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$24,990,544	\$979,763	\$242,989	\$348,973	\$23,418,819	55.4
HB 10-1302	<u>(90,443)</u>	<u>(31,215)</u>	<u>4,391</u>	<u>(16,075)</u>	<u>(47,544)</u>	<u>0.0</u>

<i>Administration</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$24,900,101</b>	<b>\$948,548</b>	<b>\$247,380</b>	<b>\$332,898</b>	<b>\$23,371,275</b>	<b>55.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$24,900,101	\$948,548	\$247,380	\$332,898	\$23,371,275	55.4
Restore FY 2009-10 furlough reductions	123,985	48,225	0	16,075	59,685	0.0
State PERA contribution reduction	(90,266)	(35,110)	0	(11,703)	(43,453)	0.0
Annualize prior year funding	(14,991)	(181)	(14,471)	0	(339)	(0.3)
Operating adjustments	(1,806)	(1,364)	0	(442)	0	0.0
<b>HB 10-1376</b>	<b><u>\$24,917,023</u></b>	<b><u>\$960,118</u></b>	<b><u>\$232,909</u></b>	<b><u>\$336,828</u></b>	<b><u>\$23,387,168</u></b>	<b><u>55.1</u></b>
<b>TOTAL</b>	<b>\$24,917,023</b>	<b>\$960,118</b>	<b>\$232,909</b>	<b>\$336,828</b>	<b>\$23,387,168</b>	<b>55.1</b>
<b>Increase/(Decrease)</b>	\$16,922	\$11,570	(\$14,471)	\$3,930	\$15,893	(0.3)
Percentage Change	0.1%	1.2%	(5.9)%	1.2%	0.1%	(0.5)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1302 included:

- a reduction of \$88,701, including \$30,607 General Fund, for adjustments related to the actual impact of FY 2009-10 furlough days; and
- a reduction of \$1,742, including \$608 General Fund, for adjustments to a Department of Personnel and Administration mail system upgrade.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Operating adjustments:** The appropriation includes a decrease for operating expenditures.

### *Mental Health Community Programs*

This subsection funds mental health services for the medically indigent population, which is defined as individuals with an income is less than 300 percent of the federal poverty level, who are not eligible for Medicaid, and who do not receive mental health services from any other system. These services are delivered primarily by community mental health centers, and serve approximately 12,694 indigent mentally ill clients per year. The average annual cost per client is approximately \$3,109 in FY 2009-10. Cash funds appropriated in this subsection 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 (HCPF). The majority of the federal funds are from the Mental Health Services Block Grant funded by the United State Department of Health and Human Services.

<i><b>Mental Health Community Programs</b></i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1302	<u>(290,850)</u>	<u>(290,850)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$52,845,457</b>	<b>\$40,817,320</b>	<b>\$5,513,434</b>	<b>\$281,134</b>	<b>\$6,233,569</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$52,845,457	\$40,817,320	\$5,513,434	\$281,134	\$6,233,569	0.0
Annualize Fort Logan treatment division closures	90,089	90,089	0	0	0	0.0
Fund source adjustment	0	(19,613)	19,613	0	0	0.0
Community provider base decrease	(796,880)	(781,328)	(13,167)	(2,385)	0	0.0
Sunset of Veteran Mental Health Pilot Program	(285,529)	0	(285,529)	0	0	0.0
Decrease in tobacco litigation settlement revenue	(280,534)	0	(280,534)	0	0	0.0
Eliminate Enhanced Mental Health Pilot Services for Detained Youth Program	(126,980)	(126,980)	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$51,445,623</u></b>	<b><u>\$39,979,488</u></b>	<b><u>\$4,953,817</u></b>	<b><u>\$278,749</u></b>	<b><u>\$6,233,569</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$51,445,623</b>	<b>\$39,979,488</b>	<b>\$4,953,817</b>	<b>\$278,749</b>	<b>\$6,233,569</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>(\$1,399,834)</b>	<b>(\$837,832)</b>	<b>(\$559,617)</b>	<b>(\$2,385)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(2.6)%	(2.1)%	(10.2)%	(0.8)%	0.0%	n/a

## **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1302 included:

- an increase of \$90,090 General Fund to fund community-based treatment services for individuals previously receiving treatment at the Colorado Mental Health Institute at Fort Logan; and
- a reduction of \$380,940 General Fund to eliminate the mental health pilot for detained youth.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Annualize Fort Logan treatment division closures:** The appropriation annualizes the costs associated with the closure of three treatment divisions at the Fort Logan mental health facility.

**Fund source adjustment:** The appropriation includes an increase in cash funds offset by a decrease in General Fund.

**Community provider base decrease:** The appropriation includes decreases in the base appropriations for all community providers of mental health services.

**Sunset of Veteran Mental Health Pilot Program:** The appropriation includes a reduction due to the elimination of the pilot program to serve the families of military men and women.

**Decrease in tobacco litigation settlement revenue:** The appropriation reflects a decrease in the amount of tobacco litigation settlement dollars that the State anticipates to receive for FY 2010-11.

**Eliminate Enhanced Mental Health Pilot Services for Detained Youth Program Elimination:** The appropriation eliminates remaining funding for the pilot program conducted in Jefferson and Mesa counties.

---

### *Mental Health Institutes*

The Department of Human Services operates two State Mental Health Institutes providing inpatient hospitalization for individuals with serious mental illness. The Colorado Mental Health Institute at Fort Logan (Fort Logan), located in southwest Denver County, is organized into two treatment divisions (adult and Therapeutic Residential Child Care Facility) with 114 total beds. The Colorado Mental Health Institute at Pueblo (CMHIP) is organized into six treatment divisions (adolescent, adult, geriatric, co-occurring mental illness and substance abuse disorders, special needs unit, and forensics) with 454 total beds. Of the 454 beds at CMHIP, 310 are for forensic patients placed in the legal custody of the Department by the courts for competency evaluations and restoration to competency services. The forensics treatment division also provides services to individuals found not guilty by reason of insanity (NGRI). The forensics treatment division is formally known as the Institute for Forensic Psychiatry (IFP).

During FY 2009-10, the Department closed the geriatric, adolescent, and children's treatment divisions at Fort Logan. The treatment division closures, which included the elimination of 59 beds, resulted in a State savings of \$7.2 million and 96.8 FTE in FY 2010-11.

<i><b>Mental Health Institutes</b></i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$98,067,775	\$81,083,491	\$8,496,231	\$8,488,053	\$0	1,294.0
HB 10-1302	<u>(2,731,948)</u>	<u>(1,163,505)</u>	<u>(741,156)</u>	<u>(827,287)</u>	<u>0</u>	<u>(47.0)</u>
<b>TOTAL</b>	<b>\$95,335,827</b>	<b>\$79,919,986</b>	<b>\$7,755,075</b>	<b>\$7,660,766</b>	<b>\$0</b>	<b>1,247.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$95,335,827	\$79,919,986	\$7,755,075	\$7,660,766	\$0	1,247.0
Restore FY 2009-10 furlough reductions	851,648	851,648	0	0	0	0.0
Annualize prior year funding	626	626	0	0	0	0.0
Annualize Fort Logan treatment division closures	(4,226,604)	(2,658,165)	(741,156)	(827,283)	0	(46.9)
State PERA contribution reduction	(1,596,255)	(1,596,255)	0	0	0	0.0
Closure of CMHIP General Hospital	(1,216,234)	(878,605)	(72,626)	(265,003)	0	(17.2)
Operating adjustments	(93,796)	(73,434)	0	(20,362)	0	0.0
<b>HB 10-1376</b>	<b>\$89,055,212</b>	<b>\$75,565,801</b>	<b>\$6,941,293</b>	<b>\$6,548,118</b>	<b>\$0</b>	<b>1,182.9</b>
HB 10-1369	<u>0</u>	<u>13,439</u>	<u>0</u>	<u>(13,439)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$89,055,212</b>	<b>\$75,579,240</b>	<b>\$6,941,293</b>	<b>\$6,534,679</b>	<b>\$0</b>	<b>1,182.9</b>
<b>Increase/(Decrease)</b>	<b>(\$6,280,615)</b>	<b>(\$4,340,746)</b>	<b>(\$813,782)</b>	<b>(\$1,126,087)</b>	<b>\$0</b>	<b>(64.1)</b>
Percentage Change	(6.6)%	(5.4)%	(10.5)%	(14.7)%	n/a	(5.1)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1302 included:

- an increase of \$773,693 General Fund for adjustments related to the actual impact of FY 2009-10 furlough days;
- a reduction of \$3,503,635, including \$1,935,192 General Fund, and 47.0 FTE as a result of treatment division closures at Fort Logan; and
- a reduction of \$2,006 General Fund for adjustments to a Department of Personnel and Administration mail system upgrade.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Annualize Fort Logan treatment division closures:** The appropriation annualizes the cost reductions associated with the closure of three treatment divisions at the Fort Logan mental health facility.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Closure of CMHIP General Hospital:** The appropriation reduces funding and FTE in the division as part of the closure of the General Hospital at the Colorado Mental Health Institute at Pueblo (CMHIP).

**Operating adjustments:** The appropriation includes a decrease of \$93,796 General Fund for operating expenditures.

### *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. Cash funds appropriated in this section of the budget include moneys in 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 funded by the United States Department of Health and Human Services is the primary source of federal funds.

<i>Alcohol and Drug Abuse Division</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1302	<u>(19,267)</u>	<u>(55,055)</u>	<u>2,186</u>	<u>9,022</u>	<u>24,580</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$50,488,769</b>	<b>\$15,043,481</b>	<b>\$4,126,773</b>	<b>\$3,157,316</b>	<b>\$28,161,199</b>	<b>30.8</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$50,488,769	\$15,043,481	\$4,126,773	\$3,157,316	\$28,161,199	30.8
Annualize H.B. 09-1119	88,443	0	88,443	0	0	0.0
Restore FY 2009-10 furlough reductions	60,334	60,334	0	0	0	0.0
Community provider base decrease	(337,066)	(296,267)	0	(40,799)	0	0.0
Decrease in tobacco litigation settlement revenue	(70,134)	0	(70,134)	0	0	0.0

<i>Alcohol and Drug Abuse Division</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
State PERA contribution reduction	(43,926)	(43,926)	0	0	0	0.0
Annualize prior year funding	(1,835)	0	(1,564)	0	(271)	0.0
<b>HB 10-1376</b>	<b><u>\$50,184,585</u></b>	<b><u>\$14,763,622</u></b>	<b><u>\$4,143,518</u></b>	<b><u>\$3,116,517</u></b>	<b><u>\$28,160,928</u></b>	<b><u>30.8</u></b>
<b>TOTAL</b>	<b>\$50,184,585</b>	<b>\$14,763,622</b>	<b>\$4,143,518</b>	<b>\$3,116,517</b>	<b>\$28,160,928</b>	<b>30.8</b>
<b>Increase/(Decrease)</b>	(\$304,184)	(\$279,859)	\$16,745	(\$40,799)	(\$271)	0.0
<b>Percentage Change</b>	(0.6)%	(1.9)%	0.4%	(1.3)%	0.0%	0.0%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1302 included:

- a reduction of \$18,360, including \$55,055 General Fund, for adjustments related to the actual impact of FY 2009-10 furlough days; and
- a reduction of \$907 federal funds for adjustments to a Department of Personnel and Administration mail system upgrade.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Annualize H.B. 09-1119:** The appropriation includes the second year impact of H.B. 09-1119, which created a program to address rural substance abuse issues.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Community provider base decrease:** The appropriation includes decreases in the base appropriations for all community providers of substance abuse services.

**Decrease in tobacco litigation settlement revenue:** The appropriation reflects a decrease in the amount of funds from the tobacco litigation settlement which are distributed to alcohol and drug abuse programs in FY 2010-11.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

.....

### *Co-occurring Behavioral Health Services*

This subsection, created via H.B. 10-1284, funds mental health and substance abuse services for juveniles and adults at risk of becoming or currently involved in the criminal justice system.

<i>Co-occurring Behavioral Health Services</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
<b>HB 10-1376</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
HB 10-1284	<u>334,227</u>	<u>334,227</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$334,227</b>	<b>\$334,227</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$334,227	\$334,227	\$0	\$0	\$0	0.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1284, see also the "Recent Legislation" section at the end of the Department of Revenue.

### **Services for People with Disabilities**

This section includes funding for Community Services for People with Developmental Disabilities, Regional Centers for People with Developmental Disabilities, the Work Therapy Program, the Division of Vocational Rehabilitation, and Homelake Domiciliary and the State and Veterans Nursing Homes. Funding changes to these areas are described in the relevant subsections below.

<b>Services for People with Disabilities</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriations</b>						
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
HB 10-1302	(6,188,685)	(695,375)	(4,710)	(5,345,581)	(143,019)	0.0
HB 10-1376	<u>(554,680)</u>	<u>0</u>	<u>0</u>	<u>(554,680)</u>	<u>0</u>	<u>(18.1)</u>

<b>Services for People with Disabilities</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$554,064,624</b>	<b>\$38,137,706</b>	<b>\$86,412,165</b>	<b>\$366,711,323</b>	<b>\$62,803,430</b>	<b>1,945.3</b>
<b>FY 2010-11 Appropriations</b>						
HB 10-1376	<u>\$555,822,985</u>	<u>\$39,882,497</u>	<u>\$87,727,807</u>	<u>\$362,987,333</u>	<u>\$65,225,348</u>	<u>1,896.2</u>
<b>TOTAL</b>	<b>\$555,822,985</b>	<b>\$39,882,497</b>	<b>\$87,727,807</b>	<b>\$362,987,333</b>	<b>\$65,225,348</b>	<b>1,896.2</b>
<b>Increase/(Decrease)</b>	\$1,758,361	\$1,744,791	\$1,315,642	(\$3,723,990)	\$2,421,918	(49.1)
Percentage Change	0.3%	4.6%	1.5%	(1.0)%	3.9%	(2.5)%

### *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. The sources of cash funds are client fees and private insurance contributions to the Early Intervention Services Trust Fund. 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.

<b><i>Community Services for People with Developmental Disabilities</i></b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1302	(6,392,294)	(465,787)	0	(5,912,850)	(13,657)	0.0
HB 10-1376	<u>443,295</u>	<u>0</u>	<u>23,793</u>	<u>419,502</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$390,608,627</b>	<b>\$31,398,584</b>	<b>\$36,783,653</b>	<b>\$312,029,549</b>	<b>\$10,396,841</b>	<b>41.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$390,608,627	\$31,398,584	\$36,783,653	\$312,029,549	\$10,396,841	41.5
Skilled nursing facility closure	3,440,964	0	184,613	3,256,351	0	0.0

<i>Community Services for People with Developmental Disabilities</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
New placements added in FY 2009-10	2,581,957	0	208,250	2,373,707	0	0.0
Early intervention population increase	1,700,000	1,700,000	0	0	0	0.0
Annualize H.B. 09-1237	1,483,750	0	1,483,750	0	0	1.0
Annualize one-time funding	444,224	462,884	0	(18,660)	0	0.0
Restore FY 2009-10 furlough reductions	93,879	8,122	0	72,100	13,657	0.0
Fund source adjustment	0	(52,054)	0	52,054	0	0.0
Community provider rate adjustment	(8,566,383)	(289,479)	(74)	(8,276,830)	0	0.0
One-time federal ARRA funds	(1,737,534)	0	0	0	(1,737,534)	0.0
State PERA contribution reduction	(70,175)	(5,913)	(1,826)	(52,493)	(9,943)	0.0
Operating base reduction	(12,632)	0	0	(12,632)	0	0.0
Postage adjustment	(12)	0	0	(38)	26	0.0
<b>HB 10-1376</b>	<b><u>\$389,966,665</u></b>	<b><u>\$33,222,144</u></b>	<b><u>\$38,658,366</u></b>	<b><u>\$309,423,108</u></b>	<b><u>\$8,663,047</u></b>	<b><u>42.5</u></b>
<b>TOTAL</b>	<b><u>\$389,966,665</u></b>	<b><u>\$33,222,144</u></b>	<b><u>\$38,658,366</u></b>	<b><u>\$309,423,108</u></b>	<b><u>\$8,663,047</u></b>	<b><u>42.5</u></b>
<b>Increase/(Decrease)</b>	(\$641,962)	\$1,823,560	\$1,874,713	(\$2,606,441)	(\$1,733,794)	1.0
<b>Percentage Change</b>	(0.2)%	5.8%	5.1%	(0.8)%	(16.7)%	2.4%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1302 and H.B. 10-1376 primarily reflect a reduction in community provider rates effective October 2009, partially offset by increased Medicaid funds for Adult Comprehensive Services for people transitioning mid-year from the Skilled Nursing Facility at the Grand Junction Regional Center (GJRC) to community placements.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Skilled nursing facility closure:** The appropriation includes additional Medicaid funds for Adult Comprehensive Services for people who were moved in the middle of FY 2009-10 from the Skilled Nursing Facility at GJRC to community placements.

**New placements added in FY 2009-10:** The appropriation includes additional funds for new placements approved for six months in FY 2009-10, including a total of 57.0 Adult Comprehensive Services placements and 29.0 Adult Supported Living Services placements (the increase is half these amounts to add half a year of funding).

**Early Intervention population increase:** The appropriation includes funding for a projected increase in the population eligible for early intervention services.

**Annualize H.B. 09-1237:** The appropriation reflects an expected increase in private insurance payments to the Early Intervention Services Trust Fund pursuant to H.B. 09-1237 and 1.0 FTE for additional administrative duties.

**Annualize one-time funding:** The appropriation includes an increase of \$462,884 General Fund to restore a one-time reduction in FY 2009-10 that was based on money available and rolled forward from FY 2008-09, a decrease of \$13,477 Medicaid funds for one-time computer programming costs to bring the on-line Supports Intensity Scale assessment tool in house, and a decrease of \$5,183 Medicaid funds for one-time costs associated with implementing S.B. 08-002 that allowed the Department to pay family members of people with developmental disabilities as service providers.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Fund source adjustment:** The appropriation realigns fund sources for the Community Services Administration to match the sources of funds for programs overseen by the Administration Division.

**Community provider rate adjustment:** The appropriation includes a reduction of \$2.0 million Medicaid funds to annualize a 2.5 percent community provider rate reduction implemented in October 2009, a reduction of \$6.8 million (\$0.5 million General Fund and \$6.3 million Medicaid funds) for an additional 2.0 community provider rate reduction effective July 2010, and \$0.3 million General Fund for a reduction to Family Support Services to match the rate reductions for other major services.

**One-time federal ARRA funds:** The appropriation reflects the anticipated phased reduction in available federal funds available through the American Recovery and Reinvestment Act of 2009 (ARRA).

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating base reduction:** The appropriation includes a decrease as part of a department-wide plan to reduce non-food and non-medical operating expenses from the General Fund and Medicaid funds in aggregate by 5.0 percent.

**Postage adjustment:** The appropriation includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

---

### *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 source of cash funds is client fees and the source

of reappropriated funds is Medicaid funds transferred from the Department of Health Care Policy and Financing.

<i>Regional Centers for People with Developmental Disabilities</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$52,428,175	\$88,009	\$2,290,436	\$50,049,730	\$0	995.8
HB 10-1302	566,194	(2,638)	0	568,832	0	0.0
HB 10-1376	<u>(997,975)</u>	<u>0</u>	<u>(23,793)</u>	<u>(974,182)</u>	<u>0</u>	<u>(18.1)</u>
<b>TOTAL</b>	<b>\$51,996,394</b>	<b>\$85,371</b>	<b>\$2,266,643</b>	<b>\$49,644,380</b>	<b>\$0</b>	<b>977.7</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$51,996,394	\$85,371	\$2,266,643	\$49,644,380	\$0	977.7
Restore FY 2009-10 furlough reductions	866,478	2,638	0	863,840	0	0.0
Annualize prior year decisions	279,167	0	0	279,167	0	0.8
Postage adjustment	112	0	0	112	0	0.0
Skilled nursing facility closure	(2,988,782)	0	(206,254)	(2,782,528)	0	(50.9)
State PERA contribution reduction	(962,496)	(1,920)	0	(960,576)	0	0.0
Operating base reduction	(125,770)	0	0	(125,770)	0	0.0
Wheat Ridge leased space	(30,000)	0	0	(30,000)	0	0.0
<b>HB 10-1376</b>	<b><u>\$49,035,103</u></b>	<b><u>\$86,089</u></b>	<b><u>\$2,060,389</u></b>	<b><u>\$46,888,625</u></b>	<b><u>\$0</u></b>	<b><u>927.6</u></b>
<b>TOTAL</b>	<b>\$49,035,103</b>	<b>\$86,089</b>	<b>\$2,060,389</b>	<b>\$46,888,625</b>	<b>\$0</b>	<b>927.6</b>
<b>Increase/(Decrease)</b>	<b>(\$2,961,291)</b>	<b>\$718</b>	<b>(\$206,254)</b>	<b>(\$2,755,755)</b>	<b>\$0</b>	<b>(50.1)</b>
Percentage Change	(5.7)%	0.8%	(9.1)%	(5.6)%	n/a	(5.1)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1302 and H.B. 10-1376 reflect a reduction for the closure of the Skilled Nursing Facility at the Grand Junction Regional Center (GJRC) partially offset by a positive adjustment related to the actual impact of FY 2009-10 furlough days.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Annualize prior year decisions:** The appropriation includes an increase of \$415,000 Medicaid funds to restore a one-time reduction associated with an excessively late supplemental, an increase of \$28,417 General Fund

and 0.8 FTE to annualize staff added to address quality of care and staffing ratios, and a reduction of \$164,250 Medicaid funds for one-time funding provided for maintenance issues.

**Postage adjustment:** The appropriation provides funding associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Skilled nursing facility closure:** The appropriation includes reductions in personal services and operating expenses associated with closing the 32-bed Skilled Nursing Facility at the GJRC and transferring the clients to community based facilities.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating base reduction:** The appropriation includes a decrease as part of a department-wide plan to reduce non-food and non-medical operating expenses from the General Fund and Medicaid funds in aggregate by 5.0 percent.

**Wheat Ridge leased space:** The appropriation includes a reduction of \$30,000 for leased space no longer needed by the Wheat Ridge Regional Center due to downsizing.

### *Work Therapy Program*

This subsection contains appropriations from 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.

<i>Work Therapy Program</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	<u>\$467,116</u>	<u>\$0</u>	<u>\$467,116</u>	<u>\$0</u>	<u>\$0</u>	<u>1.5</u>
<b>TOTAL</b>	<b>\$467,116</b>	<b>\$0</b>	<b>\$467,116</b>	<b>\$0</b>	<b>\$0</b>	<b>1.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$467,116	\$0	\$467,116	\$0	\$0	1.5
None	0	0	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$467,116</u></b>	<b><u>\$0</u></b>	<b><u>\$467,116</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>1.5</u></b>
<b>TOTAL</b>	<b>\$467,116</b>	<b>\$0</b>	<b>\$467,116</b>	<b>\$0</b>	<b>\$0</b>	<b>1.5</b>

<i>Work Therapy Program</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	0.0%

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**None:** The appropriation includes no changes for FY 2010-11.

### *Division of Vocational Rehabilitation*

This subsection contains appropriations to assist persons with physical and mental disabilities in overcoming barriers to employment. Vocational counseling services are provided statewide through satellite offices, and associated educational and medical services are purchased for program participants. In addition to providing vocational services, the Division assists persons with disabilities in living independently and integrating successfully into their communities. Most funding for the Division is based on a match of 78.7 percent federal vocational rehabilitation funds to 21.3 percent non-federal funds. Cash and reappropriated funds are from various local and government sources, including school districts.

<i>Division of Vocational Rehabilitation</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1302	<u>(166,958)</u>	<u>(31,323)</u>	<u>(4,710)</u>	<u>(1,563)</u>	<u>(129,362)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$55,578,346</b>	<b>\$5,667,621</b>	<b>\$4,440,904</b>	<b>\$5,037,394</b>	<b>\$40,432,427</b>	<b>251.2</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$55,578,346	\$5,667,621	\$4,440,904	\$5,037,394	\$40,432,427	251.2
Match additional available federal funds	7,867,465	0	0	1,675,770	6,191,695	0.0
Restore FY 2009-10 furlough reductions	411,179	83,440	4,710	1,475	321,554	0.0
Postage adjustment	750	154	(19)	15	600	0.0
Fund source adjustment	0	(40,039)	0	0	40,039	0.0
One-time federal ARRA funds	(1,887,490)	0	0	0	(1,887,490)	0.0
Traumatic Brain Injury Trust Fund	(353,900)	0	(353,900)	0	0	0.0
State PERA contribution reduction	(299,356)	(60,748)	(3,429)	(1,074)	(234,105)	0.0
Community provider rate adjustment	(289,787)	(46,977)	(179)	(37,980)	(204,651)	0.0

<i>Division of Vocational Rehabilitation</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Operating base reduction	(87,247)	(15,317)	0	0	(71,930)	0.0
<b>HB 10-1376</b>	<b><u>\$60,939,960</u></b>	<b><u>\$5,588,134</u></b>	<b><u>\$4,088,087</u></b>	<b><u>\$6,675,600</u></b>	<b><u>\$44,588,139</u></b>	<b><u>251.2</u></b>
<b>TOTAL</b>	<b>\$60,939,960</b>	<b>\$5,588,134</b>	<b>\$4,088,087</b>	<b>\$6,675,600</b>	<b>\$44,588,139</b>	<b>251.2</b>
<b>Increase/(Decrease)</b>	\$5,361,614	(\$79,487)	(\$352,817)	\$1,638,206	\$4,155,712	0.0
Percentage Change	9.6%	(1.4)%	(7.9)%	32.5%	10.3%	0.0%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1302 primarily reflect adjustments related to the actual impact of FY 2009-10 furlough days.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Match additional available federal funds:** The appropriation includes an increase in local cash funds spending authority to match the projected available federal funds for FY 2010-11.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Postage adjustment:** The appropriation provides funding associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Fund source adjustment:** The appropriation refinances the administration of the state employment program for people with developmental disabilities created pursuant to S.B. 08-004 from General Fund to a mix of General Fund and federal funds for vocational rehabilitation.

**One-time federal ARRA funds:** The appropriation reflects the anticipated phased reduction in federal funds available through the American Recovery and Reinvestment Act of 2009 (ARRA).

**Traumatic Brain Injury Trust Fund:** The appropriation includes an increase of \$146,100 cash funds for an expected increase in surcharges paid to the Traumatic Brain Injury Trust Fund pursuant to S.B. 09-133 and an offsetting decrease of \$500,000 cash funds for one-time spending authority provided in FY 2009-10 to reduce the balance in the Traumatic Brain Injury Trust Fund.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Community provider rate adjustment:** The appropriation includes a reduction for a new 2.0 percent community provider rate decrease effective July 2010.

**Operating base reduction:** The appropriation includes a decrease as part of a department-wide plan to reduce non-food and non-medical operating expenses from the General Fund and Medicaid funds in aggregate by 5.0 percent.

### *Homelake Domiciliary and State and Veterans Nursing Homes*

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

<i>Homelake Domiciliary and State and Veterans Nursing Homes</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$55,609,768	\$1,181,757	\$42,453,849	\$0	\$11,974,162	673.4
HB 10-1302	<u>(195,627)</u>	<u>(195,627)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$55,414,141</b>	<b>\$986,130</b>	<b>\$42,453,849</b>	<b>\$0</b>	<b>\$11,974,162</b>	<b>673.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$55,414,141	\$986,130	\$42,453,849	\$0	\$11,974,162	673.4
None	0	0	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$55,414,141</u></b>	<b><u>\$986,130</u></b>	<b><u>\$42,453,849</u></b>	<b><u>\$0</u></b>	<b><u>\$11,974,162</u></b>	<b><u>673.4</u></b>
<b>TOTAL</b>	<b>\$55,414,141</b>	<b>\$986,130</b>	<b>\$42,453,849</b>	<b>\$0</b>	<b>\$11,974,162</b>	<b>673.4</b>
<b>Increase/(Decrease)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Percentage Change</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>n/a</b>	<b>0.0%</b>	<b>0.0%</b>

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1302 reflect elimination of nursing home consulting services.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**None:** The appropriation includes no changes for FY 2010-11.

## 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 are described in the relevant subsections.

<b>Adult Assistance Programs</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$159,342,005	\$24,449,618	\$119,278,160	\$107,362	\$15,506,865	28.5
HB 10-1302	<u>(6,182,151)</u>	<u>(5,943)</u>	<u>(6,152,547)</u>	<u>(2,082)</u>	<u>(21,579)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$153,159,854</b>	<b>\$24,443,675</b>	<b>\$113,125,613</b>	<b>\$105,280</b>	<b>\$15,485,286</b>	<b>28.5</b>
<b>FY 2010-11 Appropriation:</b>						
HB 10-1376	\$154,910,068	\$24,137,491	\$114,581,225	\$105,817	\$16,085,535	28.5
HB 10-1146	640,357	640,357	0	0	0	0.0
HB 10-1384	<u>(13,439,987)</u>	<u>0</u>	<u>(13,439,987)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$142,110,438</b>	<b>\$24,777,848</b>	<b>\$101,141,238</b>	<b>\$105,817</b>	<b>\$16,085,535</b>	<b>28.5</b>
<b>Increase/(Decrease)</b>	<b>(\$11,049,416)</b>	<b>\$334,173</b>	<b>(\$11,984,375)</b>	<b>\$537</b>	<b>\$600,249</b>	<b>0.0</b>
Percentage Change	(7.2)%	1.4%	(10.6)%	0.5%	3.9%	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.

<b>Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$593,785	\$104,954	\$0	\$105,562	\$383,269	6.0
HB 10-1302	<u>(11,761)</u>	<u>(2,070)</u>	<u>0</u>	<u>(2,082)</u>	<u>(7,609)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$582,024</b>	<b>\$102,884</b>	<b>\$0</b>	<b>\$103,480</b>	<b>\$375,660</b>	<b>6.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$582,024	\$102,884	\$0	\$103,480	\$375,660	6.0
Restore FY 2009-10 furlough reductions	11,761	2,070	0	2,082	7,609	0.0

<i>Administration</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
State PERA contribution reduction	(8,536)	(1,507)	0	(1,516)	(5,513)	0.0
Postage adjustment	(110)	(20)	0	(29)	(61)	0.0
<b>HB 10-1376</b>	<b><u>\$585,139</u></b>	<b><u>\$103,427</u></b>	<b><u>\$0</u></b>	<b><u>\$104,017</u></b>	<b><u>\$377,695</u></b>	<b><u>6.0</u></b>
<b>TOTAL</b>	<b>\$585,139</b>	<b>\$103,427</b>	<b>\$0</b>	<b>\$104,017</b>	<b>\$377,695</b>	<b>6.0</b>
<b>Increase/(Decrease)</b>	\$3,115	\$543	\$0	\$537	\$2,035	0.0
Percentage Change	0.5%	0.5%	n/a	0.5%	0.5%	0.0%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1302 reflect adjustments related to the actual impact of FY 2009-10 furlough days.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Postage adjustment:** The appropriation includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

---

### *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, to eligible individuals age 60 and older. The projected FY 2010-11 average monthly caseload for the program is 22,057, including a reduction of 2,331 for the impact of H.B. 10-1384, which bars most legal immigrants from the program for five years from their date of entry into the country. Revenue for the Old Age Pension Fund (OAP) is generated through 85 percent of license fees, liquor and excise taxes. Revenue that is not used for the OAP Program "spills over" into the General Fund. As the designated funds are continuously appropriated by the State Constitution, the Long Bill simply reflects anticipated program expenditures for informational purposes.

<i>Old Age Pension Program</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$101,110,712	\$0	\$101,110,712	\$0	\$0	14.0
HB 10-1302	<u>(6,152,547)</u>	<u>0</u>	<u>(6,152,547)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$94,958,165</b>	<b>\$0</b>	<b>\$94,958,165</b>	<b>\$0</b>	<b>\$0</b>	<b>14.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$94,958,165	\$0	\$94,958,165	\$0	\$0	14.0
OAP caseload and average payment projection	1,025,096	0	1,025,096	0	0	0.0
County administration of OAP	116,189	0	116,189	0	0	0.0
Restore FY 2009-10 furlough reductions	24,631	0	24,631	0	0	0.0
State PERA contribution reduction	(17,933)	0	(17,933)	0	0	0.0
Postage adjustment	(123)	0	(123)	0	0	0.0
<b>HB 10-1376</b>	<b>\$96,106,025</b>	<b>\$0</b>	<b>\$96,106,025</b>	<b>\$0</b>	<b>\$0</b>	<b>14.0</b>
HB 10-1384	<u>(13,439,987)</u>	<u>0</u>	<u>(13,439,987)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$82,666,038</b>	<b>\$0</b>	<b>\$82,666,038</b>	<b>\$0</b>	<b>\$0</b>	<b>14.0</b>
<b>Increase/(Decrease)</b>	<b>(\$12,292,127)</b>	<b>\$0</b>	<b>(\$12,292,127)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(12.9)%	n/a	(12.9)%	n/a	n/a	0.0%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1302 include:

- a reduction of \$6,127,916 for OAP cash assistance based on the State Board of Human Services' decision not to provide a rate increase for FY 2009-10 (a \$1.8 million impact) and a technical correction to the expenditure projection (a \$4.3 million impact); and
- a reduction \$24,631 cash funds for adjustments related to the actual impact of FY 2009-10 furlough days.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**OAP caseload and average payment projection:** The appropriation includes an increase for the projected caseload and average payment per case.

**County administration of OAP:** The appropriation includes an increase for county administration of the OAP based on recent year actual county activity.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Postage adjustment:** The appropriation includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

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

### *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. These include the Aid to the Needy Disabled (AND) and Home Care Allowance programs, among others. Some of these programs provide supplementary funding for individuals who qualify for federal Supplemental Security Income (SSI) income assistance, while others serve those ineligible for federal SSI assistance or whose federal application is pending. The AND programs are projected to serve an average monthly caseload of 6,800 and to provide an average monthly payment per person of approximately \$225 in FY 2009-10. Cash funds sources include county matching funds and interim assistance reimbursements from the federal government for individuals who become eligible for SSI.

<i>Other Grant Programs</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	<u>\$28,974,375</u>	<u>\$22,310,442</u>	<u>\$6,663,933</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$28,974,375</b>	<b>\$22,310,442</b>	<b>\$6,663,933</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$28,974,375	\$22,310,442	\$6,663,933	\$0	\$0	0.0
None	0	0	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$28,974,375</b>	<b>\$22,310,442</b>	<b>\$6,663,933</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
HB 10-1146	<u>640,357</u>	<u>640,357</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$29,614,732</b>	<b>\$22,950,799</b>	<b>\$6,663,933</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$640,357	\$640,357	\$0	\$0	\$0	0.0
Percentage Change	2.2%	2.9%	0.0%	n/a	n/a	n/a

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**None:** The Long Bill appropriation includes no changes for FY 2010-11.

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

### *Community Services for the Elderly*

This subsection of Adult Assistance Programs includes appropriations for programs associated with the federal Older Americans Act, including the Older Coloradans Program established by H.B. 00-1072. These programs are administered by 16 Area Agencies on Aging 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 Older Coloradans Cash Fund derives from excise and sales tax revenues which are allocated to the Fund before the balance of tax revenues are deposited to the General Fund. The federal funds source is Older Americans Act grants.

<i>Community Services for the Elderly</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$28,663,133	\$2,034,222	\$11,503,515	\$1,800	\$15,123,596	8.5
HB 10-1302	<u>(17,843)</u>	<u>(3,873)</u>	<u>0</u>	<u>0</u>	<u>(13,970)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$28,645,290</b>	<b>\$2,030,349</b>	<b>\$11,503,515</b>	<b>\$1,800</b>	<b>\$15,109,626</b>	<b>8.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$28,645,290	\$2,030,349	\$11,503,515	\$1,800	\$15,109,626	8.5
Reallocate General Fund to access additional federal funds	594,492	0	0	0	594,492	0.0
Restore FY 2009-10 furlough reductions	17,263	3,719	0	0	13,544	0.0
Refinance General Fund with Older Coloradans Cash Funds	0	(307,752)	307,752	0	0	0.0
State PERA contribution reduction	(12,569)	(2,708)	0	0	(9,861)	0.0
Other	53	14	0	0	39	0.0
<b>HB 10-1376</b>	<b><u>\$29,244,529</u></b>	<b><u>\$1,723,622</u></b>	<b><u>\$11,811,267</u></b>	<b><u>\$1,800</u></b>	<b><u>\$15,707,840</u></b>	<b><u>8.5</u></b>
<b>TOTAL</b>	<b>\$29,244,529</b>	<b>\$1,723,622</b>	<b>\$11,811,267</b>	<b>\$1,800</b>	<b>\$15,707,840</b>	<b>8.5</b>
<b>Increase/(Decrease)</b>	<b>\$599,239</b>	<b>(\$306,727)</b>	<b>\$307,752</b>	<b>\$0</b>	<b>\$598,214</b>	<b>0.0</b>
Percentage Change	2.1%	(15.1)%	2.7%	0.0%	4.0%	0.0%

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1302 include a reduction of \$17,263, including \$3,719 General Fund, for adjustments related to the actual impact of FY 2009-10 furlough days, among other adjustments.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Reallocate General Fund to access additional federal funds:** The appropriation reallocates General Fund among line items to allow the State to draw down an additional \$594,492 federal funds to support Older Americans Act programs and the Area Agencies on Aging.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Refinance General Fund with Older Coloradans Cash Funds:** The appropriation replaces a portion of the General Fund appropriation for State Funding for Senior Services with reserves from interest earnings on the Older Coloradans Cash Fund.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Other:** The appropriation includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

---

## 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$134,257,154	\$129,631,591	\$91,367	\$3,364,407	\$1,169,789	1,008.0
HB 10-1302	(16,447)	(427,851)	(649)	415,366	(3,313)	(6.4)
HB 10-1376	<u>(3,460,374)</u>	<u>(4,144,613)</u>	<u>0</u>	<u>(41,897)</u>	<u>726,136</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$130,780,333</b>	<b>\$125,059,127</b>	<b>\$90,718</b>	<b>\$3,737,876</b>	<b>\$1,892,612</b>	<b>1,001.6</b>

<b>Division of Youth Corrections</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$130,780,333	\$125,059,127	\$90,718	\$3,737,876	\$1,892,612	1,001.6
Eliminate savings from operating facilities at 120 percent of capacity	3,899,021	3,732,550	0	166,471	0	0.0
Caseload adjustment	1,653,607	1,560,969	0	65,209	27,429	0.0
Restore FY 2009-10 furlough reductions	582,942	571,884	1,587	1,346	8,125	0.0
Restore IMPACT funding	200,000	200,000	0	0	0	0.0
Annualize impact of licensing change for Ridge View facility	0	(1,194,793)	0	576,917	617,876	0.0
Operate facilities at 110 percent of capacity	(2,396,766)	(2,301,857)	0	(94,909)	0	0.0
State PERA contribution reduction	(1,254,508)	(1,246,379)	(1,166)	(990)	(5,973)	0.0
Annualize 2.0 percent provider rate reduction	(640,188)	(582,228)	0	(12,334)	(45,626)	0.0
Annualize change to case management ratios	(214,080)	(214,080)	0	0	0	(3.2)
Operating adjustments	(71,122)	(71,122)	0	0	0	0.0
Eliminate mental health pilot for detention	(66,482)	(66,482)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$132,472,757</b>	<b>\$125,447,589</b>	<b>\$91,139</b>	<b>\$4,439,586</b>	<b>\$2,494,443</b>	<b>998.4</b>
HB 10-1413	<u>371,880</u>	<u>371,880</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$132,844,637</b>	<b>\$125,819,469</b>	<b>\$91,139</b>	<b>\$4,439,586</b>	<b>\$2,494,443</b>	<b>998.4</b>
<b>Increase/(Decrease)</b>	\$2,064,304	\$760,342	\$421	\$701,710	\$601,831	(3.2)
Percentage Change	1.6%	0.6%	0.5%	18.8%	31.8%	(0.3)%

### **FY 2009-10 Appropriation Adjustments**

Significant supplemental appropriations in H.B. 10-1302 included the following adjustments:

- an increase of \$471,714, including \$472,393 General Fund, for adjustments related to the actual impact of FY 2009-10 furlough days;
- an increase of \$544,772 General Fund to enable state-operated facilities to operate at 120 percent of capacity;
- a reduction of \$412,083 General Fund and a reappropriated funds increase of the same amount to refinance some medical services for youth at Ridge View Youth Services Center based on a change in the facility license;
- a reduction of \$428,160 General Fund and 6.4 FTE for a change to the ratio of youth to client managers;
- a reduction of \$271,421 General Fund for a 20 percent cut to the managed care pilot program (Boulder IMPACT);

- a reduction of \$199,445 General Fund to eliminate the mental health pilot for detention; and
- a reduction of \$133,119 General Fund for a 2.0 percent provider rate reduction to selected line items

Supplemental appropriations in H.B. 10-1376 included the following additional adjustments:

- an increase of \$1,575,958, including \$1,502,988 net General Fund, based on the youth corrections commitment population projection;
- a reduction of \$4,443,792, including \$4,360,558 net General Fund, for reduced use of contract placements due to operating state facilities at 120 percent of capacity;
- a reduction of \$726,136 General Fund and a federal funds increase of the same amount to refinance some room and board services for youth at Ridge View Youth Services Center based on a change in the facility license; and
- a reduction of \$592,540, including \$581,856 net General Fund, for a 2.0 percent reduction to provider rates for contract placements.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Eliminate savings from operating facilities at 120 percent of capacity:** The DYC operated state facilities at 120 percent of capacity in FY 2009-10. The appropriation eliminates this requirement and associated savings for FY 2010-11.

**Caseload adjustment:** The appropriation reflects the contract beds required based on the Legislative Council Staff December 2009 youth corrections commitment forecast.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Restore IMPACT funding:** The appropriation partially restores a FY 2009-10 reduction to the managed care pilot project in Boulder county known as IMPACT.

**Annualize impact of licensing change for Ridge View facility:** The appropriation extends to a full year the impact of a FY 2009-10 licensing change for the Ridge View Youth Services Center. The licensing change enables the State to access federal Title IV-E and Medicaid funding for medical services and room and board costs for youth at the facility.

**Operate facilities at 110 percent of capacity:** The appropriation is based on the assumption that DYC will operate state facilities at 110 percent of capacity, consistent with the practice through FY 2008-09.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize 2.0 percent provider rate reduction:** The appropriation includes 2.0 percent provider rate reductions throughout the Division. For most providers, rates were reduced by 2.0 percent for nine months of FY 2009-10, and the amount shown reflects extending the FY 2009-10 reduction to a full year.

**Annualize change to case management ratios:** The appropriation reflects extending to a full year a reduction of 9.6 FTE client management positions. The reduction is associated with applying ratios of one client manager to 25 youth for those youth in residential placement and one client manager to 18 youth for youth on parole.

**Operating adjustments:** The appropriation includes a decrease of \$70,992 as part of a department-wide plan to reduce non-food and non-medical operating expenses from the General Fund and Medicaid funds by 5.0 percent in aggregate. It also includes adjustments associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Eliminate mental health pilot for detention:** The appropriation eliminates funding for a program, terminated in mid-FY 2009-10, to provide mental health assessments and post-release mental health services for youth in detention in Mesa and Jefferson counties.

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

## Recent Legislation

### 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. 09-206:** 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. 09-1215:** Creates the State SSI Stabilization fund to help the Department of Human Services meet the federal target for state spending for assistance to recipients of the federal SSI benefits. The stabilization fund receives moneys recovered by adult assistance programs due to overpayments to recipients and any appropriations made to the fund by the General Assembly. Moneys in the stabilization fund are continuously appropriated to the Department. The Department is required to report annually to the Joint Budget Committee on whether expenditures are made from the stabilization fund, the amount of expenditures made each month, and the programs for which the expenditures are made. Funds in excess of \$1.5 million at the end of any fiscal year are transferred to the General Fund.

**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.

## **2010 Session Bills**

**S.B. 10-068:** Makes a number of statutory changes aimed at streamlining eligibility requirements for the Colorado Works Program, including removing the asset test, removing the standard of need calculation from statute and instead requiring the State Board of Human Services to promulgate rules, making assistance available upon verification of pregnancy instead of the sixth month, and eliminating verification of immunizations as a condition of eligibility, among other changes. Provides a one-time appropriation of \$966,000 federal Temporary Assistance to Needy Families funds to the Department of Human Services for FY 2010-11 for changes to the Colorado Benefits Management System.

**S.B. 10-149:** Temporarily modifies the county tax base relief program, which provides additional General Fund support for counties with a low county property tax base and high social service program costs. Limits the relief to those counties that qualify under "Tier I" of the program (lowest tax base/highest cost counties) for FY 2009-10, FY 2010-11, and FY 2011-12. Associated budget reductions (\$2.95 million General Fund) were included in the Department of Human Services supplemental bill (H.B. 10-1302).

**S.B. 10-171:** Requires the Department of Human Services to establish and administer a Child Protection Ombudsman Program by contract with a public agency or private nonprofit organization. The program is required to: (1) receive and review complaints; (2) investigate and resolve cases when appropriate; (3) evaluate and make recommendations for the creation of a statewide grievance policy; (4) make recommendations to improve the child welfare system; (5) promote best practices, and (6) report to the Governor and the General Assembly. Provides an appropriation of \$175,000 General Fund to the Department of Human Services for FY 2010-11; this is expected to annualize to \$370,000 General Fund for FY 2011-12.

**S.B. 10-195:** Creates in state law the Early Childhood Leadership Commission in the Governor's Office and specifies its membership, purpose, and duties. No appropriation is provided; however, it is anticipated that up to \$1.3 million federal funds will be received and deposited in the Early Childhood Leadership Commission Cash Fund to support the Commission's work.

**H.B. 10-1035:** Modifies the eligibility determination process for the Colorado Child Care Assistance Program in the Department of Human Services. Among other changes: (1) extends the eligibility redetermination period for all program participants from six months to twelve months; (2) eliminates the requirement that a parent report income and activity changes during the twelve-month eligibility period, unless the changes puts the family's income above 85 percent of the median state income; and (3) aligns the eligibility redetermination period for children who are enrolled in Head Start so that child care assistance and Head Start eligibility are redetermined at the same time. Provides a one-time appropriation of \$249,700 federal Child Care Development Funds for FY 2010-11 for changes to the Child Care Assistance and Tracking System.

**H.B. 10-1053:** Requires that the State conduct two studies (one by the Department of Human Services and one by the Department of Health Care Policy and Financing) contingent upon the receipt of sufficient gifts, grants, and donations to support the studies. Requires the Department of Human Services to contract for a study of additional services and potential cost savings under the Older Coloradans Program and to develop a strategic plan for implementing potential cost saving measures. Includes a FY 2010-11 appropriation to the Department of Human Services for \$200,000 from the Older Coloradans Study Cash Fund, among other appropriations.

For additional information, see the "Recent Legislation" section at the end of the Department of Health Care Policy and Financing.

**H.B. 10-1106:** Brings several aspects of Colorado law concerning child welfare into compliance with federal law. Includes changes for finger-print requirements for group home parents and staff; requires a child's best interest be the primary consideration when determining where to place a child for adoption; specifies that preference be given to a child's relative when making a foster care or pre-adoptive placement, if the relative can safely meet the child's needs; and requires that child placement agencies recruit and retain foster and adoptive parents who reflect the racial, ethnic, cultural, and linguistic background of children in the agency's care. Allows the race, ethnicity, or national origin of a child and potential adoptive or foster families to be considered under extraordinary circumstances, but states that a placement shall not be delayed due to these factors. Provides an appropriation of \$56,308 from the Colorado Bureau of Investigation Identification Unit Cash Fund and 0.3 FTE for FY 2010-11 to the Department of Public Safety, Colorado Bureau of Investigation. This amount annualizes to \$23,336 cash funds and 0.1 FTE for FY 2011-12.

**H.B. 10-1146:** Modifies the eligibility requirements for the Home Care Allowance (HCA) program in the Department of Human Services. As of January 1, 2011, prohibits individuals receiving Medicaid home- and community-based services from receiving HCA. As of January 1, 2014, eliminates Old Age Pension (OAP) as a HCA recipient category, except for qualified OAP recipients enrolled in HCA prior to December 31, 2013, who are "grandfathered" into the program. Transfers responsibility for the HCA's single entry point contract from the Department of Health Care Policy and Financing to the Department of Human Services. Provides for multiple appropriation changes for FY 2010-11 to the Departments of Human Services and Health Care Policy and Financing as reflected in the table below. Appropriations reflect the expectation that as some individuals lose eligibility for the HCA program, most HCA funding will be redirected to other individuals, including those eligible for federal Supplemental Security Income (SSI).

<b>FY 2010-11 Appropriations and FY 2011-12 Estimates for H.B. 10-1146</b>		
	<b>FY 2010-11</b>	<b>FY 2011-12</b>
<b>Department of Human Services</b>		
Home Care Allowance - General Fund	(\$360,545)	(\$336,654)
Single Entry Point Contract - General Fund	1,000,902	1,063,259
Colorado Benefits Management System Modifications	<u>490,000</u>	<u>0</u>
General Fund	120,870	0
Cash Funds - Old Age Pension Cash Fund	22,822	0
Reappropriated Funds from the Dept. of Health Care Policy and Financing	184,387	0
Federal Funds	161,921	0
<b>Department of Health Care Policy and Financing</b>		
Medicaid Premiums for Home & Community Based Services	<u>296,481</u>	<u>673,308</u>
General Fund	131,060	336,654
Federal Funds	165,421	336,654
Single Entry Point Contract - General Fund	(1,000,902)	(1,063,259)
Colorado Benefits Management System Modifications	<u>184,387</u>	<u>0</u>
General Fund	91,434	0
Cash Funds - Old Age Pension Cash Fund	441	0
Cash Funds - Children's Basic Health Plan Trust Cash Fund	377	0
Federal Funds	92,135	0

FY 2010-11 Appropriations and FY 2011-12 Estimates for H.B. 10-1146		
	FY 2010-11	FY 2011-12
<b>Governor's Office</b>		
Colorado Benefits Management System Modifications Reappropriated Funds from Department of Human Services	490,000	0
<b>TOTAL - All Departments</b>	<u>\$1,100,323</u>	<u>\$336,654</u>
General Fund	(17,181)	0
Cash Funds	23,640	0
Reappropriated Funds	674,387	0
Federal Funds	419,477	336,654

**H.B. 10-1284:** Regulates medical marijuana by creating a state and local medical marijuana licensing authority. Amends the statute concerning the medical marijuana program to regulate the role of care givers. Includes an appropriation to the Department of Human Services of \$334,227 General Fund for mental health and substance abuse services for juveniles and adults at risk of becoming or currently involved in the criminal justice system. For more information, see the "Recent Legislation" section at the end of the Department of Revenue.

**H.B. 10-1302:** Supplemental appropriation to the Department of Human Services to modify FY 2009-10 appropriations. Also includes supplemental adjustments to modify FY 2008-09 appropriations to the Department of Human Services.

**H.B. 10-1338:** Allows a person who has two or more prior felony convictions to be eligible for probation, with certain exceptions. Among other adjustments, increases the appropriation to the Department of Human Services for FY 2010-11 for child welfare services by \$1,719,794 to mitigate the reduction in funding for county staff salaries and benefits, community provider rates, and Medicaid treatment rates (including \$991,919 General Fund, \$343,959 local cash funds, \$308,707 federal Title IV-E funds, and \$75,209 reappropriated funds transferred from the Department of Health Care Policy and Financing (HCPF)). For additional information, see the "Recent Legislation" section at the end of the Judicial Department.

**H.B. 10-1369:** Amends the "Public School Finance Act of 1994" to modify the funding for K-12 public schools in FY 2010-11. Includes a refinance of \$13,439 reappropriated funds with \$13,439 General Fund for educational programs at the state mental health institutes. For more information, see the "Recent Legislation" section at the end of the Department of Education.

**H.B. 10-1376:** General appropriations act for FY 2010-11. Also includes supplemental adjustments to modify FY 2009-10 appropriations to the Department of Human Services.

**H.B. 10-1384:** Resolves conflicting state statutory provisions determining the eligibility of noncitizens for Colorado's Old Age Pension (OAP) program. More closely aligns state eligibility criteria for this program with federal policy on the provision of public assistance to noncitizens. Discontinues benefits for any OAP recipient or applicant found ineligible under the new provisions. Effective July 1, 2010, bars qualified aliens from accessing the OAP program for five years after their date of entry into the United States, with certain exceptions. Effective January 1, 2014, requires that the income and resources of a qualified alien's sponsor be considered when determining OAP eligibility, with certain exceptions.

Includes an appropriation to the Department of Human Services for Colorado Benefits Management System (CBMS) changes of \$46,000 total funds for FY 2009-10 (includes funds appropriated to and then transferred

from the Department of Health Care Policy and Financing). Also includes an appropriation to the Department of Human Services for FY 2010-11 for CBMS changes of \$45,761 total funds (includes funds appropriated to and then transferred from the Department of Health Care Policy and Financing) and reappropriates this amount to the Governor's Office. Reduces the appropriation to the Department of Human Services by \$13.4 million OAP Cash Funds for FY 2010-11 in anticipation of reduced expenditures for OAP benefits. Savings at this level are anticipated to continue in FY 2011-12. Reduced OAP cash fund expenditures result in a General Fund revenue increase, as the OAP cash fund is comprised of sales and excise taxes. Funds not needed for the OAP program "spill over" to the General Fund.

**H.B. 10-1413:** Raises the minimum age for filing criminal charges against a juvenile in district court (a process known as "direct filing"). Raises the minimum age for direct filing from 14 to 16, except in cases of first- or second-degree murder or a sex offense combined with an aggravating condition or history (*e.g.*, crime of violence, habitual juvenile offender). Includes the following appropriations for FY 2010-11: (1) \$371,880 General Fund to the Department of Human Services, Division of Youth Corrections; and (2) \$135,678 General Fund to the Department of Corrections, Youthful Offender System. Partially offsets these increases with a \$266,803 General Fund reduction for the Department of Corrections' External Capacity Subprogram. Results in a net appropriations increase of \$240,755 General Fund for FY 2010-11. Specifies that enactment of H.B. 10-1413 is contingent upon whether the enactment of H.B. 10-1360 results in a General Fund savings for FY 2010-11 that is equal to or greater than the General Fund appropriations in H.B. 10-1413.

# JUDICIAL DEPARTMENT

The Colorado Constitution vests the judicial power of the State in the Judicial Branch, which consists of the Supreme Court, the Court of Appeals, 22 district courts, the Denver probate and juvenile courts, county courts, and municipal courts. All of these courts are funded by the State, with the exception of municipal courts and Denver's county courts, which are funded by their respective local governments. In addition to operation of state-funded courts, the state 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 four independent agencies. The *Public Defender's Office* and the *Office of Alternate Defense Counsel* provide legal representation for indigent criminal defendants. These cases are first assigned to the Public Defender's Office, and cases are referred to the Alternate Defense Counsel if there is an ethical conflict of interest. The *Office of the Child's Representative* oversees the provision of legal services to children entitled to legal representation at state expense (such as those involved in dependency and neglect cases), and is responsible for ensuring quality representation. Finally, the *Independent Ethics Commission* hears complaints, issues findings, and assesses penalties on ethics issues arising under Article XXIX of the Colorado Constitution.

## Department Budget: Recent Appropriations

Funding Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$299,604,040	\$327,079,558	\$323,814,931	\$332,423,582
Cash Funds/1	77,689,182	98,439,018	105,630,825	108,528,846
Cash Funds Exempt/1	10,541,809	n/a	n/a	n/a
Reappropriated Funds/1	n/a	5,966,106	7,718,876	7,478,592
Federal Funds	<u>2,291,464</u>	<u>2,290,265</u>	<u>4,430,420</u>	<u>6,814,742</u>
<b>Total Funds</b>	<b>\$390,126,495</b>	<b>\$433,774,947</b>	<b>\$441,595,052</b>	<b>\$455,245,762</b>
Full Time Equiv. Staff	3,854.2	4,084.7	3,947.8	4,084.4

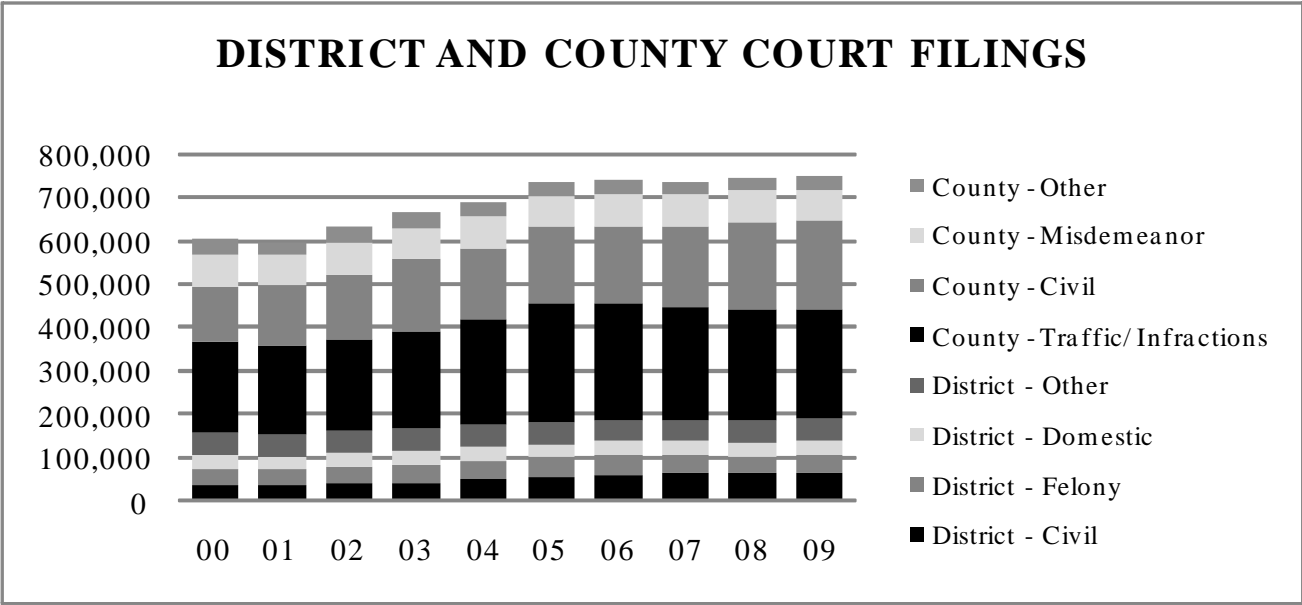
/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 are reflected in a new format, which redistributes funds previously classified "cash funds" and "cash funds exempt" into the newly defined "cash funds" and "reappropriated funds" categories.

## General Factors Driving the Budget

Fiscal year 2010-11 funding for this department consists of 73.0 percent General Fund, 23.8 percent cash funds, 1.7 percent reappropriated funds, and 1.5 percent federal funds. Cash funds that support court operations primarily come from various docket fees and surcharges established in statute. The Probation program also

receives cash funds from individuals sentenced to probation who pay fees to support their supervision and treatment. Attorney licensing fees are used by the Supreme Court to regulate the practice of law in Colorado.

The main factor driving the budget for the Judicial Department is caseload. Judges, magistrates, probation officers, public defenders, contract attorneys, and court 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 affect 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 2008-09, approximately 757,000 cases were filed in the state court system, including 562,000 (74 percent) in county courts, 191,000 (25 percent) in district courts, 2,800 in the Court of Appeals, and 1,600 in the Supreme Court. The above graph depicts the number of cases filed annually in county and district courts since FY 1999-00.

The total number of county and district case filings has increased by nearly 24 percent over the last ten years (with a compound annual growth rate of 2.4 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 20,000, 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 nearly 76,000 (60 percent). Civil cases now account for over 36 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: increasing the number of court of appeals judges from 19 to 22; increasing the number of

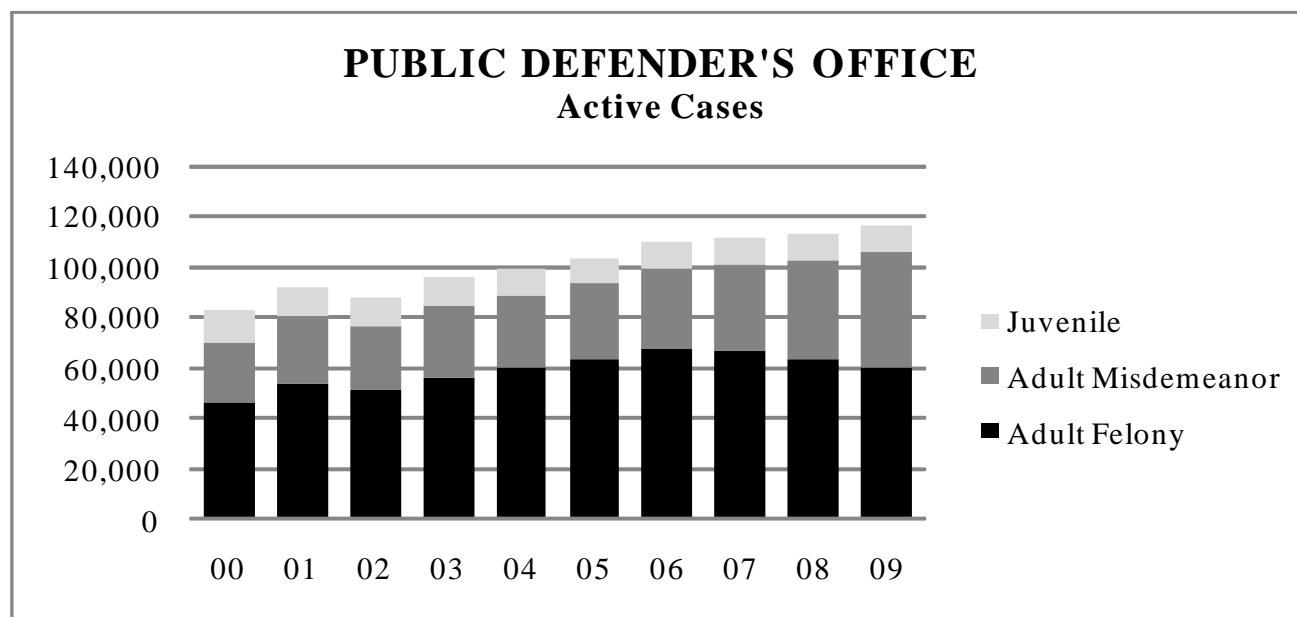
district court judges from 118 to 150; and increasing the number of county court judges from 84 to 92. The addition of 43 judgeships requires funding for the judges as well as the associated court support staff (e.g., law clerks, court reporters, judicial assistants, etc.), along with additional staff 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. Funding was provided for the first two fiscal years to add 28 judgeships, as scheduled. In light of the revenue shortfall, the implementation of the final 15 judgeships has been delayed until 2011.

### Caseload Impacts Unique to Independent Agencies

Three of the independent agencies are affected by changes in the number of cases filed, based on the clients they are charged with representing. Each of these agencies is discussed below.

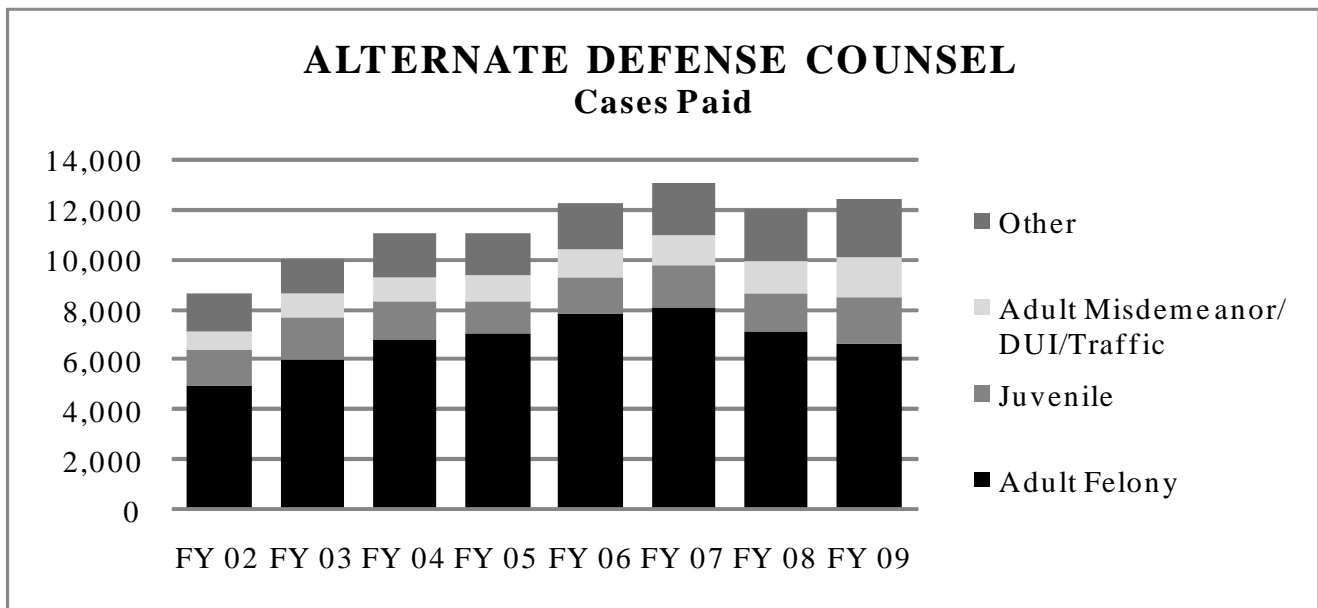
The *Public Defender's Office* represents criminal defendants who have inadequate resources to pay for their own defense. The Public Defender's Office' caseload is affected by the number and types of cases filed, as well as the proportion of clients who require state-funded representation. As in the 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 has increased annually since FY 2001-02. From FY 2001-02 through FY 2005-06, the number of felony cases requiring pre-trial and trial involvement (the primary factor driving public defender attorney staffing needs) increased by more than 8,000 (34 percent). Since FY 2005-06 the number of felony cases requiring pre-trial and trial involvement has actually declined, while adult misdemeanor cases requiring pre-trial and trial involvement has increased by more than 47 percent (from 22,085 to 32,510).

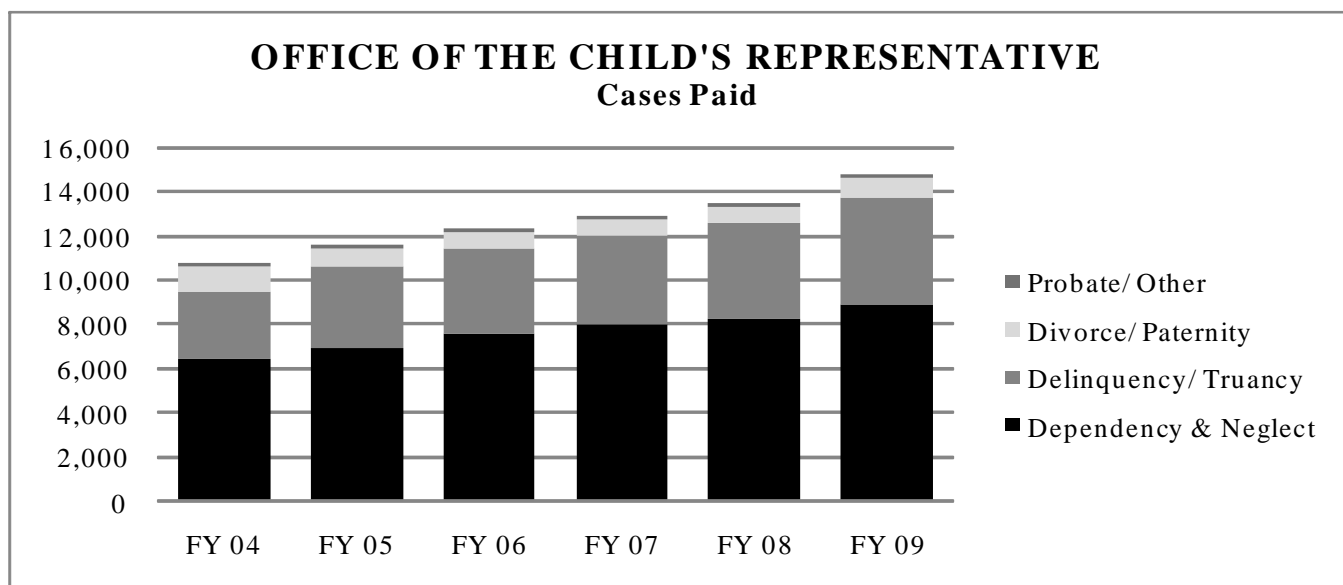


The *Office of the Alternate Defense Counsel (OADC)* contracts with private attorneys to represent indigent defendants in cases where the Public Defender has an ethical conflict of interest. Similar to the Public Defender, certain types of cases (e.g., death penalty cases and other cases involving violent crimes) are more expensive than others; these types of cases require more hours of attorney time and the OADC pays a higher hourly rate

for these types of cases. As illustrated in the following graph, OADC caseload growth from FY 2001-02 through FY 2005-06 was primarily driven by increases in the number of felony cases. In FY 2007-08, the OADC caseload declined, primarily due to reductions in the number of felony and juvenile cases.



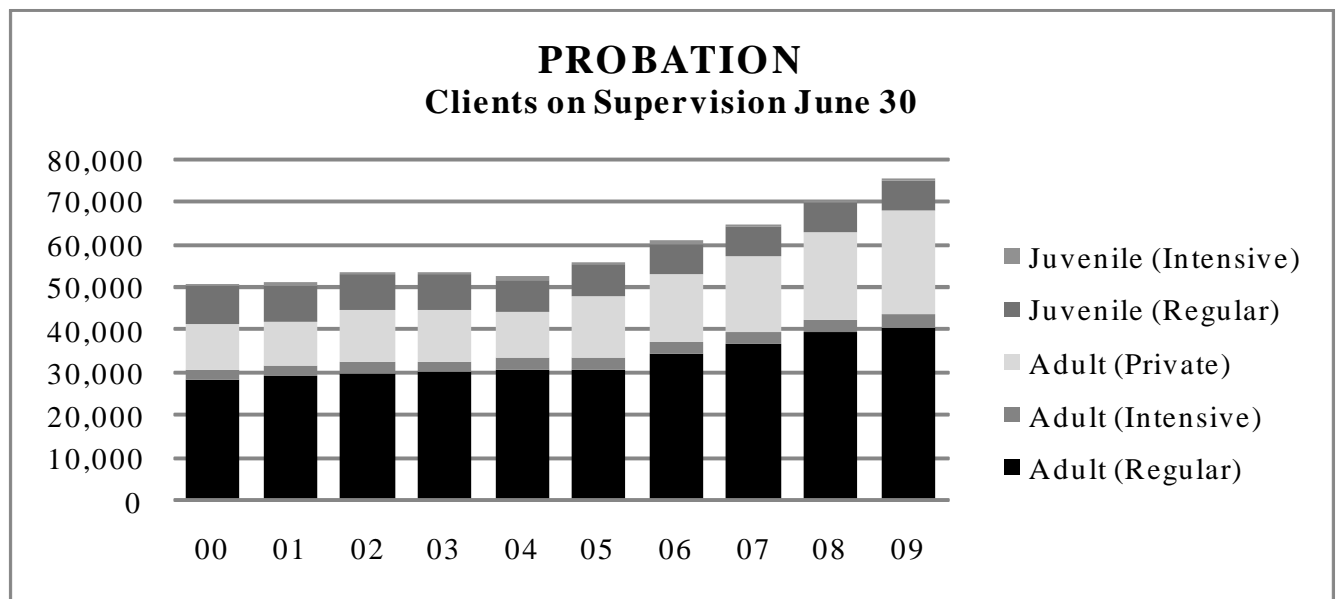
The *Office of the Child's Representative (OCR)* is responsible for providing legal representation for children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. OCR expenditures are primarily driven by the number of cases involving abuse or neglect, 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 length of required supervision. The number of offenders under supervision has increased significantly since 2004. In particular, the number of adult offenders increased by nearly 24,000 (54 percent). While more than half of this growth is related to driving under the influence (DUI)/driving while ability impaired (DWAI) and other offenders who are supervised by private providers, the number of adult offenders supervised by state staff increased by more than 10,000 (31 percent). As the number of offenders grows, so does the need for probation officers to adequately supervise offenders. From FY 2003-04 to FY 2008-09, the number of FTE appropriated for probation increased from 950 to 1,204 (27 percent). The following graph depicts changes in the number of adults and juveniles under various types of supervision since 2000.



## Summary of FY 2009-10 and FY 2010-11 Appropriations

Judicial Department						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$441,595,052</b>	<b>\$323,814,931</b>	<b>\$105,630,825</b>	<b>\$7,718,876</b>	<b>\$4,430,420</b>	<b>3,947.8</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court/Court of Appeals	19,603,524	10,747,137	8,856,387	0	0	198.7

<b>Judicial Department</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Courts Administration	59,408,692	37,129,387	19,547,079	2,726,806	5,420	200.7
Trial Courts	175,400,740	118,456,392	54,054,348	1,265,000	1,625,000	1,830.8
Probation and Related Services	93,153,215	63,606,879	23,026,766	3,719,570	2,800,000	1,143.7
Public Defender	51,956,300	51,822,555	126,245	7,500	0	539.6
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
<u>Breakdown of Total Appropriation by Bill</u>						
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
HB 10-1303	(9,068,604)	(12,542,585)	3,363,981	110,000	0	(200.4)
<b>FY 2010-11 Total Appropriation:</b>	<b>\$455,245,762</b>	<b>\$332,423,582</b>	<b>\$108,528,846</b>	<b>\$7,478,592</b>	<b>\$6,814,742</b>	<b>4,084.4</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Supreme Court/Court of Appeals	18,856,903	10,035,031	8,821,872	0	0	188.7
Courts Administration	102,073,306	46,530,318	50,659,224	2,494,022	2,389,742	333.4
Trial Courts	136,364,433	107,867,228	25,607,205	1,265,000	1,625,000	1,725.5
Probation and Related Services	96,716,086	66,925,971	23,270,545	3,719,570	2,800,000	1,195.9
Public Defender	57,111,379	56,961,379	150,000	0	0	604.5
Alternate Defense Counsel	24,556,665	24,536,665	20,000	0	0	7.5
Office of the Child's Representative	19,296,168	19,296,168	0	0	0	26.9
Independent Ethics Commission	270,822	270,822	0	0	0	2.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	452,508,283	329,935,853	108,279,096	7,478,592	6,814,742	4,070.7
HB 10-1291	(17,300)	(17,300)	0	0	0	0.0
HB 10-1338	308,628	308,628	0	0	0	5.2
HB 10-1347	688,268	438,518	249,750	0	0	7.3
HB 10-1352	1,487,061	1,487,061	0	0	0	(0.8)
HB 10-1404	270,822	270,822	0	0	0	2.0

<b>Judicial Department</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$13,650,710	\$8,608,651	\$2,898,021	(\$240,284)	\$2,384,322	136.6
Percentage Change	3.1%	2.7%	2.7%	(3.1)%	53.8%	3.5%

### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations include a reduction of \$11.6 million General Fund to address the revenue shortfall, including \$8.2 million in personnel reductions. These personnel reductions include 108.8 FTE trial court staff, 59.9 FTE probation staff, and 38.7 FTE public defender staff.
2. Informational appropriations related to the Supreme Court's constitutional authority to regulate the practice of law in Colorado are increased by \$1,395,000 to better reflect expenditures from continuously appropriated cash funds.
3. Cash funds appropriations are increased by \$1,290,000 and 1.0 FTE to better reflect anticipated grants from various sources.
4. Supplemental appropriations include \$72,245 cash funds and 1.0 FTE to implement an in-house public access system. In connection with the implementation of the new system, General Fund support for information technology infrastructure is reduced by \$1.0 million.
5. Cash funds spending authority for the Courthouse Security grant program is increased by \$476,000.

### **FY 2010-11 Appropriation Highlights:**

1. The appropriation restores \$8.3 million General Fund in one-time funding reductions taken in FY 2009-10, primarily due to the Trial Courts, Probation, and the Public Defender's Office holding open existing positions that become vacant and delaying hiring new staff that were authorized for FY 2009-10.
2. The appropriation adds \$4.1 million (including \$3.9 million General Fund) for centrally-appropriated line items, primarily for employee insurance and retirement benefits.
3. The appropriation adds \$4.0 million (including \$1.6 million General Fund) for the delayed implementation of H.B. 07-1054, which increased the number of state court judges.
4. The appropriation adds \$3.9 million (including \$3.5 million General Fund) to restore a one-time 1.82 percent reduction in personal services funding.
5. The appropriation adds \$2.8 million cash funds to operate an in-house public access system and provide user support, and to begin developing an in-house e-filing system.
6. The appropriation adds \$2.6 million (including \$245,000 General Fund and \$2.4 million federal funds) to expand the capacity of existing adult drug courts and DUI courts.

7. The appropriation adds \$1.8 million General Fund for court-appointed counsel to address caseload and cost per case increases, including \$892,000 for the Office of the Child's Representative and \$864,000 for the Alternate Defense Counsel.
8. The appropriation adds \$1.3 million General Fund for increased leased space costs.
9. The appropriation reflects a \$9.6 million reduction in personal services funding (including \$9.4 million General Fund) and the elimination of 170.0 FTE for the Supreme Court, the Court of Appeals, the State Court Administrator's Office, and the Trial Courts.
10. The appropriation reflects a \$5.8 million reduction in funding (including \$5.0 million General Fund) due to a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.
11. The appropriation eliminates \$1,150,000 cash funds for furnishing new and refurbished courthouse facilities.
12. The appropriation eliminates \$463,000 (including \$217,000 General Fund) in funding for facility maintenance at the Judicial Heritage Center.
13. The appropriation adds 122.9 FTE, including the following changes:
  - In connection with reductions in personal services funding, the elimination of 64.2 FTE (including 42.2 FTE for trial courts, 12.0 FTE for the State Court Administrator's Office, and 10.0 FTE for the Supreme Court and the Court of Appeals);
  - The restoration of 59.9 FTE probation staff that were eliminated mid-year in FY 2009-10 to reflect the number of vacant positions that have been held open in FY 2009-10;
  - An increase of 50.3 FTE for continued implementation of H.B. 07-1054, which increased the number of state court judges;
  - The restoration of 38.7 FTE public defender staff who were initially authorized to be hired in FY 2009-10 to work toward meeting minimum case staffing standards (the Public Defender delayed filling these positions);
  - An increase of 18.0 FTE information technology staff, including 10.0 FTE to operate the in-house public access system and provide user support, and 8.0 FTE to begin developing an in-house e-filing system;
  - An increase of 15.0 FTE shown for informational purposes, as these staff will be supported by a federal grant to expand the capacity of existing problem-solving courts;
  - An increase of 5.1 FTE to address the workload associated with expanding the capacity of existing problem-solving courts; and,

- An increase of 0.1 FTE for the Office of the Child's Representative to review and process court appointed counsel payments in a timely manner.

## Detail of Appropriation by Administrative Section

*General Note: The structure of the Judicial Department's budget has been modified for FY 2010-11 to organize line items in a more clear and consistent manner. This restructuring primarily involves significant transfers of funds and staff from the Trial Courts and the Probation and Related Services sections of the Long Bill to the Courts Administration section to better reflect which entity is responsible for administering each appropriation. The new structure also reorganizes line items within the Courts Administration section. Each transfer is clearly delineated within each of the affected sections below. For the affected sections of the Department's budget, these transfers result in significant year-over-year changes in appropriations (some positive, some negative). However, on a Department-wide basis, these transfers result in \$0 and 0.0 FTE net change in appropriations.*

### Supreme Court/Court of Appeals

This section provides funding for the Colorado Supreme Court and the Colorado Appeals Court. The Supreme Court is the court of last resort at the state level, and its decisions are binding on the Court of Appeals and all county and district courts. While requests to review decisions of the Colorado 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 cases in which a statute has been held to be unconstitutional. In FY 2008-09, 1,643 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 10-year terms. The Chief Justice, selected by the justices of the Court, is the executive head of the Department.

Created by statute, the Court of Appeals is generally the first court to hear appeals of judgements and orders in criminal, juvenile, civil, domestic relations, and probate matters. The Court of Appeals also has initial jurisdiction to review actions and decisions of several state agencies, boards, and commissions. Its determination of an appeal is final unless the Colorado Supreme Court agrees to review the matter. In FY 2008-09, 2,809 cases were filed with the Court of Appeals. The Court of Appeals is currently comprised of 22 judges who serve renewable 8-year terms.

Cash fund sources primarily include annual attorney registration fees, law examination application fees, appellate court filing fees, and various docket fees that are credited to the Judicial Stabilization Cash Fund.

Supreme Court/Court of Appeals						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$18,223,560	\$10,762,173	\$7,461,387	\$0	\$0	198.7
HB 10-1303	<u>1,379,964</u>	<u>(15,036)</u>	<u>1,395,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$19,603,524</b>	<b>\$10,747,137</b>	<b>\$8,856,387</b>	<b>\$0</b>	<b>\$0</b>	<b>198.7</b>

Supreme Court/Court of Appeals						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$19,603,524	\$10,747,137	\$8,856,387	\$0	\$0	198.7
Restore FY 2009-10 personal services and operating expense reductions	148,371	136,452	11,919	0	0	0.0
Long Bill reorganization transfers from the Courts Administration, Central Appropriations section	37,100	37,100	0	0	0	0.0
Reduce personal services	(682,031)	(670,112)	(11,919)	0	0	(10.0)
State PERA contribution reduction	(250,061)	(215,546)	(34,515)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$18,856,903</u></b>	<b><u>\$10,035,031</u></b>	<b><u>\$8,821,872</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>188.7</u></b>
<b>TOTAL</b>	<b>\$18,856,903</b>	<b>\$10,035,031</b>	<b>\$8,821,872</b>	<b>\$0</b>	<b>\$0</b>	<b>188.7</b>
<hr/>						
<b>Increase/(Decrease)</b>	(\$746,621)	(\$712,106)	(\$34,515)	\$0	\$0	(10.0)
Percentage Change	(3.8)%	(6.6)%	(0.4)%	n/a	n/a	(5.0)%

### **FY 2009-10 Appropriation Adjustments**

House Bill 10-1303 increases three informational cash funds appropriations related to the Supreme Court's constitutional authority to regulate the practice of law in Colorado to better reflect actual expenditures, and reduces funding for operating expenses by \$15,036 General Fund.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 personal services and operating expense reductions:** The appropriation restores a one-time 1.82 percent (\$133,335) reduction in personal services funding and a one-time \$15,036 General Fund reduction in operating expenses.

**Long Bill reorganization transfers from the Courts Administration, Central Appropriations section:** The appropriation reflects the transfer of funding for appellate reports publication from the Administration section of the Long Bill.

**Reduce personal services:** The appropriation reflects a reduction in personal services funding and FTE for Appellate Court Programs. When Supreme Court justices and appellate judges are excluded, this 10.0 FTE reduction represents an 8.5 percent reduction in staff.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

## Courts Administration

The justices of the Supreme Court appoint a State Court Administrator to oversee the daily administration of the Department and provide technical and administrative support to the courts and probation. The Courts Administration section of the FY 2009-10 Long Bill is comprised of three subdivisions: Administration, Administrative Special Purpose, and Integrated Information Services. The Long Bill structure has been reorganized for FY 2010-11, and includes the following three subdivisions: (A) Administration and Technology; (B) Central Appropriations; and (C) Centrally Administered Programs. Each of these subdivisions is described below, and the transfers that were necessary to reorganize the budget are detailed in each applicable table.

Courts Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1303	<u>(1,493,269)</u>	<u>(2,282,250)</u>	<u>678,981</u>	<u>110,000</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$59,408,692</b>	<b>\$37,129,387</b>	<b>\$19,547,079</b>	<b>\$2,726,806</b>	<b>\$5,420</b>	<b>200.7</b>
<b>FY 2010-11 Appropriation:</b>						
HB 10-1376	\$101,992,515	\$46,449,527	\$50,659,224	\$2,494,022	\$2,389,742	333.4
HB 10-1338	24,284	24,284	0	0	0	0.0
HB 10-1347	34,091	34,091	0	0	0	0.0
HB 10-1352	<u>22,416</u>	<u>22,416</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$102,073,306</b>	<b>\$46,530,318</b>	<b>\$50,659,224</b>	<b>\$2,494,022</b>	<b>\$2,389,742</b>	<b>333.4</b>
<b>Increase/(Decrease)</b>	\$42,664,614	\$9,400,931	\$31,112,145	(\$232,784)	\$2,384,322	132.7
Percentage Change	71.8%	25.3%	159.2%	(8.5)%	43,991.2%	66.1%

## Administration and Technology

This subdivision provides funding and staff associated with central administration of the State's judicial system. Appropriations include funding and staff to support several information technology systems, 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, and adult and youth corrections; (3) the public access system, which provides access to non-protected court data for the public, government agencies, the media, and background search companies; (4) the e-filing system, a document management system that allows attorneys to file and judges and court personnel to access court documents electronically; (5) the

appellate case tracking system; (6) the court-appointed counsel system; and (7) the State Court Administrator's local-area network.

For FY 2010-11, cash fund appropriations 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 primarily reflect indirect cost recoveries.

<i>Administration (FY 2009-10)/ Administration and Technology (FY 2010-11)</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1303	<u>(534,625)</u>	<u>(1,010,625)</u>	<u>476,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$16,831,328</b>	<b>\$5,595,577</b>	<b>\$9,678,772</b>	<b>\$1,551,559</b>	<b>\$5,420</b>	<b>70.6</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$16,831,328	\$5,595,577	\$9,678,772	\$1,551,559	\$5,420	70.6
Long Bill reorganization transfers from the Administration, Integrated Information Services subdivision	8,967,354	3,261,393	5,488,251	217,710	0	57.9
Long Bill reorganization transfers from the Trial Courts section	3,279,251	3,344,251	(65,000)	0	0	44.5
Long Bill reorganization transfers from the Probation and Related Services section	2,188,958	2,188,958	0	0	0	25.0
H.B. 07-1054 (new judges)	850,000	0	850,000	0	0	0.0
Courthouse security grants	199,000	0	199,000	0	0	0.0
Long Bill reorganization transfers from the Administration, Central Appropriations section	195,554	130,554	65,000	0	0	0.0
Restore FY 2009-10 personal services and operating expense reductions	107,761	84,766	2,726	20,269	0	0.0
Public access system operations / E-filing system development	60,016	0	60,016	0	0	1.0
Indirect cost assessment	44,726	(44,726)	46,457	44,726	(1,731)	0.0
Long Bill reorganization transfers to the Administration, Centrally Administered Programs subdivision	(8,825,164)	(750,000)	(8,075,164)	0	0	(3.5)
Courthouse furnishings	(1,150,000)	0	(1,150,000)	0	0	0.0
Reduce personal services	(485,305)	(462,310)	(2,726)	(20,269)	0	(4.0)
Judicial Heritage Program reduction	(463,062)	(217,146)	0	(245,916)	0	(3.0)

<i>Administration (FY 2009-10)/ Administration and Technology (FY 2010-11)</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
State PERA contribution reduction	(118,339)	(79,602)	(8,487)	(30,250)	0	0.0
Eliminate funding for biennial public awareness poll	(30,000)	0	(30,000)	0	0	0.0
Reduce operating expenses	(15,000)	(15,000)	0	0	0	0.0
Other	(2,874)	(2,874)	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$21,634,204</u></b>	<b><u>\$13,033,841</u></b>	<b><u>\$7,058,845</u></b>	<b><u>\$1,537,829</u></b>	<b><u>\$3,689</u></b>	<b><u>188.5</u></b>
<b>TOTAL</b>	<b>\$21,634,204</b>	<b>\$13,033,841</b>	<b>\$7,058,845</b>	<b>\$1,537,829</b>	<b>\$3,689</b>	<b>188.5</b>
<b>Increase/(Decrease)</b>	\$4,802,876	\$7,438,264	(\$2,619,927)	(\$13,730)	(\$1,731)	117.9
Percentage Change	28.5%	132.9%	(27.1)%	(0.9)%	(31.9)%	167.0%

### **FY 2009-10 Appropriation Adjustments**

House Bill 10-1303 reduced General Fund appropriations for Courthouse Capital/Infrastructure Maintenance and for operating expenses by \$1,000,000 and \$10,625, respectively. This act also increased the cash fund spending authority for the Courthouse Security grant program.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Long Bill reorganization transfers from the Administration, Integrated Information Services subdivision:** The appropriation reflects the transfer of funding from the Integrated Information Services subdivision of this section including the following: \$4,447,293 (including \$2,810,695 General Fund, \$1,418,888 cash funds, and \$217,710 reappropriated funds) and 57.9 FTE for personal services; \$250,915 (including \$47,604 General Fund and \$203,311 cash funds) for operating expenses; and \$4,269,146 (including \$403,094 General Fund and \$3,866,052 cash funds) for information technology infrastructure.

**Long Bill reorganization transfers from the Trial Courts section:** The appropriation reflects the transfer of funding between this section and the Trial Courts section of the Long Bill including the following transfers from the Trial Courts section: \$3,184,805 General Fund and 44.5 FTE for personal services; and \$159,446 General Fund for operating expenses. In addition, \$65,000 cash funds are transferred from this section to the Trial Courts section for operating expenses.

**Long Bill reorganization transfers from the Probation and Related Services section:** The appropriation reflects the transfer of funding from the Probation and Related Services section of the Long Bill including the following: \$2,178,958 General Fund and 25.0 FTE for personal services; and \$10,000 General Fund for operating expenses.

**H.B. 07-1054 (new judges):** The appropriation includes \$850,000 cash funds from the Judicial Stabilization Cash Fund to cover the state share of the costs of furnishing courthouse facilities for the new judges added in FY 2010-11 pursuant to H.B. 07-1054.

**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.

**Long Bill reorganization transfers from the Administration, Central Appropriations section:** The appropriation reflects the transfer of \$195,554 (including \$130,554 General Fund and \$65,000 cash funds) from the Central Appropriations subdivision of this section for operating expenses.

**Restore FY 2009-10 personal services and operating expense reductions:** The appropriation restores a one-time 1.82 percent reduction in personal services funding (\$100,619) and a one-time \$7,142 General Fund reduction in operating expenses.

**Public access system operations / e-filing system development:** The appropriation includes an increase of \$60,016 cash funds spending authority and 1.0 FTE project manager for the public access system and the e-filing system development project. [For a description of these projects, please see the Integrated Information Services subsection within this section, below.]

**Indirect cost assessment:** The appropriation reflects a net increase of \$44,726 related to statewide and departmental indirect cost recoveries. The appropriation also reflects fund source adjustments (a reduction of \$44,726 General Fund offset by an increase of \$44,726 reappropriated funds) based on projected indirect cost recoveries.

**Long Bill reorganization transfers to the Administration, Centrally Administered Programs subdivision:** The appropriation reflects transfer of funding to the new Centrally Administered Programs subdivision of this section including the following: \$3,869,622 cash funds and 1.0 FTE for courthouse security; \$2,800,000 cash funds for courthouse capital and infrastructure maintenance; \$893,430 (including \$750,000 General Fund and \$143,430 cash funds) for family violence justice grants; \$887,112 cash funds and 2.0 FTE for the Office of Judicial Performance Evaluation; and \$375,000 cash funds and 0.5 FTE for the Family Friendly Court Program.

**Courthouse furnishings:** The appropriation includes a reduction of \$1.15 million cash funds for furnishing new and refurbished courthouse facilities in FY 2010-11.

**Reduce personal services:** The appropriation reflects an 8.8 percent reduction in personal services funding.

**Judicial Heritage Program reduction:** The appropriation reflects the elimination of funding for facility maintenance at the Judicial Heritage Center. This complex, which currently houses the Supreme Court, the Court of Appeals, and the Colorado History Museum, is scheduled to be demolished beginning May 2010.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Eliminate funding for biennial public awareness poll:** The appropriation eliminates funding for the biennial public awareness poll concerning the judicial performance evaluation system, consistent with S.B. 08-054.

**Reduce operating expenses:** The appropriation reflects a reduction in operating expenses.

**Other:** The appropriation includes changes associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

### *Central Appropriations*

This subdivision includes funding related to employee benefits, leased space, and services purchased from other agencies such as legal and technology services. Cash fund sources for FY 2010-11 include: 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; surcharges and fees that are credited to the Drug Offender Surcharge Fund and the Alcohol and Drug Driving Safety Program Fund; felony conviction fines credited to the Fines Collection Cash Fund; and employee parking fees.

<i>Administrative Special Purpose (FY 2009-10)/ Central Appropriations (FY 2010-11)</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$35,243,925	\$27,389,454	\$7,006,934	\$847,537	\$0	84.2
HB 10-1303	<u>5,151</u>	<u>(237,089)</u>	<u>132,240</u>	<u>110,000</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$35,249,076</b>	<b>\$27,152,365</b>	<b>\$7,139,174</b>	<b>\$957,537</b>	<b>\$0</b>	<b>84.2</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$35,249,076	\$27,152,365	\$7,139,174	\$957,537	\$0	84.2
Centrally-appropriated line items	2,730,112	2,565,474	164,638	0	0	0.0
Long Bill reorganization transfers from the Administration, Integrated Information Services subdivision and the independent agencies	578,001	578,001	0	0	0	0.0
Leased space	115,768	115,768	0	0	0	0.0
Long Bill reorganization transfers to the Administration, Centrally Administered Programs subdivision	(7,067,829)	(1,924,218)	(4,187,418)	(956,193)	0	(84.2)
Reduce personal services	(955,888)	(955,888)	0	0	0	0.0
Long Bill reorganization transfers to the Administration, Administration and Technology section	(195,554)	(130,554)	(65,000)	0	0	0.0
State PERA contribution reduction	(96,428)	(692)	(94,392)	(1,344)	0	0.0
Long Bill reorganization transfers to the Supreme Court/ Court of Appeals section	(37,100)	(37,100)	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$30,320,158</u></b>	<b><u>\$27,363,156</u></b>	<b><u>\$2,957,002</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$30,320,158</b>	<b>\$27,363,156</b>	<b>\$2,957,002</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

***Administrative Special Purpose (FY 2009-10)/ Central Appropriations (FY 2010-11)***

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	(\$4,928,918)	\$210,791	(\$4,182,172)	(\$957,537)	\$0	(84.2)
<b>Percentage Change</b>	(14.0)%	0.8%	(58.6)%	(100.0)%	n/a	(100.0)%

**FY 2009-10 Appropriation Adjustments**

House Bill 10-1303 reduces centrally appropriated line items by \$416,189 General Fund to address the revenue shortfall and make technical adjustments. In addition, this act increases appropriations for leased space by \$311,340 (including \$179,100 General Fund and \$132,240 cash funds from employee parking fees) due to the expiration of two leases in June 2009, and it increases reappropriated funds spending authority to better reflect grant revenues.

**FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line item appropriations for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; payment to risk management and property funds; and vehicle lease payments.

**Long Bill reorganization transfers from the Administration, Integrated Information Services subdivision and the independent agencies:** The appropriation reflects transfers of funding from the Integrated Information Services subdivision of the Long Bill including the following: \$273,625 General Fund for the purchase of services from the computer center; \$270,664 General Fund for multiuse network payments; and \$11,377 General Fund for communication services payments. The appropriation also includes the consolidation and transfer of appropriations totaling \$22,335 for the purchase of services from computer center from the Public Defender, Alternate Defense Counsel, and Office of the Child's Representative sections of the Long Bill.

**Leased space:** The appropriation includes funding for three leased space contracts in Denver.

**Long Bill reorganization transfers to the Administration, Centrally Administered Programs subdivision:** The appropriation reflects the transfer of funding to the new Centrally Administered Programs subdivision of the Long Bill including the following: \$5,084,959 (including \$4,187,418 cash funds and \$897,541 reappropriated funds) and 83.2 FTE for collections investigators; \$1,894,006 General Fund for the senior judge program; and \$88,864 (including \$30,212 General Fund and \$58,652 reappropriated funds) and 1.0 FTE for child support enforcement activities.

**Reduce personal services:** The appropriation reflects a reduction in funding for health, life, and dental benefits associated with various staffing reductions affecting the Supreme Court, the Court of Appeals, the State Court Administrator's Office, and the Trial Courts.

**Long Bill reorganization transfers to the Administration, Administration and Technology section:** The appropriation reflects the transfer of \$195,554 (including \$130,554 General Fund and \$65,000 cash funds) to the Administration and Technology subdivision of this section for various administrative purposes.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Long Bill reorganization transfers to the Supreme Court/ Court of Appeals section:** The appropriation reflects the transfer of funding for appellate reports publication to the Supreme Court/ Court of Appeals section of the Long Bill.

### *Integrated Information Services*

This subdivision previously reflected funding to develop and maintain information technology systems used by the courts. For FY 2010-11, this subdivision has been eliminated; funding and staff have been transferred to the Administration and Technology and the Central Appropriations subdivisions, as detailed in the table below.

<i>Integrated Information Services (FY 2009-10 only)</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$8,292,083	\$5,415,981	\$2,658,392	\$217,710	\$0	44.9
HB 10-1303	<u>(963,795)</u>	<u>(1,034,536)</u>	<u>70,741</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$7,328,288</b>	<b>\$4,381,445</b>	<b>\$2,729,133</b>	<b>\$217,710</b>	<b>\$0</b>	<b>45.9</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$7,328,288	\$4,381,445	\$2,729,133	\$217,710	\$0	45.9
Public access system operations / e-filing system development	2,791,237	0	2,791,237	0	0	17.0
Restore FY 2009-10 personal services and operating expense reductions	83,304	83,304	0	0	0	0.0
Long Bill reorganization transfers to the Courts Administration, Administration and Technology subdivision	(8,967,354)	(3,261,393)	(5,488,251)	(217,710)	0	(57.9)
Long Bill reorganization transfers to the Courts Administration, Central Appropriations subdivision	(555,666)	(555,666)	0	0	0	0.0
Reduce personal services	(456,214)	(456,214)	0	0	0	(5.0)
State PERA contribution reduction	(96,690)	(64,406)	(32,284)	0	0	0.0
Reduce operating expenses	(80,000)	(80,000)	0	0	0	0.0
Statewide information technology common policy adjustments	(47,070)	(47,070)	0	0	0	0.0
Other	165	0	165	0	0	0.0

<i>Integrated Information Services (FY 2009-10 only)</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>HB 10-1376</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<hr/>						
<b>Increase/(Decrease)</b>	(\$7,328,288)	(\$4,381,445)	(\$2,729,133)	(\$217,710)	\$0	(45.9)
<b>Percentage Change</b>	(100.0)%	(100.0)%	(100.0)%	(100.0)%	n/a	(100.0)%

### **FY 2009-10 Appropriation Adjustments**

House Bill 10-1303 appropriates \$72,245 cash funds and 1.0 FTE (4.0 FTE for three months) to proceed with the implementation of an in-house public access system and ensure a smooth migration of system users by July 1, 2010. In connection with the implementation of the new system, H.B. 10-1303 reduces General Fund support for information technology infrastructure by \$1,000,000. Finally, this act reduces funding for operating expenses and centrally appropriated line items by \$36,040 (including \$34,536 General Fund and \$1,504 cash funds) to address the revenue shortfall and make technical adjustments.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Public access system operations / e-filing system development:** The appropriation includes an increase of \$2,594,733 cash funds spending authority and 17.0 FTE for two systems:

- The public access system provides access to non-protected court data for the public, government agencies, the media, and background search companies. Government users are provided free access to the system, and all other users pay a fee to access the system. Fee revenue provides for system operations and user support.
- The e-filing system is an electronic document management system that allows attorneys to file documents electronically, and allows judges and court personnel to access court documents electronically. Attorneys are charged a fee for each e-filing transaction, and fee revenue provides for systems operation and user support.

First, the appropriation includes funding to provide a full 12 months of funding for 4.0 FTE added in the last three months of FY 2009-10. These staff will migrate government users, prior to July 1, 2010, from the current vendor-operated public access system to the new in-house system developed by the Department. The appropriation also adds funding to support another 7.0 FTE to maintain the in-house public access system and provide support to system users in FY 2010-11.

Second, the appropriation includes funding to support 8.0 FTE to begin developing an in-house e-filing system. Development of the e-filing system will be supported by public access fee revenue. Once operational in FY 2013-14, e-filing fee revenue will support system operations and maintenance and user support.

Finally, the appropriation includes \$1,413,510 for information technology infrastructure, operating, training, and travel expenses associated with both systems.

**Restore FY 2009-10 personal services and operating expense reductions:** The appropriation restores a one-time 1.82 percent (\$60,544 General Fund) reduction in personal services funding, and a one-time reduction in operating expenses (\$22,760 General Fund).

**Long Bill reorganization transfers to the Courts Administration, Administration and Technology subdivision:** The appropriation reflects the transfer of funding to the Administration and Technology subdivision of this section including the following: \$4,447,293 (including \$2,810,695 General Fund, \$1,418,888 cash funds, and \$217,710 reappropriated funds) and 57.9 FTE for personal services; \$250,915 (including \$47,604 General Fund and \$203,311 cash funds) for operating expenses; and \$4,269,146 (including \$403,094 General Fund and \$3,866,052 cash funds) for information technology infrastructure.

**Long Bill reorganization transfers to the Courts Administration, Central Appropriations subdivision:** The appropriation reflects the transfer of funding to the Central Appropriations subdivision of this section including the following: \$273,625 General Fund for the purchase of services from the computer center; \$270,664 General Fund for multiuse network payments; and \$11,377 General Fund for communication services payments.

**Reduce personal services:** The appropriation reflects a 12.9 percent reduction in personal services funding.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Reduce operating expenses:** The appropriation reflects a reduction in operating expenses.

**Statewide information technology common policy adjustments:** The appropriation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; and communication services payments.

**Other:** The appropriation includes changes associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

---

### *Centrally Administered Programs*

This new subdivision includes line items that support specific functions, grant programs, and distributions that are administered centrally through the State Court Administrator's Office. Significant sources of cash funds include the following: surcharges that are credited to local Victims and Witnesses Assistance and Law Enforcement (VALE) funds and local Crime Victim Compensation funds; 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; various fees and cost recovery charges paid by court system users; surcharges credited to the Court Security Cash Fund and the Family-Friendly Court Program Cash Fund; and fees for divorce proceedings credited to the Family Violence Justice Fund. Reappropriated funds include local VALE funds transferred from the Trial Courts section and federal child support enforcement funds that are transferred from the Department of Human Services.

<i>Centrally Administered Programs (FY 2010-11 only)</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Long Bill reorganization transfers from the Trial Courts section	30,643,472	3,378,312	27,265,160	0	0	25.0
Long Bill reorganization transfers from the Administration and Technology subdivision	8,825,164	750,000	8,075,164	0	0	3.5
Long Bill reorganization transfers from the Central Appropriations subdivision	7,067,829	1,924,218	4,187,418	956,193	0	84.2
Problem-solving courts	3,501,688	0	1,115,635	0	2,386,053	32.2
<b>HB 10-1376</b>	<b>\$50,038,153</b>	<b>\$6,052,530</b>	<b>\$40,643,377</b>	<b>\$956,193</b>	<b>\$2,386,053</b>	<b>144.9</b>
HB 10-1338	24,284	24,284	0	0	0	0.0
HB 10-1347	34,091	34,091	0	0	0	0.0
HB 10-1352	<u>22,416</u>	<u>22,416</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$50,118,944</b>	<b>\$6,133,321</b>	<b>\$40,643,377</b>	<b>\$956,193</b>	<b>\$2,386,053</b>	<b>144.9</b>
<b>Increase/(Decrease)</b>	\$50,118,944	\$6,133,321	\$40,643,377	\$956,193	\$2,386,053	144.9
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Long Bill reorganization transfers from the Trial Courts section:** The appropriation reflects the transfer of funding from the Trial Courts section of the Long Bill including the following: \$15,095,039 cash funds for victim assistance; \$12,120,121 cash funds for victim compensation; and \$3,428,312 (including \$3,378,312 General Fund and \$50,000 cash funds) and 25.0 FTE for language interpreters.

**Long Bill reorganization transfers from the Administration and Technology subdivision:** The appropriation reflects the transfer of funding from the Administration and Technology subdivision of the Long Bill including the following: \$3,869,622 cash funds and 1.0 FTE for courthouse security; \$2,800,000 cash funds for courthouse capital and infrastructure maintenance; \$893,430 (including \$750,000 General Fund and \$143,430 cash funds) for family violence justice grants; \$887,112 cash funds and 2.0 FTE for the Office of Judicial Performance Evaluation; and \$375,000 cash funds and 0.5 FTE for the Family Friendly Court Program.

**Long Bill reorganization transfers from the Central Appropriations subdivision:** The appropriation reflects the transfer of funding from the Central Appropriations subdivision of the Long Bill including the following: \$5,084,959 (including \$4,187,418 cash funds and \$897,541 reappropriated funds) and 83.2 FTE for

collections investigators; \$1,894,006 General Fund for the senior judge program; and \$88,864 (including \$30,212 General Fund and \$58,652 reappropriated funds) and 1.0 FTE for child support enforcement activities.

**Problem-solving courts:** The appropriation includes a new line item to identify funding designated for problem-solving courts (i.e., adult drug and DUI courts), which includes: \$1,115,635 cash funds and 17.2 FTE transferred from the Trial Courts section of the Long Bill; and \$2,386,053 federal funds and 15.0 FTE to reflect a federal Byrne grant recently awarded to the Department to expand the capacity of problem-solving courts.

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

## Trial Courts

State trial courts include district courts in 22 judicial districts, water courts, and county courts. *District courts* preside over felony criminal matters, civil claims, juvenile matters, probate, mental health, and divorce proceedings. In addition, district courts handle appeals from municipal and county courts, and review decisions of administrative boards and agencies. In FY 2008-09, 189,511 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, one for each river basin. 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 2008-09, 1,020 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 2008-09, 562,185 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, various fees and cost recovery charges paid by court system users, and grants. Reappropriated funds include 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$178,987,142	\$122,542,794	\$53,554,348	\$1,265,000	\$1,625,000	1,934.6
HB 10-1303	<u>(3,586,402)</u>	<u>(4,086,402)</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>(103.8)</u>
<b>TOTAL</b>	<b>\$175,400,740</b>	<b>\$118,456,392</b>	<b>\$54,054,348</b>	<b>\$1,265,000</b>	<b>\$1,625,000</b>	<b>1,830.8</b>

<b>Trial Courts</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$175,400,740	\$118,456,392	\$54,054,348	\$1,265,000	\$1,625,000	1,830.8
Reverse FY 2009-10 supplemental	4,023,678	4,023,678	0	0	0	108.8
H.B. 07-1054 (new judges)	1,979,026	0	1,979,026	0	0	29.0
Restore FY 2009-10 personal services reductions	1,567,539	1,357,698	209,841	0	0	0.0
Long Bill reorganization transfers to the Administration, Centrally Administered Programs subdivision	(31,759,107)	(3,378,312)	(28,380,795)	0	0	(42.2)
Reduce personal services	(7,018,407)	(6,808,566)	(209,841)	0	0	(151.0)
Long Bill reorganization transfers to the Courts Administration section	(3,279,251)	(3,344,251)	65,000	0	0	(44.5)
State PERA contribution reduction	(2,676,216)	(2,243,749)	(432,467)	0	0	0.0
Eliminate one-time funding	(1,291,171)	0	(1,291,171)	0	0	0.0
Eliminate partial funding for H.B. 07-1054 (new judges) in FY 2009-10	(386,736)	0	(386,736)	0	0	(5.4)
Reduce operating expenses	(99,934)	(99,934)	0	0	0	0.0
Reduce funding for district attorney mandated costs	(78,428)	(78,428)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$136,381,733</b>	<b>\$107,884,528</b>	<b>\$25,607,205</b>	<b>\$1,265,000</b>	<b>\$1,625,000</b>	<b>1,725.5</b>
HB 10-1291	<u>(17,300)</u>	<u>(17,300)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$136,364,433</b>	<b>\$107,867,228</b>	<b>\$25,607,205</b>	<b>\$1,265,000</b>	<b>\$1,625,000</b>	<b>1,725.5</b>
<b>Increase/(Decrease)</b>						
	(\$39,036,307)	(\$10,589,164)	(\$28,447,143)	\$0	\$0	(105.3)
Percentage Change	(22.3)%	(8.9)%	(52.6)%	0.0%	0.0%	(5.8)%

### **FY 2009-10 Appropriation Adjustments**

House Bill 10-1303 reduces appropriations for Trial Court Programs by \$4,086,402 General Fund and 108.8 FTE (including \$3,520,000 for personal services, \$503,678 for operating expenses, and \$62,724 for capital outlay) to address the revenue shortfall. This act also reinstates 5.0 FTE language interpreters to better reflect the mix of Department and contract staff, and it increases cash funds spending authority to better reflect anticipated grants.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Reverse FY 2009-10 supplemental:** The appropriation restores mid-year reductions in funding for FY 2009-10 for personal services and operating expenses.

**H.B. 07-1054 (new judges):** The appropriation includes \$1,979,026 cash funds from the Judicial Stabilization Cash Fund and 29.0 FTE for the third year of implementing H.B. 07-1054 (which increased the number of state court judges). Originally, this act anticipated adding 12 district court judges and three county court judges on July 1, 2009. The initial FY 2009-10 budget anticipated delaying these 15 judgeships to May 1 and July 1 of 2010. The FY 2010-11 appropriation is based on further delaying these judgeships. Working with the affected judicial districts, the Department prepared a modified implementation schedule, which is detailed in the following table.

Summary of Further Delay in 3rd Year Implementation of H.B. 07-1054							
Judicial District/ County		Originally Scheduled Judge Increase for 7/1/09	Revised Timing of Increases (further delay)	FY 2010-11		FY 2011-12	
				Funding	FTE	Funding	FTE
District Courts							
1	Jefferson, Gilpin	+2	7/1/11 (12 mos.)	\$850,000	0.0	\$679,972	10.0
2	Denver	+1	1/1/11 (8 mos.)	170,817	2.5	339,986	5.0
		+1	1/1/11 (6 mos.)	170,817	2.5	339,986	5.0
4	El Paso, Teller	+1	1/1/11 (8 mos.)	170,817	2.5	339,986	5.0
		+1	1/1/11 (6 mos.)	170,817	2.5	339,986	5.0
8	Larimer, Jackson	+1	1/1/11 (6 mos.)	171,640	2.5	339,986	5.0
17	Adams, Broomfield	+1	1/1/11 (8 mos.)	170,817	2.5	339,986	5.0
		+1	1/1/11 (6 mos.)	170,817	2.5	339,986	5.0
18	Arapahoe, Douglas, Elbert, Lincoln	+1	1/1/11 (8 mos.)	171,640	2.5	339,986	5.0
19	Weld	+1	1/1/11 (6 mos.)	171,640	2.5	339,986	5.0
20	Boulder	+1	1/1/11 (6 mos.)	171,640	2.5	339,986	5.0
County Courts							
	Adams	+1	1/1/11 (8 mos.)	133,784	2.0	264,273	4.0
	El Paso	+1	1/1/11 (8 mos.)	133,784	2.0	264,273	4.0
	Jefferson	+1	7/1/11 (12 mos.)	0	0.0	264,273	4.0
	Statewide Total	15		\$2,829,030	29.0	\$4,872,651	72.0

TABLE 2 Summary of FY 2010-11 Savings Resulting From Further Implementation Delay					
	Personal Services	Operating Expenses	Capital Outlay	Total	FTE
Cost of full implementation	\$4,758,201	\$114,450	\$850,000	\$5,722,651	72.0
Cost of proposal	<u>1,933,124</u>	<u>45,900</u>	<u>850,000</u>	<u>2,829,024</u>	<u>29.0</u>
<b>Resulting one-time savings</b>	<b>\$2,825,077</b>	<b>\$68,550</b>	<b>\$0</b>	<b>\$2,893,627</b>	<b>43.0</b>

Under the appropriation, ten district court judges and two county court judges would be added January 1, 2011. Based on a request from Jefferson County, two district court judges for the 1<sup>st</sup> Judicial District and one county court judge would be added July 1, 2011. To date, capital outlay funding has been provided to all judicial districts and counties except Jefferson County. Thus, the appropriation would provide capital outlay funding for the 1<sup>st</sup> Judicial District in FY 2010-11. As indicated in Table 2, above, compared to the costs of adding all 15 judgeships by July 1, 2010, this schedule provides one-time savings of nearly \$2.9 million cash funds. The appropriation uses these cash funds to cover the costs of providing furnishings for various local courthouse projects in FY 2010-11, thereby reducing the need for General Fund moneys.

**Restore FY 2009-10 personal services reductions:** The appropriation restores a one-time 1.82 percent reduction in personal services funding.

**Long Bill reorganization transfers to the Administration, Centrally Administered Programs subdivision:** The appropriation reflects the transfer of funding to the Administration, Centrally Administered Programs section of the Long Bill including the following: \$15,095,039 cash funds for victim assistance; \$12,120,121 cash funds for victim compensation; \$3,428,312 (including \$3,378,312 General Fund and \$50,000 cash funds) and 25.0 FTE for language interpreters; and \$1,115,635 cash funds and 17.2 FTE for problem-solving courts.

**Reduce personal services:** The appropriation reflects a 5.8 percent reduction in personal services funding.

**Long Bill reorganization transfers to the Courts Administration section:** The appropriation reflects the transfer of funding between this section and the Administration, Administration and Technology section of the Long Bill including the following transfers to the Courts Administration section: \$3,184,805 General Fund and 44.5 FTE for personal services; and \$159,446 General Fund for operating expenses. In addition, \$65,000 cash funds are transferred from the Administration section to this section for operating expenses.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Eliminate one-time funding:** The appropriation eliminates capital outlay funding provided in FY 2009-10 for: the final 15 judgeships authorized pursuant to H.B. 07-1054 (\$1,198,065 cash funds); and expanding and enhancing adult drug courts (\$93,106 cash funds).

**Eliminate partial funding for H.B. 07-1054 (new judges) in FY 2009-10:** The appropriation eliminates funding that was initially provided in FY 2009-10 for the new judges based on the revised implementation schedule.

**Reduce operating expenses:** The appropriation reflects a reduction in operating expenses.

**Reduce funding for district attorney mandated costs:** The appropriation reduces funding for mandated costs based on actual expenditures incurred in most recent three fiscal years.

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

## Probation and Related Services

This section provides funding for the administration and provision of 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, 2009, 68,255 adults and 7,304 juveniles who were sentenced to probation were under supervision.

Significant cash fund sources include the following: 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, the Alcohol and Drug Driving Safety Program Fund, the Sex Offender Surcharge Fund, and the Persistent Drunk Driver Cash 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, as well as local Victims and Witnesses Assistance and Law Enforcement (VALE) funds which are transferred from the Trial Courts section.

Probation and Related Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$95,894,558	\$67,098,222	\$22,276,766	\$3,719,570	\$2,800,000	1,203.6
HB 10-1303	<u>(2,741,343)</u>	<u>(3,491,343)</u>	<u>750,000</u>	<u>0</u>	<u>0</u>	<u>(59.9)</u>
<b>TOTAL</b>	<b>\$93,153,215</b>	<b>\$63,606,879</b>	<b>\$23,026,766</b>	<b>\$3,719,570</b>	<b>\$2,800,000</b>	<b>1,143.7</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$93,153,215	\$63,606,879	\$23,026,766	\$3,719,570	\$2,800,000	1,143.7
Reverse FY 2009-10 supplemental	3,409,721	3,409,721	0	0	0	59.9
Restore FY 2009-10 personal services reductions	1,319,723	1,141,307	178,416	0	0	0.0
Annualize prior year funding	66,004	66,004	0	0	0	0.0
Long Bill reorganization transfers to the Administration section	(2,188,958)	(2,188,958)	0	0	0	(25.0)
State PERA contribution reduction	(1,617,013)	(1,406,976)	(210,037)	0	0	0.0
Reduce operating expenses	(99,934)	(99,934)	0	0	0	0.0
Other	25,650	0	25,650	0	0	0.0
<b>HB 10-1376</b>	<b>\$94,068,408</b>	<b>\$64,528,043</b>	<b>\$23,020,795</b>	<b>\$3,719,570</b>	<b>\$2,800,000</b>	<b>1,178.6</b>
HB 10-1338	284,344	284,344	0	0	0	5.2
HB 10-1347	654,177	404,427	249,750	0	0	7.3

Probation and Related Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1352	<u>1,709,157</u>	<u>1,709,157</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4.8</u>
<b>TOTAL</b>	<b>\$96,716,086</b>	<b>\$66,925,971</b>	<b>\$23,270,545</b>	<b>\$3,719,570</b>	<b>\$2,800,000</b>	<b>1,195.9</b>
<b>Increase/(Decrease)</b>	\$3,562,871	\$3,319,092	\$243,779	\$0	\$0	52.2
Percentage Change	3.8%	5.2%	1.1%	0.0%	0.0%	4.6%

### **FY 2009-10 Appropriation Adjustments**

House Bill 10-1303 reduces appropriations for probation programs by \$3,491,343 General Fund and 59.9 FTE (including \$3,100,000 for personal services, \$309,721 for operating expenses, and \$81,622 for capital outlay) to address the revenue shortfall. This act also increases cash funds spending authority to better reflect anticipated grants.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Reverse FY 2009-10 supplemental:** The appropriation restores mid-year reductions in funding for FY 2009-10 for personal services and operating expenses.

**Restore FY 2009-10 personal services reductions:** The appropriation restores a one-time 1.82 percent reduction in personal services funding.

**Annualize prior year funding:** The appropriation includes an increase to provide the 12th month of funding for 14.0 FTE staff positions initially added in FY 2009-10.

**Long Bill reorganization transfers to the Administration section:** The appropriation reflects the transfer of funding to the Administration, Administration and Technology section of the Long Bill including the following: \$2,178,958 General Fund and 25.0 FTE for personal services; and \$10,000 General Fund for operating expenses.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Reduce operating expenses:** The appropriation reflects a reduction in operating expenses.

**Other:** The appropriation reflects an increase related to the Alcohol and Drug Driving Safety Program Fund.

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

## Public Defender

The Office of the State Public Defender (OSPD) is an independent agency within the Judicial Branch that provides legal representation for indigent defendants who are facing the possibility of incarceration. The OSPD is comprised of a central administrative office, an appellate office, and 21 regional trial offices. During FY 2008-09, the Office handled 94,421 cases (measured in terms of the number of cases closed). Cash fund sources include grants and training fees.

Public Defender						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$54,583,854	\$54,490,109	\$86,245	\$7,500	\$0	577.3
HB 10-1303	<u>(2,627,554)</u>	<u>(2,667,554)</u>	<u>40,000</u>	<u>0</u>	<u>0</u>	<u>(37.7)</u>
<b>TOTAL</b>	<b>\$51,956,300</b>	<b>\$51,822,555</b>	<b>\$126,245</b>	<b>\$7,500</b>	<b>\$0</b>	<b>539.6</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$51,956,300	\$51,822,555	\$126,245	\$7,500	\$0	539.6
H.B. 07-1054 (new judges)	1,588,606	1,588,606	0	0	0	26.7
Centrally-appropriated line items	1,300,995	1,300,995	0	0	0	0.0
Leased space	1,139,673	1,139,673	0	0	0	0.0
Reverse FY 2009-10 supplemental	813,844	813,844	0	0	0	38.7
Annualize prior year funding	696,565	696,565	0	0	0	0.0
Restore FY 2009-10 personal services reductions	673,907	673,907	0	0	0	0.0
Problem-solving courts	244,935	244,935	0	0	0	5.1
Mandated costs	126,206	126,206	0	0	0	0.0
State PERA contribution reduction	(922,908)	(922,908)	0	0	0	0.0
Reduce funding for operating expenses and IT maintenance	(158,908)	(158,908)	0	0	0	0.0
Eliminate one-time funding	(100,000)	(100,000)	0	0	0	0.0
Long Bill reorganization transfers to the Courts Administration section	(19,579)	(19,579)	0	0	0	0.0
Other	16,255	0	23,755	(7,500)	0	0.0
<b>HB 10-1376</b>	<b>\$57,355,891</b>	<b>\$57,205,891</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>610.1</b>
HB 10-1352	<u>(244,512)</u>	<u>(244,512)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5.6)</u>
<b>TOTAL</b>	<b>\$57,111,379</b>	<b>\$56,961,379</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>	<b>604.5</b>

Public Defender						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$5,155,079	\$5,138,824	\$23,755	(\$7,500)	\$0	64.9
Percentage Change	9.9%	9.9%	18.8%	(100.0)%	n/a	12.0%

### **FY 2009-10 Appropriation Adjustments**

House Bill 10-1303 reduces appropriations for the Public Defender by a total of \$2,667,554 General Fund and 38.7 FTE to address the revenue shortfall, including the following: \$1,301,259 for personal services and employee benefits, \$562,164 for leased space, \$235,533 for operating expenses, \$227,085 for mandated costs, \$211,598 for information technology equipment and maintenance, and \$119,576 for capital outlay). This act also reduces funding for vehicle lease payments by \$10,339 to reflect technical corrections, and increases cash funds spending authority by \$40,000 and 1.0 FTE to reflect a new grant.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**H.B. 07-1054 (new judges):** The appropriation adds \$1,588,606 General Fund and 26.7 FTE for the implementation of H.B. 07-1054 (which increased the number of state court judges). This increase will allow the OSPD to hire 40.1 FTE for a partial year (starting in November 2010). These staff were originally scheduled to be added in FY 2009-10 to cover the increased workload resulting from the 28 judges that were added in FY 2007-08 and FY 2008-09. Please note that the appropriation does not include funding for the 34.5 FTE that will be needed to cover the workload resulting from the final 15 judges. Consistent with the proposal to delay adding these judges until January and July of 2011, the OSPD anticipates requesting these resources in FY 2011-12.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; and vehicle lease payments.

**Leased space:** The appropriation includes funding for annual leased space escalators and new leased space contracts for 23 locations statewide.

**Reverse FY 2009-10 supplemental:** The appropriation restores mid-year reductions in funding for FY 2009-10 for personal services and operating expenses. This restoration includes \$578,311 and 38.7 FTE who were originally authorized to be hired in FY 2009-10 to meet minimum case staffing standards.

**Annualize prior year funding:** The appropriation adds \$636,484 General Fund to provide a full 12 months of funding for the 38.7 FTE that were initially funded for a partial year in FY 2009-10, and the appropriation adds \$60,081 General Fund to provide a full 12 months of funding for the 5.4 FTE that were funded in FY 2009-10 to address workload increases associated with the expansion of adult drug courts.

**Restore FY 2009-10 personal services reductions:** The appropriation restores a one-time 1.82 percent reduction in personal services funding.

**Problem-solving courts:** The Judicial Department recently received a \$2.4 million federal grant to continue to expand the capacity of problem-solving courts operated in various judicial districts. The appropriation includes an increase of \$244,935 General Fund and 5.1 FTE to ensure that the Public Defender's Office has sufficient staff to represent defendants in these courts as they expand.

**Mandated costs:** The appropriation includes an increase to cover expenditures for mandated costs, including increases of \$215,572 for obtaining discoverable materials from district attorney offices and \$57,088 for transcripts. These increases are offset by planned reductions in spending for expert witnesses and travel.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Reduce funding for operating expenses and IT maintenance:** The appropriation includes a reduction of \$149,073 for operating expenses and \$9,835 General Fund for information technology equipment and software.

**Eliminate one-time funding:** The appropriation eliminates funding provided for capital outlay.

**Long Bill reorganization transfers to the Courts Administration section:** The appropriation reflects the consolidation and transfer of funding for the purchase of services from the computer center to the Courts Administration, Central Appropriations section of the Long Bill.

**Other:** The appropriation includes an increase of \$23,755 cash funds to annualize a partial-year grant that is anticipated to continue in FY 2010-11, and a decrease of \$7,500 reappropriated funds to eliminate spending authority associated with a grant that ended earlier this fiscal year.

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

## Alternate Defense Counsel

The Office of Alternate Defense Counsel (OADC) is an independent agency within the Judicial Branch that provides legal representation for indigent defendants in criminal and juvenile delinquency cases in which the State Public Defender's Office is precluded from doing so because of an ethical conflict of interest. The OADC provides legal representation by contracting with licensed attorneys and investigators. In FY 2008-09, the OADC handled 12,474 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	<u>\$23,692,141</u>	<u>\$23,672,141</u>	<u>\$20,000</u>	<u>\$0</u>	<u>\$0</u>	<u>7.5</u>

<b>Alternate Defense Counsel</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$23,692,141</b>	<b>\$23,672,141</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>7.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$23,692,141	\$23,672,141	\$20,000	\$0	\$0	7.5
Case cost and caseload growth increase	864,171	864,171	0	0	0	0.0
Centrally-appropriated line items	15,082	15,082	0	0	0	0.0
State PERA contribution reduction	(15,385)	(15,385)	0	0	0	0.0
Long Bill reorganization transfers to the Courts Administration section	(1,203)	(1,203)	0	0	0	0.0
Other	1,859	1,859	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$24,556,665</u></b>	<b><u>\$24,536,665</u></b>	<b><u>\$20,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>7.5</u></b>
<b>TOTAL</b>	<b>\$24,556,665</b>	<b>\$24,536,665</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>7.5</b>
<b>Increase/(Decrease)</b>	<b>\$864,524</b>	<b>\$864,524</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	3.6%	3.7%	0.0%	n/a	n/a	0.0%

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Case cost and caseload growth increase:** The appropriation includes funding to account for a projected caseload growth of 0.1 percent and a projected increase in the average costs per case of 3.9 percent. Most of the additional funding is for costs associated with attorney appointments in death penalty cases.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; and supplemental amortization equalization disbursement.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Long Bill reorganization transfers to the Courts Administration section:** The appropriation reflects the consolidation and transfer of funding for the purchase of services from the computer center to the Courts Administration, Central Appropriations section of the Long Bill.

**Other:** The appropriation includes an increase due to a scheduled increase in leased space costs.

## Office of the Child's Representative

The Office of the Child's Representative (OCR) is an independent agency within the Judicial Branch that is responsible for ensuring the provision of uniform, high-quality legal representation and non-legal advocacy to children involved in judicial proceedings. Generally, this includes representing children involved in the court system due to abuse or neglect, delinquency, truancy, high conflict divorce, alcohol or drug abuse, mental health issues, and probate matters. In FY 2008-09, the OCR handled 14,843 cases (measured in terms of the number of cases for which payments were made).

Office of the Child's Representative						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$18,477,440	\$18,477,440	\$0	\$0	\$0	26.8
SB 09-268	<u>(97,000)</u>	<u>(97,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$18,380,440</b>	<b>\$18,380,440</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>26.8</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$18,380,440	\$18,380,440	\$0	\$0	\$0	26.8
Caseload growth increase	891,763	891,763	0	0	0	0.0
Restore FY 2009-10 personal services reductions	33,627	33,627	0	0	0	0.0
Centrally-appropriated line items	17,237	17,237	0	0	0	0.0
Replace information technology equipment	8,887	8,887	0	0	0	0.0
Court appointed counsel payments	5,389	5,389	0	0	0	0.1
State PERA contribution reduction	(42,787)	(42,787)	0	0	0	0.0
Long Bill reorganization transfers to the Courts Administration section	(1,553)	(1,553)	0	0	0	0.0
Other	3,165	3,165	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$19,296,168</u></b>	<b><u>\$19,296,168</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>26.9</u></b>
<b>TOTAL</b>	<b>\$19,296,168</b>	<b>\$19,296,168</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>26.9</b>
<b>Increase/(Decrease)</b>	<b>\$915,728</b>	<b>\$915,728</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.1</b>
Percentage Change	5.0%	5.0%	n/a	n/a	n/a	0.4%

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Caseload growth increase:** The appropriation includes funding to account for a projected caseload growth of 1.4 percent. The additional funding is primarily for contract attorneys acting as guardians ad litem in dependency and neglect cases and juvenile delinquency cases.

**Restore FY 2009-10 personal services reductions:** The appropriation restores a one-time 1.82 percent reduction in personal services funding.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line item appropriations for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; and supplemental amortization equalization disbursement.

**Replace information technology equipment:** The appropriation adds funding to replace one of three servers and three of 33 computer workstations.

**Court appointed counsel payments:** The appropriation adds funding and authorizes the OCR to increase the Office Manager to a full-time position in order to review and process court appointed counsel payments in a timely manner.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Long Bill reorganization transfers to the Courts Administration section:** The appropriation reflects the consolidation and transfer of funding for the purchase of services from the computer center to the Courts Administration, Central Appropriations section of the Long Bill.

**Other:** The appropriation includes the following increases: \$4,458 to provide the 12th month of funding for a staff position added in FY 2009-10; and \$2,705 due to a scheduled increase in leased space costs. These increases are offset by a reduction of \$3,998 to eliminate capital outlay funding provided for a staff position added in FY 2009-10.

---

## **Independent Ethics Commission**

The Independent Ethics Commission was established through a constitutional amendment that was approved by voters in 2006 [see Article XXIX, Section 5 of the Colorado Constitution]. The five-member Commission is charged with hearing complaints, issuing findings, assessing penalties, and issuing advisory opinions on ethics issues that arise concerning public officers, members of the General Assembly, local government officials, or government employees. Originally established in the Office of Administrative Courts in the Department of Personnel and Administration, the Commission was transferred to and established in the Judicial Department as an independent agency through H.B. 10-1404.

Independent Ethics Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
HB 10-1404	<u>270,822</u>	<u>270,822</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2.0</u>
<b>TOTAL</b>	<b>\$270,822</b>	<b>\$270,822</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
<b>Increase/(Decrease)</b>	\$270,822	\$270,822	\$0	\$0	\$0	2.0
Percentage Change	n/a	n/a	n/a	n/a	n/a	n/a

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

## Recent Legislation

### 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. 09-208:** 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.

## **2010 Session Bills**

**H.B. 10-1215:** Authorizes the court to apply the deposit for a cash bond to satisfy any outstanding court costs, fees, fines, restitution, or surcharges the defendant may owe if the defendant is the depositor. In cases in which the defendant is not the depositor, authorizes the court to apply the deposit in such manner if the depositor agrees in writing to use the deposit for such purpose.

**H.B. 10-1291:** Eliminates the daily fee that witnesses receive for attending court. Decreases the General Fund appropriation to the Department for district attorney mandated costs for FY 2010-11 by \$17,300.

**H.B. 10-1303:** Supplemental appropriation to the Judicial Department to modify FY 2009-10 appropriations included in the FY 2009-10 Long Bill (S.B. 09-259) and FY 2008-09 appropriations originally included in the FY 2008-09 Long Bill (H.B. 08-1375).

**H.B. 10-1338:** Allows a person who has two or more prior felony convictions to be eligible for probation, with certain exceptions. For the implementation of H.B. 10-1338, appropriates \$308,628 General Fund and 5.2 FTE

to the Judicial Department for probation services, and decreases the General Fund appropriation to the Department of Corrections for payments to house state prisoners by \$2,541,810. Also includes the following appropriations and adjustments for FY 2010-11:

- Appropriates \$336,057 General Fund to the Department of Revenue for FY 2010-11 for the implementation of H.B. 09-1137;
- Increases the appropriation to the Department of Human Services for FY 2010-11 for child welfare services by \$1,719,794 to mitigate the reduction in funding for county staff salaries and benefits, community provider rates, and Medicaid treatment rates (including \$991,919 General Fund, \$343,959 local cash funds, \$75,209 reappropriated funds transferred from the Department of Health Care Policy and Financing (DHCPF), and \$308,707 federal Title IV-E funds); and
- Increases the appropriation to the DHCPF for child welfare services by \$75,209 (including \$28,887 General Fund and \$46,322 federal Medicaid funds).

**H.B. 10-1347:** Adjusts the penalties for a second offense of driving under the influence (DUI), DUI per se, driving while ability impaired (DWAI), and driving as a habitual use of the controller substance, and creates a new set of penalties for a third or subsequent offense. Raises the minimum persistent drunk driver surcharge from \$50 to \$100.

For FY 2010-11, appropriates \$438,518 General Fund and 7.3 FTE to the Judicial Department for probation services, and \$249,750 cash funds from the Persistent Drunk Driver Cash Fund for the provision of court-ordered alcohol treatment programs, approved ignition interlock devices, and continuous monitoring technology or devices for indigent and incarcerated offenders. Specifies that the act shall only take effect if H.B. 10-1338 is enacted and has a net reduction in General Fund appropriations for FY 2010-11 that is equal to or greater than the \$438,518 General Fund appropriation required in H.B. 10-1347.

**H.B. 10-1352:** Makes a number of changes to offenses related to controlled substances. Directs the General Assembly to annually appropriate the General Fund savings generated by the bill to the Drug Offender Surcharge Fund, and requires that such moneys be allocated to cover the costs associated with the treatment of substance abuse or co-occurring disorders of adult offenders who are assessed to be in need of treatment and who are on diversion, on probation, on parole, in community corrections, or in jail. Makes the following appropriations and adjustments for FY 2010-11:

- Appropriates \$1,468,196 General Fund to the Judicial Department, to be credited to the Drug Offender Surcharge Fund pursuant to Section 18-19-103 (3.5). C.R.S.;
- Appropriates \$263,377 General Fund and 4.8 FTE to the Judicial Department for probation services;
- Appropriates \$36,528 General Fund and 0.5 FTE to the Department of Public Safety, Division of Criminal Justice, for analyzing and reporting on the annual fiscal savings generated by H.B. 10-1352;
- Decreases the General Fund appropriation to the Department of Corrections for payments to house state prisoners by \$1,523,589; and

- Decreases General Fund appropriations to the Judicial Department for the Public Defender by \$244,512 and 5.6 FTE.

**H.B. 10-1376:** General appropriations act for FY 2010-11.

**H.B. 10-1404:** Moves the Independent Ethics Commission out of the Office of Administrative Courts in the Department of Personnel and Administration and establishes it as an independent agency within the Judicial Department. Decreases General Fund appropriations to the Department of Personnel and Administration for FY 2010-11 by \$270,822 and 2.0 FTE, and appropriates \$270,822 General Fund and 2.0 FTE to the Judicial Department for FY 2010-11.

# DEPARTMENT OF LABOR AND EMPLOYMENT

The Department is divided into the following five divisions:

- The Executive Director's Office is responsible for providing common services to all divisions.
- The Division of Employment and Training is responsible for administration and integrity of Colorado's unemployment insurance programs, administration of the workforce development programs and state run one-stop centers, and research and analysis on Colorado's employment trends.
- The Division of Labor is responsible for ensuring employer compliance with state and federal employment laws.
- The Division of Oil and Public Safety is responsible for the inspection of: boilers, conveyances, amusement park and carnival rides, distribution centers of petroleum products, and storage sites for explosive materials. It also monitors the clean-up of leaking underground storage tanks.
- The Division of Workers' Compensation is responsible for enforcing workers' compensation laws and for the administration of the Major Medical Insurance and Subsequent Injury Funds.

## Department Budget: Recent Appropriations

Funding Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$0	\$0	\$0	\$0
Cash Funds/1	36,406,500	62,309,957	60,585,018	59,616,360
Cash Funds Exempt/1	20,402,867	n/a	n/a	n/a
Reappropriated Funds/1	n/a	1,621,481	12,832,151	1,691,337
Federal Funds	<u>103,194,924</u>	<u>97,356,819</u>	<u>103,611,625</u>	<u>95,561,803</u>
<b>Total Funds</b>	<b>\$160,004,291</b>	<b>\$161,288,257</b>	<b>\$177,028,794</b>	<b>\$156,869,500</b>
Full Time Equiv. Staff	1,099.5	1,124.7	1,123.7	1,047.0

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 38.0 percent cash funds, 1.1 percent reappropriated funds, and 60.9 percent federal funds. The following is a review of the important factors driving this department's budget.

### Unemployment Insurance Programs

The Unemployment Insurance Programs (UI Programs) provide temporary compensation to individuals who are laid off through no fault of their own. Benefits are paid on a weekly basis and range from \$25 to \$475, excluding the additional \$25 per week authorized by the American Recovery and Reinvestment Act of 2009 (ARRA). For FY 2010-11 UI Programs make up 21.9 percent of the Department's budget, and 78.5 percent of funding for the UI Programs is federal funds.

Due to the counter cyclical nature of the number of UI claims, workload numbers have increased dramatically over the last three fiscal years. The following table outlines the growth in the amount of UI benefits paid from the UITF. The average monthly number of unemployed individuals in Colorado from July 2009 to April 2010 was 204,961 compared to 167,069 from July 2008 to April 2009.

<b>UI Benefit Payments for FY 2007-08 to FY 2011-12</b>			
<b>Fiscal Year</b>	<b>Benefit Payments</b>	<b>Change from Previous Year</b>	<b>Percent Change from Previous Year</b>
FY 2007-08 Actual	\$354,966,705	n/a	n/a
FY 2008-09 Actual	1,053,793,289	\$698,826,584	66.3%
FY 2009-10 Estimated	1,069,510,248	15,716,959	1.5%
FY 2010-11 Estimated	637,869,586	(431,640,662)	(67.7)%
FY 2011-12 Projected	379,663,065	(258,206,521)	(68.0)%

In January 2010 the balance of the UITF was exhausted and Colorado was required to obtain a line of credit from the federal government to ensure continued payment of UI claims. Any money borrowed through this line of credit can be repaid interest free for the rest of 2010. Starting in 2011, any dollars borrowed or owed will accrue interest. House Bill 09-1363 designated the UI Programs as an enterprise, which allowed for the borrowing of federal dollars to pay UI claims.

<b>Federal Dollars Borrowed to Payment UI Claims in 2010</b>	
<b>Month, Year</b>	<b>Dollars Borrowed</b>
January 2010	\$27,021,000
February 2010	54,559,150
March 2010	104,630,000
April 2010	67,487,000
May 2010	4,735,000
<b>Total Borrowed</b>	<b>\$258,432,150</b>
Amount Repaid	(160,000,000)
<b>Total Owed</b>	<b>\$98,432,150</b>

## Federal Funding

The majority of the Department's funding is from federal funds. The majority of the federal funds are split between the Unemployment Insurance Programs (28.3 percent of the Department's federal funds) and the workforce development programs (including state and county one-stop centers and Workforce Investment Act Programs) which receive 51.8 percent of the Department's federal funds. Over the past four years the amount of federal funds has changed from year to year requiring the Department to adjust the amount of cash funds used to backfill lost federal funds and support a continued level of services. The following table outlines the amount of federal funds verses cash funds used for Department programs for the past four fiscal years.

Five Year Funding History of the Department of Labor and Employment						
Fiscal Year	Cash Funds	Percent of Total	Change from Previous Year	Federal Funds	Percent of Total	Change From Previous Year
FY 2007-08* Actual	51,296,861	33.7%	n/a	100,991,693	66.3%	n/a
FY 2008-09 Actual	58,202,691	35.2%	6,905,830	105,875,234	64.0%	4,883,541
FY 2009-10 Appropriated**	60,585,018	34.2%	2,382,327	103,611,625	58.5%	(2,263,609)
FY 2010-11 Appropriated	59,616,360	38.0%	(968,658)	95,561,803	60.9%	(8,049,822)

\*FY 2007-08 includes amounts now classified as cash funds and reappropriated funds.

\*\*Federal funds amounts shown do not include \$11.3 million in one-time federal funds initially appropriated to the Department of Human Services and reappropriated to the Department of Labor and Employment for subsidized employment in FY 2009-10.

## Conveyance Inspector Licenses

The Conveyance Program (Program) in the Division of Oil and Public Safety licenses conveyances (*i.e.* elevators, escalators, people movers), conveyance inspectors, contractors and mechanics, and maintains a database of conveyances within the state. There are 14,456 licensed conveyances in Colorado, and approximately 6,500 are located within the City and County of Denver, which until January 2010 had it's own conveyance program. In January 2010, Denver discontinued it's conveyance program and turned the responsibility for Denver conveyances over to the Program, nearly doubling the Program's workload. This change drives an increase of \$125,882 cash funds and 1.7 FTE in FY 2009-10 and a further increase of \$208,613 cash funds and 3.3 FTE in FY 2010-11.

## Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$177,028,794</b>	<b>\$0</b>	<b>\$60,585,018</b>	<b>\$12,832,151</b>	<b>\$103,611,625</b>	<b>1,123.7</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	30,250,367	0	13,864,083	1,096,369	15,289,915	164.9
Division of Employment and Training	117,261,321	0	17,778,972	11,716,732	87,765,617	753.8
Division of Labor	1,154,149	0	1,154,149	0	0	15.0
Division of Oil and Public Safety	6,431,512	0	5,856,369	19,050	556,093	72.0
Division of Workers' Compensation	21,931,445	0	21,931,445	0	0	118.0
<u>Breakdown of Total Appropriation by Bill</u>						
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)

<b>Department of Labor and Employment</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
HB 09-1310	10,815	0	10,815	0	0	0.2
HB 10-1304	18,257,590	0	(872,504)	11,220,081	7,910,013	2.1
<b>FY 2010-11 Total Appropriation:</b>	<b>\$156,869,500</b>	<b>\$0</b>	<b>\$59,616,360</b>	<b>\$1,691,337</b>	<b>\$95,561,803</b>	<b>1,047.0</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	30,977,169	0	13,602,774	1,102,674	16,271,721	99.9
Division of Employment and Training	96,713,818	0	17,503,642	569,147	78,641,029	747.0
Division of Labor	1,163,596	0	1,163,596	0	0	15.0
Division of Oil and Public Safety	6,104,925	0	5,436,356	19,516	649,053	67.0
Division of Workers' Compensation	21,909,992	0	21,909,992	0	0	118.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	156,783,744	0	59,630,604	1,591,337	95,561,803	1,045.5
SB 10-013	3,756	0	3,756	0	0	0.1
SB 10-1038	(18,000)	0	(18,000)	0	0	0.0
HB 10-1333	100,000	0	0	100,000	0	1.4
<b>Increase/(Decrease)</b>	<b>(\$20,159,294)</b>	<b>\$0</b>	<b>(\$968,658)</b>	<b>(\$11,140,814)</b>	<b>(\$8,049,822)</b>	<b>(76.7)</b>
Percentage Change	(11.4)%	n/a	(1.6)%	(86.8)%	(7.8)%	(6.8)%

### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations add \$11.3 million reappropriated funds for federal Temporary Assistance for Needy Families funds received from the Department of Human Services and used for employment subsidization programs administered by the Department of Labor and Employment.
2. Supplemental appropriations include an increase of \$7.5 million federal funds for the administration of the unemployment insurance programs due to increased workload.
3. Supplemental appropriations add \$125,882 cash funds and 1.7 FTE for expansion of the Conveyance Program in the Division of Oil and Public Safety in January 2010 to meet the increased workload associated with taking responsibility for Denver conveyances.
4. Supplemental appropriations include a reduction of \$885,086 (\$545,847 cash funds, \$22,316 reappropriated funds, and \$316,923 federal funds) to reflect the actual impact of the FY 2009-10 furloughs.

## **FY 2010-11 Appropriation Highlights:**

1. The appropriation adds a total of \$885,086 to restore one-time reductions associated with the furlough of non-exempt employees in FY 2009-10.
2. The appropriation adds \$208,613 cash funds and 3.3 FTE to expand the current Conveyance Section in the Division of Oil and Public Safety, to address the workload increase due to the addition of the Denver Conveyance Program.
3. The appropriation eliminates a total of 14.5 FTE, including 6.2 FTE in the Division of Employment for one-time FTE used in FY 2009-10 and 8.3 FTE in the Division of Oil and Public Safety, for the continued implementation of prior year legislation.
4. The appropriation eliminates a total of \$18.8 million in one time funds, including \$7.5 million federal American Recovery and Reinvestment Act funds for administration of Colorado's unemployment insurance programs, and \$11.3 million reappropriated funds received from the Department of Human Services for employment subsidization programs administered by the Department of Labor and Employment.
5. The appropriation includes a reduction of a total of \$5.3 million (\$2.1 million cash funds, \$0.1 million reappropriated funds, and \$3.1 million federal funds) and transfers 67.0 FTE to the Governor's Office of Information Technology for the statewide information technology (IT) staff consolidation.
6. The appropriation includes a reduction of a total of \$1.6 million (\$650,000 cash funds, \$16,000 reappropriated funds, and \$912,000 federal funds) due to a reduction in the state's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

## **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 information technology services from the Governor's Office of Information Technology. Additionally, this office provides support services to all divisions including budgeting, accounting and human resources.

The funding for this division is 43.9 percent cash funds, 3.6 percent reappropriated funds and 47.5 percent federal funds. The Employment Support Fund and Workers' Compensation Cash Fund are the primary sources of cash funds. Reappropriated funds are primarily from the Petroleum Storage Tank Fund, which is designated as an enterprise, and indirect cost recoveries.

<b>Executive Director's Office</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$30,431,603	\$0	\$13,945,986	\$1,117,293	\$15,368,324	164.9
HB 09-1151	(552)	0	(552)	0	0	0.0
HB 10-1304	<u>(180,684)</u>	<u>0</u>	<u>(81,351)</u>	<u>(20,924)</u>	<u>(78,409)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$30,250,367</b>	<b>\$0</b>	<b>\$13,864,083</b>	<b>\$1,096,369</b>	<b>\$15,289,915</b>	<b>164.9</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$30,250,367	\$0	\$13,864,083	\$1,096,369	\$15,289,915	164.9
Statewide IT common policy adjustments	5,513,673	0	2,205,469	220,647	3,087,557	0.0
Centrally-appropriated line items	360,967	0	143,350	6,860	210,757	0.0
Restore FY 2009-10 furlough reductions	280,679	0	108,342	12,350	159,987	0.0
Indirect cost assessment	29,808	0	11,923	1,192	16,693	0.0
Annualize prior year funding	14,772	0	(2,509)	19,895	(2,614)	0.0
Fund source adjustment	0	0	(541,326)	(35,663)	576,989	0.0
Statewide IT staff consolidation	(5,210,170)	0	(2,084,068)	(208,407)	(2,917,695)	(65.0)
State PERA contribution reduction	(249,827)	0	(97,433)	(9,993)	(142,401)	0.0
Postage adjustment	(13,100)	0	(5,057)	(576)	(7,467)	0.0
<b>HB 10-1376</b>	<b><u>\$30,977,169</u></b>	<b><u>\$0</u></b>	<b><u>\$13,602,774</u></b>	<b><u>\$1,102,674</u></b>	<b><u>\$16,271,721</u></b>	<b><u>99.9</u></b>
<b>TOTAL</b>	<b>\$30,977,169</b>	<b>\$0</b>	<b>\$13,602,774</b>	<b>\$1,102,674</b>	<b>\$16,271,721</b>	<b>99.9</b>
<b>Increase/(Decrease)</b>	\$726,802	\$0	(\$261,309)	\$6,305	\$981,806	(65.0)
Percentage Change	2.4%	n/a	(1.9)%	0.6%	6.4%	(39.4)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1304 reduce \$54,208 total funds for the actual impact of the FY 2009-10 furloughs and reduce \$106,676 total funds for changes to centrally-appropriated line items, among other changes.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and communication services payments.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions, including an increase of \$20,000 reappropriated funds to restore a one-time reduction in indirect cost recoveries, and a reduction of \$552 cash funds for the annualization of H.B. 09-1151 (Todd/Heath), among other changes.

**Fund source adjustment:** The appropriation includes an increase in federal funds offset by a decrease in cash and reappropriated funds due to the flexible nature of federal funds received by the Department each fiscal year.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Postage adjustment:** The appropriation eliminates a one-time increase associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

## Division of Employment and Training

The Division of Employment and Training administers three programs: the Unemployment Insurance Programs, Employment and Training Programs, and Labor Market Information.

Division of Employment and Training						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1304	<u>18,493,511</u>	<u>0</u>	<u>(739,437)</u>	<u>11,241,116</u>	<u>7,991,832</u>	<u>0.4</u>
<b>TOTAL</b>	<b>\$117,261,321</b>	<b>\$0</b>	<b>\$17,778,972</b>	<b>\$11,716,732</b>	<b>\$87,765,617</b>	<b>753.8</b>

Division of Employment and Training						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2010-11 Appropriation:</b>						
HB 10-1376	\$96,613,818	\$0	\$17,503,642	\$469,147	\$78,641,029	745.6
HB 10-1333	100,000	0	0	100,000	0	1.4
<b>TOTAL</b>	<b>\$96,713,818</b>	<b>\$0</b>	<b>\$17,503,642</b>	<b>\$569,147</b>	<b>\$78,641,029</b>	<b>747.0</b>
<b>Increase/(Decrease)</b>	(\$20,547,503)	\$0	(\$275,330)	(\$11,147,585)	(\$9,124,588)	(6.8)
Percentage Change	(17.5)%	n/a	(1.5)%	(95.1)%	(10.4)%	(0.9)%

### *Unemployment Insurance Programs*

The 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 tax collection from employers, benefit payments, employer tax audits, operation of the call center, and processing of claimants' appeal applications. Included in the UI Programs is the UI Fraud Program which identifies, investigates and prosecutes unqualified individuals who receive UI benefits and employers who fail to pay their state and federal UI premiums and taxes. Federal funds make up 78.5 percent and cash funds comprise 21.5 percent of funding for these programs. The Employment Support Fund is the primary source of cash funds.

<i>Unemployment Insurance Programs</i>						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$35,268,452	\$0	\$7,504,584	\$0	\$27,763,868	470.0
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
<u>HB 10-1304</u>	<u>7,412,360</u>	<u>0</u>	<u>(715,072)</u>	<u>0</u>	<u>8,127,432</u>	<u>0.4</u>
<b>TOTAL</b>	<b>\$44,481,211</b>	<b>\$0</b>	<b>\$7,534,519</b>	<b>\$0</b>	<b>\$36,946,692</b>	<b>476.8</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$44,481,211	\$0	\$7,534,519	\$0	\$36,946,692	476.8
Eliminate one-time funding	(7,549,591)	0	0	0	(7,549,591)	0.0
Annualize prior year funding	(1,696,423)	0	0	0	(1,696,423)	(6.2)
State PERA contribution reduction	(652,363)	0	(133,815)	0	(518,548)	0.0

<i>Unemployment Insurance Programs</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Postage adjustment	(97,965)	0	0	0	(97,965)	0.0
Statewide IT staff consolidation	(75,185)	0	0	0	(75,185)	(1.0)
<b>HB 10-1376</b>	<b><u>\$34,409,684</u></b>	<b><u>\$0</u></b>	<b><u>\$7,400,704</u></b>	<b><u>\$0</u></b>	<b><u>\$27,008,980</u></b>	<b><u>469.6</u></b>
<b>TOTAL</b>	<b>\$34,409,684</b>	<b>\$0</b>	<b>\$7,400,704</b>	<b>\$0</b>	<b>\$27,008,980</b>	<b>469.6</b>
<b>Increase/(Decrease)</b>	(\$10,071,527)	\$0	(\$133,815)	\$0	(\$9,937,712)	(7.2)
Percentage Change	(22.6)%	n/a	(1.8)%	n/a	(26.9)%	(1.5)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1304 includes and increase of \$7,549,591 federal funds for unemployment insurance program administration, among other changes.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Eliminate one-time funding:** The appropriation eliminates one-time funding made available through the American Recovery and Reinvestment Act of 2009 for the increased administrative expenses of the Unemployment Insurance Programs due to the increased workload.

**Annualize prior year funding:** The appropriation reflects the elimination of one-time federal money and FTE appropriated by S.B. 09-247 for unemployment insurance programs and workforce development programs.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Postage adjustment:** The appropriation eliminates a one-time increase associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

---

### *Employment and Training Programs*

The services offered to job seekers by the Employment and Training Programs include job search assistance, additional job training, and classes to improve interview and resume skills. All services are free of charge. These services are offered through one-stop centers which can be run by either the state or county. Services are also offered to employers seeking qualified candidates.

Funding for these programs consists of 16.7 percent cash funds, primarily from the Employment Support Fund, 0.9 percent reappropriated funds, and 82.4 percent federal funds, primarily from the Workforce Investment Act and Trade Adjustment Act.

<i>Employment and Training Programs</i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$59,655,628	\$0	\$10,257,309	\$475,616	\$48,922,703	246.7
HB 10-1304	<u>11,143,656</u>	<u>0</u>	<u>(24,365)</u>	<u>11,241,116</u>	<u>(73,095)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$70,799,284</b>	<b>\$0</b>	<b>\$10,232,944</b>	<b>\$11,716,732</b>	<b>\$48,849,608</b>	<b>246.7</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$70,799,284	\$0	\$10,232,944	\$11,716,732	\$48,849,608	246.7
Federal funds adjustment	958,175	0	0	0	958,175	0.0
Restore FY 2009-10 furlough reductions	106,344	0	24,365	8,884	73,095	0.0
Annualize one-time funding	(11,250,000)	0	0	(11,250,000)	0	0.0
State PERA contribution reduction	(326,552)	0	(128,404)	(6,469)	(191,679)	0.0
Statewide IT staff consolidation	(74,952)	0	(37,476)	0	(37,476)	(1.0)
Postage adjustment	(3,889)	0	0	0	(3,889)	0.0
<b>HB 10-1376</b>	<b>\$60,208,410</b>	<b>\$0</b>	<b>\$10,091,429</b>	<b>\$469,147</b>	<b>\$49,647,834</b>	<b>245.7</b>
HB 10-1333	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>1.4</u>
<b>TOTAL</b>	<b>\$60,308,410</b>	<b>\$0</b>	<b>\$10,091,429</b>	<b>\$569,147</b>	<b>\$49,647,834</b>	<b>247.1</b>
<b>Increase/(Decrease)</b>	(\$10,490,874)	\$0	(\$141,515)	(\$11,147,585)	\$798,226	0.4
Percentage Change	(14.8)%	n/a	(1.4)%	(95.1)%	1.6%	0.2%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1304 add \$11.3 million reappropriated funds for federal Temporary Assistance for Needy Families funds received from the Department of Human Services and used for employment subsidization programs administered by the Department of Labor and Employment, among other changes.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Federal funds adjustment:** The appropriation reflects a net increase of \$958,175 federal funds. The Trade Adjustment Act Assistance Programs are expected to receive \$1,916,001 more than in FY 2009-10, and the Workforce Investment Act Programs are expected to receive \$957,826 less than FY 2009-10.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Annualize one-time funding:** The appropriation eliminates \$11.3 million reappropriated funds received from the Department of Human Services for employment subsidization programs.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

**Postage adjustment:** The appropriation eliminates a one-time increase associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1333, see also the "Recent Legislation" section at the end of the Governor's Office.

### *Labor Market Information*

Labor Market Information (LMI) provides information on long-term 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. Federal funds make up 99.4 percent of LMI's funding, and the remaining 0.6 percent are cash funds from the sale of publications.

<i><b>Labor Market Information</b></i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$2,043,331	\$0	\$11,509	\$0	\$2,031,822	30.3
HB 10-1304	<u>(62,505)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(62,505)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,980,826</b>	<b>\$0</b>	<b>\$11,509</b>	<b>\$0</b>	<b>\$1,969,317</b>	<b>30.3</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,980,826	\$0	\$11,509	\$0	\$1,969,317	30.3
Restore FY 2009-10 furlough reductions	62,505	0	0	0	62,505	0.0
State PERA contribution reduction	(45,506)	0	0	0	(45,506)	0.0
Postage adjustment	(2,101)	0	0	0	(2,101)	0.0
<b>HB 10-1376</b>	<b><u>\$1,995,724</u></b>	<b><u>\$0</u></b>	<b><u>\$11,509</u></b>	<b><u>\$0</u></b>	<b><u>\$1,984,215</u></b>	<b><u>30.3</u></b>

<i><b>Labor Market Information</b></i>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$1,995,724</b>	<b>\$0</b>	<b>\$11,509</b>	<b>\$0</b>	<b>\$1,984,215</b>	<b>30.3</b>
<b>Increase/(Decrease)</b>	\$14,898	\$0	\$0	\$0	\$14,898	0.0
Percentage Change	0.8%	n/a	0.0%	n/a	0.8%	0.0%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1304 reflect the actual impact of the FY 2009-10 furloughs.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Postage adjustment:** The appropriation eliminates a one-time increase associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

### **Division of Labor**

The Division ensures compliance with Colorado's wage, youth, and labor laws, and facilitates labor dispute resolution and mediation. The Division of Labor is entirely cash funded from the Employment Support Fund.

<b>Division of Labor</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$1,188,889	\$0	\$1,188,889	\$0	\$0	15.0
HB 10-1304	<u>(34,740)</u>	<u>0</u>	<u>(34,740)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,154,149</b>	<b>\$0</b>	<b>\$1,154,149</b>	<b>\$0</b>	<b>\$0</b>	<b>15.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,154,149	\$0	\$1,154,149	\$0	\$0	15.0
Restore FY 2009-10 furlough reductions	34,740	0	34,740	0	0	0.0

Division of Labor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
State PERA contribution reduction	(25,293)	0	(25,293)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$1,163,596</u></b>	<b><u>\$0</u></b>	<b><u>\$1,163,596</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>15.0</u></b>
<b>TOTAL</b>	<b>\$1,163,596</b>	<b>\$0</b>	<b>\$1,163,596</b>	<b>\$0</b>	<b>\$0</b>	<b>15.0</b>
<b>Increase/(Decrease)</b>	\$9,447	\$0	\$9,447	\$0	\$0	0.0
Percentage Change	0.8%	n/a	0.8%	n/a	n/a	0.0%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1304 reflect the actual impact of the FY 2009-10 furloughs.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

### 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 carnival and amusement park rides; licenses conveyances, conveyance inspectors and mechanics; 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.

Cash funds, primarily from the Petroleum Storage Tank Fund and the Boiler Inspection Fund, make up 89.0 percent of the division's funding. Federal funds comprise 10.6 percent of the Division's funding. 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$6,975,748	\$0	\$6,397,084	\$19,161	\$559,503	78.3

Division of Oil and Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 09-1151	(634,649)	0	(634,649)	0	0	(8.0)
HB 10-1304	<u>90,413</u>	<u>0</u>	<u>93,934</u>	<u>(111)</u>	<u>(3,410)</u>	<u>1.7</u>
<b>TOTAL</b>	<b>\$6,431,512</b>	<b>\$0</b>	<b>\$5,856,369</b>	<b>\$19,050</b>	<b>\$556,093</b>	<b>72.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$6,431,512	\$0	\$5,856,369	\$19,050	\$556,093	72.0
Additional Conveyance Section funding	208,613	0	203,888	0	4,725	3.3
Restore FY 2009-10 furlough reductions	136,131	0	121,898	466	13,767	0.0
EPA Grants	88,321	0	0	0	88,321	0.0
Annualize H.B. 09-1151	(634,649)	0	(634,649)	0	0	(8.0)
State PERA contribution reduction	(95,360)	0	(81,507)	0	(13,853)	0.0
Annualize prior year funding	(16,864)	0	(16,864)	0	0	(0.3)
Indirect cost assessment	(12,779)	0	(12,779)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$6,104,925</u></b>	<b><u>\$0</u></b>	<b><u>\$5,436,356</u></b>	<b><u>\$19,516</u></b>	<b><u>\$649,053</u></b>	<b><u>67.0</u></b>
<b>TOTAL</b>	<b>\$6,104,925</b>	<b>\$0</b>	<b>\$5,436,356</b>	<b>\$19,516</b>	<b>\$649,053</b>	<b>67.0</b>
<b>Increase/(Decrease)</b>	<b>(\$326,587)</b>	<b>\$0</b>	<b>(\$420,013)</b>	<b>\$466</b>	<b>\$92,960</b>	<b>(5.0)</b>
Percentage Change	(5.1)%	n/a	(7.2)%	2.4%	16.7%	(6.9)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1304 included an increase of \$125,882 cash funds for the Conveyance Program and a reduction of \$33,629 total funds for the actual impact of the FY 2009-10 furloughs, among other changes.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Additional Conveyance Section funding:** The appropriation adds \$208,613 cash funds and 3.3 FTE to expand the Conveyance Section to handle the additional workload associated with the regulation of Denver conveyances.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**EPA Grants:** The appropriation includes an increase of \$88,321 federal funds from the Environmental Protection Agency (EPA) to reflect grants received for the monitoring of cleanup of leaking underground storage tanks.

**Annualize H.B. 09-1151:** The appropriation includes the transfer of the second half of the school inspection program (including expenditures and FTE) from the Division of Oil and Public Safety to the Department of Public Safety pursuant to H.B. 09-1151 (Todd/Heath). The first half of the school inspection program was transferred in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes a reduction of \$10,856 cash funds and 0.3 FTE related to the out-year impact of S.B. 07-123 (Takis/Kerr A.) and a reduction of \$6,008 cash funds for the elimination of one-time funding associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Indirect Cost Assessment:** The appropriation includes a decrease in indirect cost assessments paid by the Petroleum Storage Tank Fund.

---

## **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 (MMIF) and Subsequent Injury Fund (SIF). The MMIF covers the medical expenses in excess of \$20,000 of an injured worker who sustained catastrophic injuries between July 1971 and June 1981. The Subsequent Injury Fund covers an injured worker's medical expenses from a second workplace injury resulting in permanent disability, or up to \$10,000 of a worker's medical expenses from a second or subsequent exposure to certain occupational materials. The SIF covers injuries that occurred prior to April 1994.

The Division of Workers' Compensation is entirely cash funded, and the main 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$22,042,355	\$0	\$22,042,355	\$0	\$0	118.0
HB 10-1304	<u>(110,910)</u>	<u>0</u>	<u>(110,910)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$21,931,445</b>	<b>\$0</b>	<b>\$21,931,445</b>	<b>\$0</b>	<b>\$0</b>	<b>118.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$21,931,445	\$0	\$21,931,445	\$0	\$0	118.0
Restore FY 2009-10 furlough reductions	238,730	0	238,730	0	0	0.0
State PERA contribution reduction	(173,807)	0	(173,807)	0	0	0.0
ALJ adjustment	(59,618)	0	(59,618)	0	0	0.0
Postage adjustment	(11,610)	0	(11,610)	0	0	0.0
Legal services rate	(904)	0	(904)	0	0	0.0
<b>HB 10-1376</b>	<b>\$21,924,236</b>	<b>\$0</b>	<b>\$21,924,236</b>	<b>\$0</b>	<b>\$0</b>	<b>118.0</b>
SB 10-013	3,756	0	3,756	0	0	0.1
HB 10-1038	<u>(18,000)</u>	<u>0</u>	<u>(18,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$21,909,992</b>	<b>\$0</b>	<b>\$21,909,992</b>	<b>\$0</b>	<b>\$0</b>	<b>118.1</b>
<b>Increase/(Decrease)</b>	<b>(\$21,453)</b>	<b>\$0</b>	<b>(\$21,453)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.1</b>
Percentage Change	(0.1)%	n/a	(0.1)%	n/a	n/a	0.1%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1304 reflect the actual impact of the FY 2009-10 furloughs.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**ALJ adjustment:** The appropriation includes a decrease of \$59,618 cash funds due to a decrease in expenses for administrative law judges (ALJ) paid to the Department of Personnel and Administration.

**Postage adjustment:** The appropriation eliminates a one-time increase associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Legal services rate:** The appropriation includes a decrease in the legal services rate set by the Department of Law for the provision of legal services.

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

## Recent Legislation

### 2009 Session Bills

**S.B. 09-037:** Amends existing statute regarding the Major Medical Insurance Fund (MMIF) and the Subsequent Injury Fund (SIF), requiring the funds to carry a balance equal to the next fiscal year's projected expenditures and maintain a reserve equal to a year's 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 from July 1, 2009 through December 31, 2016, allocates 20 percent of the employer surcharge tax to the Fund and decreases from 50 percent to 30percent the amount allocated to the Unemployment Insurance Trust Fund (UITF). Requires moneys be allocated back to the UITF if the balance of the UITF falls below \$25 million.

**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, establishment of 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.

**S.B. 09-279:** Makes the following transfers from various 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	

<b>Cash Fund Transfers in S.B. 09-279</b>			
<b>Cash Funds</b>	<b>Department</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>
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
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
<b>Total</b>		<b>\$114,143,821</b>	<b>\$209,406,419</b>

This bill also includes the following options for one-day transfers on June 30, 2009 to augment the General Fund in FY 2008-09 if needed. These transfers will be paid back to the cash funds of origin on July 1, 2009.

<b>June 30th, 2009 One-Day Cash Fund Transfers</b>		
<b>Cash Fund</b>	<b>Department</b>	<b>Maximum Amount</b>
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

<b>June 30th, 2009 One-Day Cash Fund Transfers</b>		
<b>Cash Fund</b>	<b>Department</b>	<b>Maximum Amount</b>
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
<b>Total</b>		<b>\$565,900,000</b>

**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 employers misclassifying employees as independent contractors. 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 Insurance Programs in the Division of Employment and Training in the Department of Labor and Employment as an enterprise effective July 1, 2009 for the purposes of Section 20 of Article X of the State Constitution.

## 2010 Session Bills

**S.B. 10-013:** Requires workers' compensation insurers to survey a limited number of injured workers and report survey findings annually to the Division of Workers' Compensation (Division). The Division must post the survey results on its web site as well as the procedures for an injured worker to file a complaint with the Division. Requires Pinnacol Assurance to submit an annual report to the Governor and the General Assembly on its business operations, resources and liabilities. Makes an appropriation of \$3,756 cash funds from the Division of Workers' Compensation Cash Fund and 0.1 FTE to the Department of Labor and Employment, Division of Workers' Compensation.

**H.B. 10-1038:** Requires the employer or the employer's insurance carrier to provide a brochure to a workers' compensation claimant in a form developed by the Director of the Division of Workers' Compensation that describes the entities the claimant may contact for information, the claimant's rights related to his or her medical treatment and rights to receive benefit payments, and the claims process. Reduces the appropriation to the Department of Labor and Employment, Division of Workers' Compensation by \$18,000 cash funds from the Workers' Compensation Cash Fund.

**H.B. 10-1304:** Supplemental appropriation for the Department of Labor and Employment for FY 2009-10.

**H.B. 10-1333:** Creates the two-year pilot program called the Green Jobs Colorado Training Program which offers grants to entities to provide job training for wind, solar, renewable energy, and energy efficiency

industries. Specifies the requirements applicants must meet in order to qualify for these grants. Creates a seventeen member Green Jobs Colorado Advisory Council (Council) that administers the Program, reviews grant applications, awards grants, and establishes reporting requirements for grantees. Requires the Council to give priority to individuals and programs that target low-income individuals, entry-level or incumbent workers, or dislocated workers from industries in decline. Allows the Council to coordinate the activities of any state department, office or agency related to green jobs and allows the Council to accumulate data relating to such activities. Requires the Colorado Workforce Development Council to carry out the coordination of these powers. Requires the Department of Labor and Employment to evaluate the Program and report the findings to the Governor and the business affairs committees of the House and Senate. Makes an appropriation of \$100,000 reappropriated funds and 1.4 FTE to the Department of Labor and Employment. For additional information, see the "Recent Legislation" section for the Governor - Lieutenant Governor - State Planning and Budgeting.

**H.B. 10-1376:** General appropriations act for FY 2010-11.

## 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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$8,675,523	\$8,855,044	\$9,225,846	\$9,615,003
Cash Funds/1	6,817,942	8,117,746	9,292,899	9,900,454
Cash Funds Exempt/1	29,450,172	n/a	n/a	n/a
Reappropriated Funds/1	n/a	29,708,104	29,557,289	31,089,374
Federal Funds	<u>1,095,355</u>	<u>1,097,051</u>	<u>1,263,078</u>	<u>1,469,096</u>
<b>Total Funds</b>	<b>\$46,038,992</b>	<b>\$47,777,945</b>	<b>\$49,339,112</b>	<b>\$52,073,927</b>
Full Time Equiv. Staff	378.4	392.4	398.6	414.5

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 2010-11, funding for this department consists of 18.5 percent General Fund, 19.0 percent cash funds, 59.7 percent reappropriated funds, and 2.8 percent federal funds.

### Legal Services to State Agencies

In FY 2010-11, the Department of Law will provide \$25.8 million of legal services to state agencies, which represent 49.5 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 average rate that the Department charges for legal services.

	<b>FY 05-06 Actual</b>	<b>FY 06-07 Actual</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Approp.</b>	<b>FY 10-11 Approp.</b>
Regulatory Agencies	\$5,310,731	\$5,761,082	\$6,544,571	\$7,121,534	\$7,681,236	\$7,460,628
Natural Resources	2,471,139	2,555,184	2,864,980	3,165,863	3,383,808	3,331,732
Personnel & Administration	2,548,690	2,578,495	2,951,969	2,584,869	2,722,047	2,583,431
Public Health & Environment	1,599,380	1,616,692	1,921,117	2,306,833	2,440,578	2,421,724
Transportation	1,098,635	1,110,286	1,208,886	1,183,597	1,238,644	1,205,616
Human Services	1,301,464	1,354,909	1,396,381	1,328,161	1,389,932	1,352,869
Corrections	1,012,821	948,962	846,504	1,101,915	1,153,163	1,122,414
Other agencies	3,950,419	4,328,158	4,644,005	5,986,924	5,641,631	6,295,880
<b>Total</b>	<b>\$19,293,279</b>	<b>\$20,253,768</b>	<b>\$22,378,413</b>	<b>\$24,779,696</b>	<b>\$25,651,039</b>	<b>\$25,774,294</b>
Percent change from prior year	0.0%	5.0%	10.5%	10.7%	3.5%	0.5%
Percent of total dept. appropriation	52.8%	50.6%	48.6%	51.9%	52.0%	49.5%
Percent of state operating approp.	0.13%	0.12%	0.13%	0.13%	0.13%	0.13%
<b>Blended Legal Rate Per Hour</b>	<b>\$64.45</b>	<b>\$67.77</b>	<b>\$72.03</b>	<b>\$75.10</b>	<b>\$75.38</b>	<b>\$73.37</b>
Percent change from prior year	4.7%	5.2%	6.3%	4.3%	0.4%	(2.7)%
<b>Total Hours</b>	<b>298,038</b>	<b>298,291</b>	<b>310,387</b>	<b>329,956</b>	<b>340,290</b>	<b>351,292</b>
Percent change from prior year	1.7%	0.1%	4.1%	6.3%	3.1%	3.2%

/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 47.1 percent of the Department's FY 2010-11 General Fund appropriation. Approximately 54 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 almost 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.

	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Approp.</b>
Appropriation	\$2,369,667	\$2,523,613	\$2,727,798	\$2,583,755	\$2,648,687
New Cases	951	979	1,240	1,200	n/a
Case Backlog /1	258	270	395	425	n/a

/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.

Date	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 24.1 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 expenditure	1,654,605	338,620	25.7%
2009-10 appropriation	2,096,078	441,473	26.7%
2010-11 appropriation	2,313,828	217,750	10.4%

### Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$49,339,112</b>	<b>\$9,225,846</b>	<b>\$9,292,899</b>	<b>\$29,557,289</b>	<b>\$1,263,078</b>	<b>398.6</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	8,132,251	1,426,437	415,658	6,154,447	135,709	42.2
Legal Services to State Agencies	22,709,787	0	1,700,540	21,009,247	0	220.4
Criminal Justice and Appellate	9,902,120	4,116,066	3,090,922	1,567,763	1,127,369	84.5
Water and Natural Resources	2,212,385	788,178	878,329	545,878	0	13.0
Consumer Protection	3,357,953	795,549	2,282,450	279,954	0	38.5
Special Purpose	3,024,616	2,099,616	925,000	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
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

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
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 09-1036	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
SB 10-065	3,004	0	0	3,004	0	0.0
HB 10-1305	295	(782,196)	1,137,568	(325,093)	(29,984)	2.4
HB 10-1313	(3,755)	0	0	(3,755)	0	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$52,073,927</b>	<b>\$9,615,003</b>	<b>\$9,900,454</b>	<b>\$31,089,374</b>	<b>\$1,469,096</b>	<b>414.5</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	8,441,516	1,346,510	552,256	6,411,443	131,307	42.2
Legal Services to State Agencies	23,740,102	0	1,582,388	22,157,714	0	231.3
Criminal Justice and Appellate	10,514,905	4,531,090	3,760,182	885,844	1,337,789	90.0
Water and Natural Resources	2,083,882	516,519	643,017	924,346	0	12.0
Consumer Protection	3,472,194	907,056	2,287,611	277,527	0	39.0
Special Purpose	3,821,328	2,313,828	1,075,000	432,500	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	50,757,240	10,057,017	9,040,268	30,398,294	1,261,661	403.8
SB 10-072	905	0	0	905	0	0.0
SB 10-109	612,463	0	0	612,463	0	5.2
SB 10-124	7,538	0	0	7,538	0	0.0
SB 10-167	276,580	69,145	0	0	207,435	3.0
SB 10-203	4,522	0	0	4,522	0	0.0
HB 10-1018	15,076	0	0	15,076	0	0.2
HB 10-1125	7,538	0	0	7,538	0	0.0
HB 10-1128	(9,799)	0	0	(9,799)	0	0.0

Department of Law						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1141	6,407	0	0	6,407	0	0.0
HB 10-1148	(11,307)	0	0	(11,307)	0	0.0
HB 10-1176	2,000	0	0	2,000	0	0.0
HB 10-1193	40,000	0	0	40,000	0	0.0
HB 10-1224	2,261	0	0	2,261	0	0.0
HB 10-1260	17,262	0	0	17,262	0	0.1
HB 10-1278	15,679	0	0	15,679	0	0.1
HB 10-1284	271,368	0	0	271,368	0	2.0
HB 10-1329	41,384	(511,159)	0	552,543	0	0.0
HB 10-1365	13,041	0	0	13,041	0	0.1
HB 10-1385	0	0	860,186	(860,186)	0	0.0
HB 10-1415	3,769	0	0	3,769	0	0.0
<b>Increase/(Decrease)</b>	<b>\$2,734,815</b>	<b>\$389,157</b>	<b>\$607,555</b>	<b>\$1,532,085</b>	<b>\$206,018</b>	<b>15.9</b>
Percentage Change	5.5%	4.2%	6.5%	5.2%	16.3%	4.0%

### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriation adjustments reduce expenditures for various programs by a total of \$672,000, including \$416,000 General Fund, to reflect expenditure reductions and furlough adjustments.
2. Supplemental appropriation adjustments provide an additional \$300,000 cash funds for tobacco settlement litigation.
3. Supplemental appropriation adjustments provide \$260,000 of net additional funding for the provision of legal services to state agencies, comprised of a \$719,000 cash funds increase and a \$459,000 reappropriated funds decrease.

### **FY 2010-11 Appropriation Highlights:**

1. The appropriation provides an additional \$1.9 million of reappropriated funds and 10.9 FTE for legal services and litigation expenses involving other departments. This consists of \$0.9 million in the Long Bill and \$1.0 million in other bills.
2. The appropriation provides \$277,000 for a new Medicaid False Claims program; 75 percent of the funding is federal funds.

3. The appropriation provides an additional \$218,000 General Fund for the state share of the salaries of local district attorneys.
4. The appropriation provides an additional \$175,000 cash funds for auto theft prevention.
5. The appropriation provides an additional \$150,000 cash funds for tobacco-settlement arbitration.
6. The appropriation reduces personal services expenditures by a total of \$724,000 from all fund sources due to the state PERA contribution reduction.
7. The appropriation reduces General Fund expenditures for CERCLA (Superfund) work by \$511,000, refinancing the work with cash funds from H.B. 10-1329 (Solid Waste User Fees).
8. The appropriation reduces funding for the Colorado River Unit by \$133,000 cash funds and 1.0 FTE.

### **Detail of Appropriation by Administrative Section**

#### **Administration**

This division contains the Office of the Attorney General, which includes the Attorney General and top deputies, as well as the Department's human resources, accounting/budgeting, information technology, and text management sections. The Division coordinates and oversees the operation of the Department's other divisions and provides support services to the entire department. The Division's cash funds support central appropriations and come from a variety of sources. Reappropriated funds derive from indirect cost recoveries and from central appropriations of funds that support other divisions. Federal funds reflect centralized appropriations for the Medicaid Fraud Control Unit.

<b>Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$8,386,625	\$1,435,526	\$417,330	\$6,397,536	\$136,233	42.2
HB 10-1305	<u>(254,374)</u>	<u>(9,089)</u>	<u>(1,672)</u>	<u>(243,089)</u>	<u>(524)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,132,251</b>	<b>\$1,426,437</b>	<b>\$415,658</b>	<b>\$6,154,447</b>	<b>\$135,709</b>	<b>42.2</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$8,132,251	\$1,426,437	\$415,658	\$6,154,447	\$135,709	42.2
Restore temporary 2009-10 reductions	279,065	0	0	279,065	0	0.0
Centrally-appropriated line items	95,613	(4,714)	25,366	79,363	(4,402)	0.0
Fund source adjustment	0	(37,522)	0	37,522	0	0.0
State PERA contribution reduction	(65,413)	0	0	(65,413)	0	0.0
<b>HB 10-1376</b>	<b>\$8,441,516</b>	<b>\$1,384,201</b>	<b>\$441,024</b>	<b>\$6,484,984</b>	<b>\$131,307</b>	<b>42.2</b>

Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1329	0	(37,691)		37,691	0	0.0
HB 10-1385	<u>0</u>	<u>0</u>	<u>111,232</u>	<u>(111,232)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,441,516</b>	<b>\$1,346,510</b>	<b>\$552,256</b>	<b>\$6,411,443</b>	<b>\$131,307</b>	<b>42.2</b>
<b>Increase/(Decrease)</b>	\$309,265	(\$79,927)	\$136,598	\$256,996	(\$4,402)	0.0
Percentage Change	3.8%	(5.6)%	32.9%	4.2%	(3.2)%	0.0%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1305 reflect FY 2009-10 furloughs and other expenditure reductions as well as common policy reductions for workers' compensation, purchases of computer services, capital complex leased space, and risk management and property fund payments.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore temporary 2009-10 reductions:** The Department's FY 2009-10 appropriation included one-time adjustments to save General Fund in FY 2009-10 that are no longer available.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; other leased space, building security; ADP capital outlay; and communication services payments.

**Fund source adjustment:** The appropriation reflects an increase in the use of reappropriated funds from indirect cost recoveries and reduced use of General Fund.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

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

---

### 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 2010-11, the Department expects to provide 351 thousand hours of services at an average billing rate of \$73.37 per hour, a 2.7 percent decrease as compared with the FY 2009-10 average 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
<b>FY 2009-10 Appropriation:</b>						
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
SB 10-065	3,004	0	0	3,004	0	0.0
HB 10-1305	260,176	0	718,714	(458,538)	0	1.9
HB 10-1313	<u>(3,755)</u>	<u>0</u>	<u>0</u>	<u>(3,755)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$22,709,787</b>	<b>\$0</b>	<b>\$1,700,540</b>	<b>\$21,009,247</b>	<b>\$0</b>	<b>220.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$22,709,787	\$0	\$1,700,540	\$21,009,247	\$0	220.4
Legal services	535,953	0	0	535,953	0	3.2
Fund source adjustment	0	0	(118,152)	118,152	0	0.0
State PERA contribution reduction	(414,871)	0	0	(414,871)	0	0.0
Indirect cost assessment	(89,490)	0	0	(89,490)	0	0.0
<b>HB 10-1376</b>	<b>\$22,741,379</b>	<b>\$0</b>	<b>\$1,582,388</b>	<b>\$21,158,991</b>	<b>\$0</b>	<b>223.6</b>
SB 10-072	905	0	0	905	0	0.0
SB 10-109	612,463	0	0	612,463	0	5.2
SB 10-124	7,538	0	0	7,538	0	0.0
SB 10-203	4,522	0	0	4,522	0	0.0
HB 10-1018	15,076	0	0	15,076	0	0.2
HB 10-1125	7,538	0	0	7,538	0	0.0
HB 10-1128	(9,799)	0	0	(9,799)	0	0.0

Legal Services to State Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1141	6,407	0	0	6,407	0	0.0
HB 10-1148	(11,307)	0	0	(11,307)	0	0.0
HB 10-1176	2,000	0	0	2,000	0	0.0
HB 10-1193	40,000	0	0	40,000	0	0.0
HB 10-1224	2,261	0	0	2,261	0	0.0
HB 10-1260	17,262	0	0	17,262	0	0.1
HB 10-1278	15,679	0	0	15,679	0	0.1
HB 10-1284	271,368	0	0	271,368	0	2.0
HB 10-1365	13,041	0	0	13,041	0	0.1
HB 10-1415	<u>3,769</u>	<u>0</u>	<u>0</u>	<u>3,769</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$23,740,102</b>	<b>\$0</b>	<b>\$1,582,388</b>	<b>\$22,157,714</b>	<b>\$0</b>	<b>231.3</b>
<b>Increase/(Decrease)</b>	\$1,030,315	\$0	(\$118,152)	\$1,148,467	\$0	10.9
Percentage Change	4.5%	n/a	(6.9)%	5.5%	n/a	4.9%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1305 reflect changes in the level and mix of legal services provided to other agencies as well as changes to the procurement plan for mail services equipment. For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on S.B. 09-026, 138, 167, and 239 and H.B. 09-1086, 1136, and 1202 also see the "Recent Legislation" section at the end of the Department of Regulatory Agencies. For information on S.B. 09-123 and 163 and H.B. 09-1319 also see the "Recent Legislation" section at the end of the Department of Education. For information on H.B. 09-1173 also see the "Recent Legislation" section at the end of the Department of Revenue.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Legal services:** The appropriation adjusts legal services in support of prior legislation and decision items for other departments.

**Fund source adjustment:** Aligns the appropriation with the expected need for legal services from client agencies that provide different types of funding to the Department.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**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.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on S.B. 10-072 also see the "Recent Legislation" section at the end of the Department of Agriculture. For information on S.B. 10-109 and 124 and H.B. 10-1128, 1141, 1148, 1224, 1260, 1278, 1365, and 1415 also see the "Recent Legislation" section at the end of the Department of Regulatory Agencies. For information on S.B. 10-203 also see the "Recent Legislation" section at the end of the Department of State. For information on H.B. 10-1018 also see the "Recent Legislation" section at the end of the Department of Local Affairs and the Department of Public Safety. For information on S.B. 10-109 and H.B. 10-1018, 1125, 1260 and 1284 also see the "Recent Legislation" section at the end of the Department of Public Health and Environment. For information on H.B. 10-1176 also see the "Recent Legislation" section at the end of the Department of Personnel and Administration. For information on H.B. 10-1193 and 1284 also see the "Recent Legislation" section at the end of the Department of Revenue.

## Criminal Justice and Appellate

This division includes the following units:

- **Special Prosecutions Unit:** Investigates and prosecutes insurance, securities and workers' compensation fraud; gang-related criminal activity; complex crimes; and environmental crimes. Also assists district attorneys investigating and prosecuting homicide cases; handles death-penalty appeals in state and federal courts; and handles foreign prosecutions.
- **Appellate Unit:** Represents Colorado when felony convictions are appealed in state and federal courts.
- **Medicaid Fraud Control Unit:** Investigates and prosecutes criminal fraud involving Colorado's Medicaid program as well as patient abuse at Medicaid-funded facilities in Colorado.
- **Peace Officers Standards and Training (P.O.S.T.) Board:** Certifies and helps train peace officers appointed by state and local law enforcement agencies.

Cash funds for workers' compensation fraud come from the State Compensation Insurance Authority (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 securities and insurance fraud activities come from the Department of Regulatory Agencies, while reappropriated funds for victim's assistance and auto theft prevention 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
<b>FY 2009-10 Appropriation:</b>						
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

<b>Criminal Justice and Appellate</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
HB 10-1305	<u>(148,990)</u>	<u>(472,780)</u>	<u>71,716</u>	<u>281,534</u>	<u>(29,460)</u>	<u>0.5</u>
<b>TOTAL</b>	<b>\$9,902,120</b>	<b>\$4,116,066</b>	<b>\$3,090,922</b>	<b>\$1,567,763</b>	<b>\$1,127,369</b>	<b>84.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$9,902,120	\$4,116,066	\$3,090,922	\$1,567,763	\$1,127,369	84.5
Restore temporary 2009-10 reductions	216,165	467,872	367	(281,534)	29,460	0.0
Auto Theft Prevention Grant	174,893	0	(72,083)	246,976	0	1.5
Transfer Safe2Tell	98,351	98,351	0	0	0	1.0
Indirect cost assessment	1,403	0	6,894	599	(6,090)	0.0
Use indirect cost assessments to reduce use of General Fund by Appellate Unit	0	(82,830)	0	82,830	0	0.0
Consolidate Units	0	0	0	0	0	0.0
Fund source adjustment	0	(59)	0	0	59	0.0
State PERA contribution reduction	(154,607)	(96,071)	(14,872)	(23,220)	(20,444)	0.0
<b>HB 10-1376</b>	<b>\$10,238,325</b>	<b>\$4,503,329</b>	<b>\$3,011,228</b>	<b>\$1,593,414</b>	<b>\$1,130,354</b>	<b>87.0</b>
SB 10-167	276,580	69,145	0	0	207,435	3.0
HB 10-1329	0	(41,384)	0	41,384	0	0.0
HB 10-1385	<u>0</u>	<u>0</u>	<u>748,954</u>	<u>(748,954)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$10,514,905</b>	<b>\$4,531,090</b>	<b>\$3,760,182</b>	<b>\$885,844</b>	<b>\$1,337,789</b>	<b>90.0</b>
<b>Increase/(Decrease)</b>	\$612,785	\$415,024	\$669,260	(\$681,919)	\$210,420	5.5
Percentage Change	6.2%	10.1%	21.7%	(43.5)%	18.7%	6.5%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1305 reflect FY 2009-10 furloughs and other expenditure reductions as well as the refinance of General Fund appropriations with funds deriving from indirect cost recoveries, the receipt of a grant from the Colorado Auto Theft Prevention Authority, and changes to the procurement plan for mail services equipment.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore temporary 2009-10 reductions:** The Department's FY 2009-10 appropriation included one-time adjustments to save General Fund in FY 2009-10 that are no longer available.

**Auto Theft Prevention Grant:** The appropriation provides spending authority that will allow the Department to spend the grant that it received from the Colorado Automobile Theft Prevention Authority, which is in the Department of Public Safety.

**Transfer Safe2Tell:** The appropriation transfers the Safe2Tell program from the Department of Public Safety to the Department of Law. Safe2Tell operates a toll-free hotline and a web site where students and others can anonymously provide tips on potential safety issues at school and elsewhere.

**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.

**Use indirect cost assessments to reduce use of General Fund by Appellate Unit:** The appropriation uses some of the Department's indirect cost recoveries to offset the General Fund appropriation to the Appellate Unit.

**Consolidate Units:** The appropriation consolidates the Victims Assistance program into the Appellate Unit. Victims Assistance does about 80 percent of its work for the Appellate Unit.

**Fund source adjustment:** Changes the fund mix to reach the 25 percent General Fund/75 percent federal funds balance required for the Medicaid Fraud Control Unit.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on S.B. 10-167, see also the "Recent Legislation" section at the end of the Department of Health Care Policy and Financing. For information on H.B. 10-1329, see also the "Recent Legislation" section at the end of the Department of Public Health and Environment. For information on H.B. 10-1385, see also the "Recent Legislation" section at the end of the Department of Regulatory Agencies.

---

## **Water and Natural Resources**

This division contains two units:

- **Federal and Interstate Water Unit:** 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.
- **CERCLA Unit:** leads enforcement actions at sites contaminated with hazardous substances under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, frequently called the Superfund Act).

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.

<b>Water and Natural Resources</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$2,246,379	\$967,172	\$828,329	\$450,878	\$0	13.0
HB 10-1305	<u>(33,994)</u>	<u>(178,994)</u>	<u>50,000</u>	<u>95,000</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,212,385</b>	<b>\$788,178</b>	<b>\$878,329</b>	<b>\$545,878</b>	<b>\$0</b>	<b>13.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$2,212,385	\$788,178	\$878,329	\$545,878	\$0	13.0
Restore temporary 2009-10 reductions	33,994	178,994	(50,000)	(95,000)	0	0.0
Defense of the Colorado River Compact	(133,329)	0	(133,329)	0	0	(1.0)
Rocky Mountain Arsenal Natural Resource Damages	(45,000)	0	(45,000)	0	0	0.0
State PERA contribution reduction	(25,552)	(18,569)	(6,983)	0	0	0.0
<b>HB 10-1376</b>	<b>\$2,042,498</b>	<b>\$948,603</b>	<b>\$643,017</b>	<b>\$450,878</b>	<b>\$0</b>	<b>12.0</b>
HB 10-1329	<u>41,384</u>	<u>(432,084)</u>	<u>0</u>	<u>473,468</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,083,882</b>	<b>\$516,519</b>	<b>\$643,017</b>	<b>\$924,346</b>	<b>\$0</b>	<b>12.0</b>
<b>Increase/(Decrease)</b>	<b>(\$128,503)</b>	<b>(\$271,659)</b>	<b>(\$235,312)</b>	<b>\$378,468</b>	<b>\$0</b>	<b>(1.0)</b>
Percentage Change	(5.8)%	(34.5)%	(26.8)%	69.3%	n/a	(7.7)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1305 reflect FY 2009-10 furloughs and other expenditure reductions as well as litigation expenses for Arkansas River rule making, the refinance of General Fund appropriations with funds deriving from the Natural Resource Damage Recovery Fund, and a new \$20,000 appropriation for water-quality monitoring deriving from federal funds appropriated in the Department of Public Health and Environment.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore temporary 2009-10 reductions:** The Department's FY 2009-10 appropriation included one-time adjustments to save General Fund in FY 2009-10 that are no longer available.

**Defense of the Colorado River Compact:** The appropriation reduces funding for the Colorado River Unit, reflecting the reduced grant support that the Unit has received from the Colorado Water Conservation Board.

**Rocky Mountain Arsenal Natural Resource Damages:** The state won \$35 million in its lawsuit to recover Natural Resource Damages at the Rocky Mountain Arsenal and must now use the award to acquire or improve natural resources similar to those that were damaged; the cost of implementing the settlement is declining.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1329, see also the "Recent Legislation" section at the end of the Department of Public Health and Environment.

## Consumer Protection

This division 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.
- **Consumer Credit Program:** Regulates debt collection agencies, debt management services, credit repair services, payday lending, rent-to-own agreements, and certain other lenders.

The Division's cash funds come from fees paid by regulated entities, custodial funds awarded to the Department in consumer protection lawsuits, 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$3,476,476	\$912,882	\$2,283,640	\$279,954	\$0	38.5
HB 10-1305	<u>(118,523)</u>	<u>(117,333)</u>	<u>(1,190)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,357,953</b>	<b>\$795,549</b>	<b>\$2,282,450</b>	<b>\$279,954</b>	<b>\$0</b>	<b>38.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$3,357,953	\$795,549	\$2,282,450	\$279,954	\$0	38.5
Restore temporary 2009-10 reductions	147,835	132,555	11,193	4,087	0	0.0
Funding and FTE for the Consumer Credit Unit	51,404	0	51,404	0	0	0.5
Combine Collection Agency Board and Uniform Consumer Credit Code Unit	0	0	0	0	0	0.0
State PERA contribution reduction	(63,718)	(21,048)	(37,896)	(4,774)	0	0.0
Indirect cost assessment	(21,280)	0	(19,540)	(1,740)	0	0.0

<b>Consumer Protection</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>HB 10-1376</b>	<b><u>\$3,472,194</u></b>	<b><u>\$907,056</u></b>	<b><u>\$2,287,611</u></b>	<b><u>\$277,527</u></b>	<b><u>\$0</u></b>	<b><u>39.0</u></b>
<b>TOTAL</b>	<b>\$3,472,194</b>	<b>\$907,056</b>	<b>\$2,287,611</b>	<b>\$277,527</b>	<b>\$0</b>	<b>39.0</b>
<b>Increase/(Decrease)</b>	\$114,241	\$111,507	\$5,161	(\$2,427)	\$0	0.5
<b>Percentage Change</b>	3.4%	14.0%	0.2%	(0.9)%	n/a	1.3%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1305 reflect FY 2009-10 furloughs and other expenditure reductions as well as changes to the procurement plan for mail services equipment.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore temporary 2009-10 reductions:** The Department's FY 2009-10 supplemental bill included one-time adjustments to save General Fund in 2009-10 that are no longer available.

**Funding and FTE for the Consumer Credit Unit:** The added funding will finance enforcement efforts involving unlicensed internet payday lenders and debt management services.

**Combine Collection Agency Board and Uniform Consumer Credit Code Unit:** The appropriation consolidates the two units into a single line item called the Consumer Credit Unit.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**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.

---

### **Special Purpose**

This division 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 within the Department's budget, such as tobacco-settlement litigation. The Litigation Management and Technology Fund line item provides funding for unanticipated legal expenditures and for information technology projects. Cash funds derive from the surplus earned by the Legal Services to State Agencies program and from tobacco settlement moneys.

Special Purpose						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$2,728,616	\$2,103,616	\$625,000	\$0	\$0	0.0
HB 10-1305	<u>296,000</u>	<u>(4,000)</u>	<u>300,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,024,616</b>	<b>\$2,099,616</b>	<b>\$925,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$3,024,616	\$2,099,616	\$925,000	\$0	\$0	0.0
Lobato Litigation Expenses	432,500	0	0	432,500	0	0.0
Third year impact of H.B. 07-1170	217,750	217,750	0	0	0	0.0
Tobacco settlement litigation	150,000	0	150,000	0	0	0.0
HIPAA support	(3,538)	(3,538)	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$3,821,328</u></b>	<b><u>\$2,313,828</u></b>	<b><u>\$1,075,000</u></b>	<b><u>\$432,500</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$3,821,328</b>	<b>\$2,313,828</b>	<b>\$1,075,000</b>	<b>\$432,500</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$796,712	\$214,212	\$150,000	\$432,500	\$0	0.0
Percentage Change	26.3%	10.2%	16.2%	n/a	n/a	n/a

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1305 provide extra funding for tobacco settlement litigation and reduced HIPAA legal expenditures.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Lobato Litigation Expenses:** The appropriation provides funding to the Governor's Office for litigation expenses of the Lobato lawsuit concerning school funding adequacy. This appropriation gives the Department of Law the authority to spend moneys received from the Governor's Office.

**Third year impact of H.B. 07-1170:** House Bill 07-1170 (Compensation of Elected DA's) increased the base salaries of district attorneys, 80 percent of which is paid by the state, each year until 2012.

**Tobacco settlement litigation:** The appropriation increases funding for the tobacco-settlement arbitration proceeding that is expected to begin in FY 2010-11.

**HIPAA support:** The Department formerly received an appropriation that provided HIPAA (Health Insurance Portability and Accountability Act) legal support for General Fund programs. The appropriation has been eliminated.

## Recent Legislation

### 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. 09-239:** 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. 09-1202:** 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.

## **2010 Session Bills**

**S.B. 10-065:** Supplemental appropriation to the FY 2009-10 Long Bill for the Department of Education. Increases the FY 2009-10 appropriation made in H.B. 09-1319 to the Department of Law for the provision of legal services to the Department of Education by \$3,004 reappropriated funds. House Bill 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.

**S.B. 10-072:** Creates the Colorado Seed Potato Act. For FY 2010-11 provides \$905 of reappropriated funds to the Department of Law for the provision of legal services to the Department of Agriculture. For more information see the corresponding bill description for the Department of Agriculture.

**S.B. 10-109:** Requires the Department of Public Health and Environment and the Department of Regulatory Agencies to regulate physicians who certify that patients may benefit from medical marijuana. Provides for sanctions against physicians who are in violation. For FY 2010-11 provides \$99,879 of reappropriated funds to the Department of Law for the provision of legal services to the Department of Public Health and Environment and provides \$512,584 of reappropriated funds for the provision of legal services to the Department of Regulatory Agencies. Also provides 5.2 FTE to the Department of Law. For more information see the corresponding bill description for the Department of Public Health and Environment and the Department of Regulatory Agencies.

**S.B. 10-124:** Extends the Michael Skolnik Medical Transparency Act to certain health care professionals. For FY 2010-11 provides \$7,538 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. 10-167:** Creates the Medicaid False Claims Act (Act), which authorizes a civil action by the state or by a private person (a whistleblower) against those who submit false Medicaid claims to the state, such as a claim

for payment for medical services that were not provided. Specifies penalties for submitting false claims and allows whistleblowers to receive a portion of penalties and recoveries that result from the information they provide. Allows whistleblowers to sue those who retaliate against them, provided the whistleblower has acted lawfully in the false claims action. The whistleblower's complaint is initially filed under seal and is initially given to the state but not to the defendant. The complaint must be supported by evidence that is given to the state but is not initially filed in court. If the federal government rules that the Act complies with federal requirements, Colorado will retain an extra 10 percent of most recoveries received by the state and share less of the recoveries with the federal government. For FY 2010-11 appropriates \$69,145 General Fund, \$207,435 federal funds, and 3.0 FTE to the Department of Law's Medicaid Fraud Control Unit to carry out the Act's provisions. For more information see the corresponding bill description for the Department of Health Care Policy and Financing.

**S.B. 10-203:** Regulates independent expenditures made in connection with state elections. These are expenditures not controlled by or coordinated with a candidate or a candidate's agent. For FY 2010-11 provides \$4,522 of reappropriated funds to the Department of Law for the provision of legal services to the Department of State. For more information see the corresponding bill description for the Department of State.

**H.B. 10-1018:** Alters the allocation of waste-tire fees, consolidates fees within the Department of Public Health and Environment, and adds various waste-tire requirements. For FY 2010-11 provides \$15,076 reappropriated funds and 0.2 FTE to the Department of Law for the provision of legal services to the Department of Public Health and Environment. For more information see the corresponding bill descriptions for the Department of Local Affairs, the Department of Public Health and Environment, and the Department of Public Safety.

**H.B. 10-1125:** Gives the Department of Public Health and Environment the authority to regulate the collection, transportation, and disposal of grease. For FY 2010-11 provides \$7,538 of reappropriated funds to the Department of Law for the provision of legal services to the Department of Public Health and Environment. For more information see the corresponding bill description for the Department of Public Health and Environment.

**H.B. 10-1128:** Modifies the regulation of dentists, massage therapists, chiropractors, medical doctors, and athlete agents. For FY 2010-11 reduces the appropriation to the Department of Law for the provision of legal services to the Department of Regulatory agencies by \$9,799 reappropriated funds. For more information see the corresponding bill description for the Department of Regulatory Agencies.

**H.B. 10-1141:** Modifies the regulation of mortgage companies and loan originators. For FY 2010-11 provides \$6,407 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. 10-1148:** Repeals the continuing professional competency requirement for architects. Reduces the FY 2010-11 appropriation to the Department of Law for the provision of legal services to the Department of Regulatory Agencies by \$11,307 reappropriated funds. For more information see the corresponding bill description for the Department of Regulatory Agencies.

**H.B. 10-1176:** Requires audits of certain state agencies. For FY 2010-11 provides \$2,000 of reappropriated funds to the Department of Law for the provision of legal services to the Department of Personnel and

Administration. For more information see the corresponding bill description for the Department of Personnel and Administration.

**H.B. 10-1193:** Requires out-of-state retailers that do not collect Colorado sales tax to notify Colorado customers that they are required to file a Colorado sales or use tax return. Requires these retailers to send a consolidated year-end report of these purchases to the Department of Revenue and to the Colorado customer. For FY 2010-11 provides \$40,000 of reappropriated funds to the Department of Law for the provision of legal services to the Department of Revenue. For more information see the corresponding bill description for the Department of Revenue.

**H.B. 10-1224:** Continues the regulation of podiatrists. For FY 2010-11 provides \$2,261 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. 10-1260:** Continues the regulation of medical doctors by the Colorado Medical Board, which is located within the Department of Regulatory Agencies. Transfers the regulation of emergency medical technicians from the Board to the new Emergency Medical Practice Advisory Council within the Department of Public Health and Environment. For FY 2010-11 provides \$16,584 of reappropriated funds to the Department of Law for the provision of legal services to the Department of Public Health and Environment and provides \$678 of reappropriated funds to the Department of Law for the provision of legal services to the Department of Regulatory Agencies for a total appropriation of \$17,262. In addition, provides 0.1 FTE to the Department of Law. For more information see the corresponding bill descriptions for the Department of Public Health and Environment and the Department of Regulatory Agencies.

**H.B. 10-1278:** Creates the Home Owners Association Information and Resource Center within the Department of Regulatory Agencies. For FY 2010-11 provides \$15,679 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. 10-1284:** Creates, within the Department of Revenue, the Medical Marijuana State Licensing Authority, which licenses centers that sell medical marijuana. Directs the Department of Public Health and Environment to regulate medical-marijuana caregivers. For FY 2010-11 provides \$271,368 of reappropriated funds and 2.0 FTE to the Department of Law for the provision of legal services to the Department of Revenue. For more information see the corresponding bill descriptions for the Department of Public Health and Environment and the Department of Revenue.

**H.B. 10-1305:** Supplemental appropriation to the FY 2009-10 Long Bill for the Department of Law.

**H.B. 10-1313:** Supplemental appropriation to the FY 2009-10 Long Bill for the Department of Regulatory Agencies. Reduces the FY 2009-10 appropriation made in H.B. 09-1136 to the Department of Law for the provision of legal services to the Department of Regulatory Agencies by \$3,755 reappropriated funds. House Bill 09-1136 deals with continuing professional competency requirements for the renewal of licenses of electricians.

**H.B. 10-1329:** Allows the Solid and Hazardous Waste Commission within the Department of Public Health and Environment to set the solid waste user fees that provide revenue to the Hazardous Substance Response Fund. Previously the fees were set in statute. One of these fees is a per-cubic-yard fee on hazardous waste haulers, up to 3.5 cents of which can be used to support the Department of Law's CERCLA Unit. CERCLA

is the federal Comprehensive Environmental Response, Compensation and Liability Act, which is commonly referred to as the Superfund program. Switches from General Fund to reappropriated funds \$511,159 of FY 2010-11 appropriations to the Department of Law that are contained in the FY 2010-11 Long Bill. The funding source for the reappropriated funds is an additional appropriation of \$511,159 from the Hazardous Substance Response Fund to the Colorado Department of Public Health and Environment for payments to the Department of Law for CERCLA-related services. In addition, increases the appropriation for indirect cost assessments by \$41,384 reappropriated funds. For more information see the corresponding bill description for the Department of Public Health and Environment.

**H.B. 10-1365:** Requires utilities with coal-fired electric generating plants to submit emissions reduction plans for those plants to the Public Utilities Commission. For FY 2010-11 provides \$13,041 of reappropriated funds and 0.1 FTE to the Department of Law for the provision of legal services to the Public Utilities Commission. For more information see the corresponding bill description for the Department of Regulatory Agencies.

**H.B. 10-1376:** General appropriations act for FY 2010-11. Contains supplemental adjustments to FY 2009-10 and FY 2008-09 appropriations.

**H.B. 10-1385:** The Long Bill (H.B. 10-1376) provides \$860,186 to the Department of Law's Insurance Fraud program from the Division of Insurance Cash Fund. In a two-step appropriation, these moneys pass through the Division of Insurance within the Department of Regulatory Agencies, where they appear as a cash funds appropriation, to the Department of Law, where they appear as reappropriated funds. Approximately \$700,000 of these moneys derive from the insurance-fraud fee paid by insurance companies regulated by the Division of Insurance, while the remainder come from insurance premium taxes. House Bill 10-1385 increases the fraud fee from \$425 to \$561 and directs all fraud-fee revenues to the Insurance Fraud Cash Fund, which is created by the bill. The bill then replaces the two-step appropriation with a direct cash fund appropriation to the Department of Law from the Insurance Fraud Cash Fund. For more information see the corresponding bill description for the Department of Regulatory Agencies.

**H.B. 10-1404:** Transfers the Independent Ethics Commission from the Department of Personnel and Administration to the Judicial Department starting in FY 2010-11. This includes the transfer of \$67,842 of FY 2010-11 General Fund appropriations for the purchase of legal services. There is no net change of reappropriated funds within the Department of Law, but the source of the reappropriated funds changes. For more information see the corresponding bill description for the Judicial Department and the Department of Personnel and Administration.

**H.B. 10-1415:** Creates a registration program for surgical assistants and technologists within the Department of Regulatory Agencies. For FY 2010-11 provides \$3,769 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.

# 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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$32,740,151	\$34,889,177	\$35,137,319	\$34,796,446
Cash Funds/1	90,000	207,030	223,640	202,831
Cash Funds Exempt/1	1,033,774	n/a	n/a	n/a
Reappropriated Funds/1	n/a	806,500	1,183,816	1,000,316
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Funds</b>	<b>\$33,863,925</b>	<b>\$35,902,707</b>	<b>\$36,544,775</b>	<b>\$35,999,593</b>
Full Time Equiv. Staff	277.1	277.1	277.1	277.1

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 96.7 percent General Fund, 0.6 percent cash funds, and 2.8 percent reappropriated funds. Some of the most important factors driving the budget are reviewed below.

### Special Studies or Functions

The appropriations 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.

	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Approp.</b>
Property Tax Study	\$601,552	\$589,833	\$577,943	\$622,000	\$622,000
Ballot Analysis	\$1,288,971	\$4,900	\$1,549,099	\$508,500	\$508,500

## Summary of FY 2009-10 and FY 2010-11 Appropriations

<b>Legislative Branch</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Total Appropriation:</b>	<b>\$36,544,775</b>	<b>\$35,137,319</b>	<b>\$223,640</b>	<b>\$1,183,816</b>	<b>\$0</b>	<b>277.1</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	14,740,959	14,617,143	120,000	3,816	0	76.8
State Auditor	8,278,417	7,244,777	103,640	930,000	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
<u>Breakdown of Total Appropriation by Bill</u>						
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
HB 10-1110	130,000	0	0	130,000	0	0.0
HB 10-1306	(25,156)	(25,156)	0	0	0	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$35,999,593</b>	<b>\$34,796,446</b>	<b>\$202,831</b>	<b>\$1,000,316</b>	<b>\$0</b>	<b>277.1</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
General Assembly	14,552,956	14,459,140	90,000	3,816	0	76.8
State Auditor	8,284,102	7,174,771	112,831	996,500	0	73.0
Joint Budget Committee	1,522,835	1,522,835	0	0	0	16.0
Legislative Council	6,307,865	6,307,865	0	0	0	55.2
Committee on Legal Services	5,331,835	5,331,835	0	0	0	56.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	2,632,844	2,632,844	0	0	0	0.0
HB 10-1367	33,367,880	32,164,733	202,831	1,000,316	0	277.1

Legislative Branch						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1020	(1,131)	(1,131)	0	0	0	0.0
<b>Increase/(Decrease)</b>	(\$545,182)	(\$340,873)	(\$20,809)	(\$183,500)	\$0	0.0
Percentage Change	(1.5)%	(1.0)%	(9.3)%	(15.5)%	n/a	0.0%

#### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations add \$130,000 cash funds spending authority to the State Auditor's Office for costs associated with audits of federal moneys obtained through the American Recovery and Reinvestment Act (ARRA).
2. Supplemental appropriations include a reduction of \$25,000 General Fund as a result of reductions to the appropriations of various centrally appropriated line items.

#### **FY 2010-11 Appropriation Highlights:**

1. The appropriation adds \$194,000 to make the necessary contributions to the Public Employee's Retirement Association (PERA).
2. The appropriation includes a reduction of \$532,000 General Fund due to the impact of S.B. 10-146, PERA Contribution Rates.
3. The appropriation includes a decrease 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 study is not required in FY 2010-11 and, as a result, the funding has been eliminated.

### **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
<b>FY 2009-10 Appropriation:</b>						
SB 09-224 and SB 09-259	\$14,766,115	\$14,642,299	\$120,000	\$3,816	\$0	76.8
<i>SB 09-224 (non-add)</i>	<i>13,207,772</i>	<i>13,083,956</i>	<i>120,000</i>	<i>3,816</i>	<i>0</i>	<i>76.8</i>
<i>SB 09-259 (non-add)</i>	<i>1,558,343</i>	<i>1,558,343</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.0</i>
HB 10-1306	<u>(25,156)</u>	<u>(25,156)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$14,740,959</b>	<b>\$14,617,143</b>	<b>\$120,000</b>	<b>\$3,816</b>	<b>\$0</b>	<b>76.8</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$14,740,959	\$14,617,143	\$120,000	\$3,816	\$0	76.8
PERA amortization disbursement (HB 10-1367)	68,354	68,354	0	0	0	0.0
Operating adjustments (HB 10-1367)	(202,855)	(202,855)	0	0	0	0.0
Operating adjustments (HB 10-1376)	(30,843)	(30,843)	0	0	0	0.0
Youth Advisory Council (HB 10-1367)	(21,528)	8,472	(30,000)	0	0	0.0
<b>HB 10-1367 and HB 10-1376</b>	<b>\$14,554,087</b>	<b>\$14,460,271</b>	<b>\$90,000</b>	<b>\$3,816</b>	<b>\$0</b>	<b>76.8</b>
<i>HB 10-1367 (non-add)</i>	<i>13,051,743</i>	<i>12,957,927</i>	<i>90,000</i>	<i>3,816</i>	<i>0</i>	<i>76.8</i>
<i>HB 10-1376 (non-add)</i>	<i>1,502,344</i>	<i>1,502,344</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.0</i>
HB 10-1020	<u>(1,131)</u>	<u>(1,131)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$14,552,956</b>	<b>\$14,459,140</b>	<b>\$90,000</b>	<b>\$3,816</b>	<b>\$0</b>	<b>76.8</b>
<b>Increase/(Decrease)</b>	(\$188,003)	(\$158,003)	(\$30,000)	\$0	\$0	0.0
Percentage Change	(1.3)%	(1.1)%	(25.0)%	0.0%	n/a	0.0%

### FY 2009-10 Appropriation Adjustments

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

### FY 2010-11 Appropriation - H.B. 10-1367 (Legislative Appropriation) and H.B. 10-1376 (Long Bill) Issue Descriptions

**PERA amortization disbursement (H.B. 10-1367):** The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salary to the Public Employee's Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

**Operating adjustments (H.B. 10-1376):** 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 (H.B. 10-1367):** The decrease in appropriation is primarily the result of a reduction of \$191,000 General Fund due to the impact of S.B. 10-146, PERA Contribution Rates. In addition to this reduction, various other changes were made the General Assembly's operating appropriations.

**Youth Advisory Council (H.B. 10-1367):** The decrease in appropriation reflects the elimination of \$30,000 cash fund spending authority associated with the Youth Advisory Council as this fund is continuously appropriated and no further appropriation is required. The \$30,000 reduction is partially offset by an appropriation of \$8,472 General Fund to the Youth Advisory Cash Fund to pay for the direct and indirect costs of the program as authorized in Section 2-2-1306, C.R.S.

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

## 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-224	\$8,148,417	\$7,244,777	\$103,640	\$800,000	\$0	73.0
HB 10-1110	<u>130,000</u>	<u>0</u>	<u>0</u>	<u>130,000</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,278,417</b>	<b>\$7,244,777</b>	<b>\$103,640</b>	<b>\$930,000</b>	<b>\$0</b>	<b>73.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$8,278,417	\$7,244,777	\$103,640	\$930,000	0.0	73.0
PERA amortization disbursement	44,587	44,587	0	0	0	0.0
Salary and benefits related adjustments	(38,902)	(114,593)	9,191	66,500	0	0.0
<b>HB 10-1367</b>	<b><u>\$8,284,102</u></b>	<b><u>\$7,174,771</u></b>	<b><u>\$112,831</u></b>	<b><u>\$996,500</u></b>	<b><u>\$0</u></b>	<b><u>73.0</u></b>
<b>TOTAL</b>	<b>\$8,284,102</b>	<b>\$7,174,771</b>	<b>\$112,831</b>	<b>\$996,500</b>	<b>\$0</b>	<b>73.0</b>

State Auditor						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$5,685	(\$70,006)	\$9,191	\$66,500	\$0	0.0
Percentage Change	0.1%	(1.0)%	8.9%	7.2%	n/a	0.0%

## FY 2009-10 Appropriation Adjustments

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

## FY 2010-11 Appropriation - H.B. 10-1367 (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 Employee's 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 decrease in appropriation is primarily the result of a reduction of \$115,000 General Fund due to the impact of S.B. 10-146, PERA Contribution Rates. This decrease was offset by an anticipated increase in cash and reappropriated fund receipts from various sources for the performance of audits.

## 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-224	<u>\$1,535,594</u>	<u>\$1,535,594</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>16.0</u>
<b>TOTAL</b>	<b>\$1,535,594</b>	<b>\$1,535,594</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,535,594	\$1,535,594	\$0	\$0	\$0	16.0
PERA amortization disbursement	11,157	11,157	0	0	0	0.0
Salary and benefit related adjustments	(23,916)	(23,916)	0	0	0	0.0

Joint Budget Committee						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1367	<u>\$1,522,835</u>	<u>\$1,522,835</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>16.0</u>
TOTAL	\$1,522,835	\$1,522,835	\$0	\$0	\$0	16.0
<hr/>						
Increase/(Decrease)	(\$12,759)	(\$12,759)	\$0	\$0	\$0	0.0
Percentage Change	(0.8)%	(0.8)%	n/a	n/a	n/a	0.0%

### FY 2010-11 Appropriation - H.B. 10-1367 (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 Employee's Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

**Salary and benefit related adjustments:** The decrease in appropriation is primarily the result of a reduction of \$31,000 General Fund due to the impact of S.B. 10-146, PERA Contribution Rates. This decrease was offset by an increase as a result of the employer's contribution for health, life, and dental insurance benefits.

### 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259 and SB 09-224	<u>\$6,608,876</u>	<u>\$6,358,876</u>	<u>\$0</u>	<u>\$250,000</u>	<u>\$0</u>	<u>55.2</u>
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
<hr/>						
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$6,608,876	\$6,358,876	\$0	\$250,000	\$0	55.2
PERA amortization disbursement (HB 10-1367)	35,870	35,870	0	0	0	0.0

Legislative Council						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Operating adjustments (HB 10-1376)	(250,000)	0	0	(250,000)	0	0.0
Salary and benefits related adjustments (HB 10-1367)	(86,881)	(86,881)	0	0	0	0.0
<b>HB 10-1367 and HB 10-1376</b>	<b><u>\$6,307,865</u></b>	<b><u>\$6,307,865</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>55.2</u></b>
<i>HB 10-1367 (non-add)</i>	<i>5,177,365</i>	<i>5,177,365</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>55.2</i>
<i>HB 10-1376 (non-add)</i>	<i>1,130,500</i>	<i>1,130,500</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.0</i>
<b>TOTAL</b>	<b>\$6,307,865</b>	<b>\$6,307,865</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>55.2</b>
<b>Increase/(Decrease)</b>	(\$301,011)	(\$51,011)	\$0	(\$250,000)	\$0	0.0
Percentage Change	(4.6)%	(0.8)%	n/a	(100.0)%	n/a	0.0%

### **FY 2010-11 Appropriation - H.B. 10-1367 (Legislative Appropriation) and H.B. 10-1376 (Long Bill) Issue Descriptions**

**PERA amortization disbursement (HB 10-1367):** The increase in appropriation reflects the amount necessary to contribute an additional 0.9 percent of base salary to the Public Employee's Retirement Association (0.4 percent pursuant to S.B. 04-257 and 0.5 percent pursuant to S.B. 06-235).

**Operating adjustments (H.B. 10-1376):** The appropriation includes a decrease 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 study is not required in FY 2010-11 and, as a result, the funding has been eliminated.

**Salary and benefits related adjustments (H.B. 10-1367):** The decrease in appropriation is primarily the result of a reduction of \$99,700 General Fund due to the impact of S.B. 10-146, PERA Contribution Rates. This decrease was offset by an increase as a result of the employer's contribution for health, life, and dental insurance benefits.

### **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 the uniformity of state laws on all subjects where uniformity is deemed desirable and practical.

<b>Committee on Legal Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-224	<u>\$5,380,929</u>	<u>\$5,380,929</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>56.1</u>
<b>TOTAL</b>	<b>\$5,380,929</b>	<b>\$5,380,929</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>56.1</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$5,380,929	\$5,380,929	\$0	\$0	\$0	56.1
PERA amortization disbursement	34,333	34,333	0	0	0	0.0
Salary and benefits related adjustments	(83,427)	(83,427)	0	0	0	0.0
<b>HB 10-1367</b>	<b><u>\$5,331,835</u></b>	<b><u>\$5,331,835</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>56.1</u></b>
<b>TOTAL</b>	<b>\$5,331,835</b>	<b>\$5,331,835</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>56.1</b>
<b>Increase/(Decrease)</b>	<b>(\$49,094)</b>	<b>(\$49,094)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.9)%	(0.9)%	n/a	n/a	n/a	0.0%

### **FY 2010-11 Appropriation - H.B. 10-1367 (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 Employee's 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 decrease in appropriation is primarily the result of a reduction of \$95,000 General Fund due to the impact of S.B. 10-146, PERA Contribution Rates. This decrease was offset by an increase as a result of the employer's contribution for health, life, and dental insurance benefits.

## **Recent Legislation**

### **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.

## **2010 Session Bills**

**H.B. 10-1020:** Provides that, except for certain types of contracts required under the state constitution to be approved by the Governor or his or her designee, Legislative Department contracts shall be approved by the Director of the Office of Legislative Legal Services or the director's designee. Exempts the Legislative Department from the statutory provisions restricting the leasing of real and personal property for purposes of oversight of Executive Branch spending by the State Controller. Reduces the appropriation to the legislative department for legal services for FY 2010-11 by \$1,131 General Fund and 15 hours. Specifies that the change applies to contracts of the Legislative Department entered into on or after April 15, 2010.

**H.B. 10-1110:** Supplemental appropriation to the legislative appropriations act for FY 2009-10. Increases the cash fund appropriation for the State Auditor's Office.

**H.B. 10-1306:** Supplemental appropriation to the general appropriations act for FY 2009-10. Decreases the General Fund appropriation for the General Assembly to reflect reductions to various centrally appropriated line items.

**H.B. 10-1367:** Separate legislative appropriations act for FY 2010-11.

**H.B. 10-1376:** General appropriations act for FY 2010-11.

# 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 Governments, and the Division of Emergency Management.

## Department Budget: Recent Appropriations

Funding Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund/1	\$10,989,371	\$12,352,639	\$10,912,921	\$10,561,511
Cash Funds/2	29,959,987	190,783,749	258,601,220	203,509,756
Cash Funds Exempt/2	107,433,892	n/a	n/a	n/a
Reappropriated Funds/2	n/a	5,324,722	11,928,255	7,243,477
Federal Funds	<u>80,261,842</u>	<u>54,905,997</u>	<u>112,986,814</u>	<u>96,977,419</u>
<b>Total Funds</b>	<b>\$228,645,092</b>	<b>\$263,367,107</b>	<b>\$394,429,210</b>	<b>\$318,292,163</b>
Full Time Equiv. Staff	184.0	180.5	186.5	176.3

/1 Appropriations include General Fund Exempt.

/2 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 3.3 percent General Fund, 63.9 percent cash funds, 2.3 percent reappropriated funds, and 30.5 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: 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); 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); and limited gaming impact grants (a portion of limited gaming tax revenues distributed to communities impacted by gaming activities). 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) were transferred to the Department of Public Health and Environment beginning in FY 2010-11, pursuant to H.B. 10-1018. 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 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Estimated
Severance Tax <sup>1</sup>	\$77.5	\$82.7	\$165.4	\$119.0	\$91.5
Federal Mineral Lease <sup>1</sup>	40.6	51.0	88.5	73.0	46.4
Conservation Trust Fund	47.6	48.9	48.0	48.0	51.4
Limited Gaming Fund <sup>2</sup>	6.9	6.5	5.5	6.3	6.0
Waste Tire Fees <sup>3</sup>	<u>2.3</u>	<u>3.1</u>	<u>4.0</u>	<u>4.2</u>	<u>0.0</u>
<b>Total Dedicated Cash Revenues</b>	<b>\$174.9</b>	<b>\$192.2</b>	<b>\$311.4</b>	<b>\$250.5</b>	<b>\$195.3</b>

<sup>1</sup> Estimate reflects projected revenues based on the March 2010 Legislative Council Staff economic and revenue forecast.

<sup>2</sup> Estimate provided by the Department of Revenue, Division of Gaming.

<sup>3</sup> House Bill 10-1018 consolidates authority over waste tire fees within the Department of Public Health and Environment and transfers administration of the Waste Tire Program from the Department of Local Affairs to the Department of Public Health and Environment beginning in FY 2010-11.

## Federal Funds

Federal funds comprise nearly one-third of the Department of Local Affairs' FY 2010-11 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 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Estimated
HUD Section 8 rental assistance <sup>1</sup>	\$18.0	\$18.4	\$17.2	\$18.0
HUD Affordable housing development <sup>1, 2</sup>	16.1	9.7	45.3	45.0
Preparedness grants and training <sup>3</sup>	35.5	13.2	12.0	12.0
HUD Community Development Block Grants <sup>1</sup>	8.0	12.4	9.9	9.7
Health and Human Services Community Services Block Grants <sup>1</sup>	5.0	5.9	14.2	6.0
HUD Emergency Shelter Program <sup>1</sup>	1.0	0.9	0.9	1.0

<sup>1</sup> Amounts exclude portions used for administration and overhead.

<sup>2</sup> 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.

<sup>3</sup> 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 2009-10 and FY 2010-11 Appropriations

Department of Local Affairs						
	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$394,429,210</b>	<b>\$10,912,921</b>	<b>\$258,601,220</b>	<b>\$11,928,255</b>	<b>\$112,986,814</b>	<b>186.5</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	4,039,209	1,162,791	385,067	2,003,843	487,508	13.2
Property Taxation	3,566,844	1,642,049	687,883	1,236,912	0	53.5
Division of Housing	82,016,204	2,614,518	1,470,791	5,049,894	72,881,001	35.0
Division of Local Governments	284,857,480	4,921,004	251,546,491	3,559,158	24,830,827	55.4
Division of Emergency Management	19,949,473	572,559	4,510,988	78,448	14,787,478	29.4
<u>Breakdown of Total Appropriation by Bill</u>						
SB 09-259	370,017,534	11,889,613	258,645,041	6,108,376	93,374,504	186.5
HB 10-1307	24,411,676	(976,692)	(43,821)	5,819,879	19,612,310	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$318,292,163</b>	<b>\$10,561,511</b>	<b>\$203,509,756</b>	<b>\$7,243,477</b>	<b>\$96,977,419</b>	<b>176.3</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	4,778,591	1,254,528	370,935	2,258,947	894,181	13.7
Property Taxation	3,480,066	1,309,050	991,950	1,179,066	0	49.9
Division of Housing	69,252,640	2,616,884	1,310,254	211,628	65,113,874	33.1
Division of Local Governments	220,999,868	4,809,364	196,325,629	3,513,045	16,351,830	51.7
Division of Emergency Management	19,780,998	571,685	4,510,988	80,791	14,617,534	27.9
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	322,333,905	10,704,326	207,408,683	7,243,477	96,977,419	176.7
HB 10-1018	(4,200,000)	0	(4,200,000)	0	0	(0.7)
HB 10-1176	26,927	26,927	0	0	0	0.3
HB 10-1386	131,331	(169,742)	301,073	0	0	0.0
<b>Increase/(Decrease)</b>	<b>(\$76,137,047)</b>	<b>(\$351,410)</b>	<b>(\$55,091,464)</b>	<b>(\$4,684,778)</b>	<b>(\$16,009,395)</b>	<b>(10.2)</b>
Percentage Change	(19.3)%	(3.2)%	(21.3)%	(39.3)%	(14.2)%	(5.5)%

/1 Includes \$0 General Fund Exempt in FY 2009-10 and \$4,144,363 General Fund Exempt in FY 2010-11. See division detail for more information.

/2 Includes amounts (a total of \$4,141,912 for FY 2009-10 and \$4,144,363 for FY 2010-11) that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S.

### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations add \$24.4 million federal funds to reflect federal funds made available pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), including \$12.9 million for rental assistance services and various wrap-around services, \$8.7 million for the reduction of poverty, revitalization of low-income communities, and to assist low-income families and individuals to become fully self-sufficient, and \$2.8 million for critical infrastructure projects.
2. Supplemental appropriations include a reduction of \$943,127 General Fund by refinancing 6.9 FTE in the Division of Local Governments with severance tax and federal mineral lease payment revenues.
3. Supplemental appropriations reflect the actual impact of FY 2009-10 furloughs, reducing appropriations by a total of \$168,957.

### **FY 2010-11 Appropriation Highlights:**

1. The appropriation reflects estimated cash fund decreases of \$27.5 million in severance tax revenues and \$26.6 million in federal mineral lease revenues based on the March 2010 Legislative Council Staff economic and revenue forecast.
2. The appropriation reflects the elimination of the one-time \$24.4 million allocation of moneys anticipated to be received from the American Recovery and Reinvestment Act (ARRA) of 2009.
3. The appropriation reflects a projected increase of \$3.4 million in disbursements from the Conservation Trust Fund for parks, recreation, and open space purposes based on projected lottery revenues.
4. The appropriation reflects an anticipated federal funds increase of \$3.7 million consisting of increases of \$2.6 million for Community Development Block Grants, \$807,000 for low-income rental assistance, \$500,000 for Community Services Block Grants, and \$41,624 for the emergency shelter program. These increases are offset by a decrease of \$290,931 related to federal affordable housing construction grants and loans.
5. The appropriation adds \$339,875, including \$82,888 General Fund, to restore one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.
6. House Bill 10-1018 transfers administration of the Waste Tire Program from the Department of Local Affairs to the Department of Public Health and Environment beginning in FY 2010-11, reducing the appropriation by \$4.2 million and 0.7 FTE.

## **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 Governments.

<b>Executive Director's Office</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$4,095,319	\$1,473,253	\$387,464	\$1,741,595	\$493,007	13.2
HB 10-1307	<u>(56,110)</u>	<u>(310,462)</u>	<u>(2,397)</u>	<u>262,248</u>	<u>(5,499)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,039,209</b>	<b>\$1,162,791</b>	<b>\$385,067</b>	<b>\$2,003,843</b>	<b>\$487,508</b>	<b>13.2</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$4,039,209	\$1,162,791	\$385,067	\$2,003,843	\$487,508	13.2
Statewide information technology staff consolidation	794,399	176,970	0	246,383	371,046	0.5
Statewide information technology common policy adjustments	59,572	27,076	1,291	5,297	25,908	0.0
Restore FY 2009-10 furlough reductions	40,034	2,729	1,937	32,223	3,145	0.0
Vehicle lease payments	20,830	11,866	0	8,964	0	0.0
Office lease for south central region	6,240	0	0	6,240	0	0.0
Centrally-appropriated line items	(155,386)	(126,904)	(17,360)	(17,696)	6,574	0.0
State PERA contribution reduction	(26,307)	0	0	(26,307)	0	0.0
<b>HB 10-1376</b>	<b><u>\$4,778,591</u></b>	<b><u>\$1,254,528</u></b>	<b><u>\$370,935</u></b>	<b><u>\$2,258,947</u></b>	<b><u>\$894,181</u></b>	<b><u>13.7</u></b>
<b>TOTAL</b>	<b>\$4,778,591</b>	<b>\$1,254,528</b>	<b>\$370,935</b>	<b>\$2,258,947</b>	<b>\$894,181</b>	<b>13.7</b>
<b>Increase/(Decrease)</b>	<b>\$739,382</b>	<b>\$91,737</b>	<b>(\$14,132)</b>	<b>\$255,104</b>	<b>\$406,673</b>	<b>0.5</b>
Percentage Change	18.3%	7.9%	(3.7)%	12.7%	83.4%	3.8%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1307 refinanced the Division of Local Governments Field Services Staff from General Fund to cash funds from severance tax and federal mineral lease payment revenues and reflected the actual impact of the FY 2009-10 furloughs, among other changes.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Statewide information technology staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**Statewide information technology common policy adjustments:** The appropriation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; management and administration of the Office of Information Technology; and communication services payments.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Vehicle lease payments:** The appropriation reflects an increase of \$20,830 for vehicle lease payments. The increase includes \$13,806 related to prior year budget actions for the purpose of augmenting the State's Pre-Disaster Mitigation program (three-to-one federal-to-state match for FTE and operating expenses) and \$7,204 related to one-time rebates for the purchase of hybrid vehicles that were applied in FY 2009-10.

**Office lease for south central region:** The appropriation includes increased spending authority to acquire leased office space for the purposes of accommodating a move of the Department's south central regional office from Monte Vista to Alamosa.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

---

## **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 Governments.

Property Taxation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$3,595,604	\$1,652,857	\$692,010	\$1,250,737	\$0	53.5
HB 10-1307	<u>(28,760)</u>	<u>(10,808)</u>	<u>(4,127)</u>	<u>(13,825)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,566,844</b>	<b>\$1,642,049</b>	<b>\$687,883</b>	<b>\$1,236,912</b>	<b>\$0</b>	<b>53.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$3,566,844	\$1,642,049	\$687,883	\$1,236,912	\$0	53.5
Restore FY 2009-10 furlough reductions	74,826	30,054	16,884	27,888	0	0.0
Indirect cost assessment	25,482	0	0	25,482	0	0.0
Board of Assessment Appeals funding	0	(104,185)	0	104,185	0	0.0
Statewide information technology staff consolidation	(235,752)	(53,568)	0	(182,184)	0	(3.6)
State PERA contribution reduction	(71,815)	(24,708)	(13,890)	(33,217)	0	0.0
Operating reduction	(8,071)	(8,071)	0	0	0	0.0
Postage adjustment	(2,779)	(2,779)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$3,348,735</b>	<b>\$1,478,792</b>	<b>\$690,877</b>	<b>\$1,179,066</b>	<b>\$0</b>	<b>49.9</b>
HB 10-1386	<u>131,331</u>	<u>(169,742)</u>	<u>301,073</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,480,066</b>	<b>\$1,309,050</b>	<b>\$991,950</b>	<b>\$1,179,066</b>	<b>\$0</b>	<b>49.9</b>
<b>Increase/(Decrease)</b>	<b>(\$86,778)</b>	<b>(\$332,999)</b>	<b>\$304,067</b>	<b>(\$57,846)</b>	<b>\$0</b>	<b>(3.6)</b>
Percentage Change	(2.4)%	(20.3)%	44.2%	(4.7)%	n/a	(6.7)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1307 reflected the actual impact of the FY 2009-10 furloughs, among other changes.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**Board of Assessment Appeals funding:** The appropriation includes a net decrease of General Fund and a commensurate increase in reappropriated funds made available from additional indirect cost recoveries which are being utilized to offset a portion of the appropriation made for the Board of Assessment Appeals.

**Statewide information technology staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

**Postage adjustment:** The appropriation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

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

## 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 Governments.

Division of Housing						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$69,158,809	\$2,617,609	\$1,496,770	\$299,894	\$64,744,536	35.0
HB 10-1307	<u>12,857,395</u>	<u>(3,091)</u>	<u>(25,979)</u>	<u>4,750,000</u>	<u>8,136,465</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$82,016,204</b>	<b>\$2,614,518</b>	<b>\$1,470,791</b>	<b>\$5,049,894</b>	<b>\$72,881,001</b>	<b>35.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$82,016,204	\$2,614,518	\$1,470,791	\$5,049,894	\$72,881,001	35.0
Anticipated federal funding increase	557,693	0	0	0	557,693	0.0
Restore FY 2009-10 furlough reductions	72,169	9,879	26,744	2,795	32,751	0.0

Division of Housing						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Eliminate one-time funding	(13,004,036)	0	0	(4,850,000)	(8,154,036)	0.0
Indirect cost assessment	(177,852)	0	(171,303)	12,578	(19,127)	0.0
Statewide information technology staff consolidation	(163,107)	0	0	0	(163,107)	(1.9)
State PERA contribution reduction	(45,854)	(6,218)	(15,484)	(3,639)	(20,513)	0.0
Operating reduction	(1,295)	(1,295)	0	0	0	0.0
Postage adjustment	(1,282)	0	(494)	0	(788)	0.0
<b>HB 10-1376</b>	<b><u>\$69,252,640</u></b>	<b><u>\$2,616,884</u></b>	<b><u>\$1,310,254</u></b>	<b><u>\$211,628</u></b>	<b><u>\$65,113,874</u></b>	<b><u>33.1</u></b>
<b>TOTAL</b>	<b><u>\$69,252,640</u></b>	<b><u>\$2,616,884</u></b>	<b><u>\$1,310,254</u></b>	<b><u>\$211,628</u></b>	<b><u>\$65,113,874</u></b>	<b><u>33.1</u></b>
<b>Increase/(Decrease)</b>	(\$12,763,564)	\$2,366	(\$160,537)	(\$4,838,266)	(\$7,767,127)	(1.9)
Percentage Change	(15.6)%	0.1%	(10.9)%	(95.8)%	(10.7)%	(5.4)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1307 added \$8,154,036 in federal funds for rental assistance services and \$4,750,000 for various wrap-around services transferred from the Department of Human Services and made available from the American Recovery and Reinvestment Act (ARRA) of 2009. This act also reflected the actual impact of the FY 2009-10 furloughs, among other changes.

The FY 2010-11 Long Bill (H.B. 10-1376) contains a section that makes a technical fund source correction to the FY 2009-10 Private Activity Bond Allocation Committee line item letternote.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Anticipated federal funding increase:** The appropriation reflects anticipated increases of federal funds including: (1) \$807,000 for low-income rental subsidies (Section 8 housing); and (2) \$41,624 related to the emergency shelter program. These increases are offset by an anticipated decrease of \$290,931 in federal funds related to affordable housing construction grant and loans.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Eliminate one-time funding:** The appropriation eliminates one-time funding for the following: (1) \$12,904,036 related to the Homeless Prevention and Rapid Re-Housing Program that was funded with moneys made available from the American Recovery and Reinvestment Act (ARRA) of 2009; and (2) \$100,000 cash funds spending authority from the Foreclosure Prevention Grant Fund.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

**Statewide information technology staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

**Postage adjustment:** The appropriation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

## Division of Local Governments

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; and (4) gaming revenues. Grants for the recycling, reuse, and removal of waste tires will be transferred to the Department of Public Health and Environment beginning in FY 2010-11, pursuant to H.B. 10-1018. 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 Governments						
	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$273,193,624	\$5,570,283	\$251,557,809	\$2,737,702	\$13,327,830	55.4
HB 10-1307	<u>11,663,856</u>	<u>(649,279)</u>	<u>(11,318)</u>	<u>821,456</u>	<u>11,502,997</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$284,857,480</b>	<b>\$4,921,004</b>	<b>\$251,546,491</b>	<b>\$3,559,158</b>	<b>\$24,830,827</b>	<b>55.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$284,857,480	\$4,921,004	\$251,546,491	\$3,559,158	\$24,830,827	55.4
Conservation Trust Fund disbursements	3,403,443	0	3,403,443	0	0	0.0
Community Development Block Grant	2,647,981	0	0	0	2,647,981	0.0
Community Services Block Grant	500,000	0	0	0	500,000	0.0
Restore FY 2009-10 furlough reductions	98,338	27,931	13,267	38,533	18,607	0.0

Division of Local Governments						
	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Volunteer firefighter retirement plans	2,451	2,451	0	0	0	0.0
Indirect cost assessment	2,399	0	(20,484)	43,078	(20,195)	0.0
Waste tire programs	1,416	0	1,416	0	0	0.0
Search and rescue program	1,342	0	1,342	0	0	0.0
Field services technical adjustment	0	(9,126)	0	9,126	0	0.0
Local government mineral and energy impact grants and disbursements	(54,100,000)	0	(54,100,000)	0	0	0.0
Eliminate one-time FY 2009-10 ARRA allocation	(11,517,256)	0	0	0	(11,517,256)	0.0
Statewide information technology staff consolidation	(341,873)	(144,994)	0	(94,261)	(102,618)	(3.3)
Limited gaming impact grants	(308,674)	0	(308,674)	0	0	0.0
State PERA contribution reduction	(71,326)	(12,720)	(11,172)	(41,918)	(5,516)	0.0
Operating reduction	(2,109)	(2,109)	0	0	0	0.0
Postage adjustment	(671)	0	0	(671)	0	0.0
<b>HB 10-1376</b>	<b>\$225,172,941</b>	<b>\$4,782,437</b>	<b>\$200,525,629</b>	<b>\$3,513,045</b>	<b>\$16,351,830</b>	<b>52.1</b>
HB 10-1018	(4,200,000)	0	(4,200,000)	0	0	(0.7)
HB 10-1176	<u>26,927</u>	<u>26,927</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.3</u>
<b>TOTAL</b>	<b>\$220,999,868</b>	<b>\$4,809,364</b>	<b>\$196,325,629</b>	<b>\$3,513,045</b>	<b>\$16,351,830</b>	<b>51.7</b>
<b>Increase/(Decrease)</b>	<b>(\$63,857,612)</b>	<b>(\$111,640)</b>	<b>(\$55,220,862)</b>	<b>(\$46,113)</b>	<b>(\$8,478,997)</b>	<b>(3.7)</b>
Percentage Change	(22.4)%	(2.3)%	(22.0)%	(1.3)%	(34.1)%	(6.7)%

/1 Amounts include General Fund Exempt appropriations.

/2 Includes amounts (a total of \$4,141,912 for FY 2009-10 and \$4,144,363 for FY 2010-11) 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
<b>FY 2009-10 Appropriation</b>	\$5,570,283	\$5,570,283	\$0
FY 2009-10 supplemental adjustments	<u>(649,279)</u>	<u>(649,279)</u>	<u>0</u>
<b>FY 2009-10 Adjusted Appropriation</b>	<b>\$4,921,004</b>	<b>\$4,921,004</b>	<b>\$0</b>
Restore FY 2009-10 furlough reductions	27,931	27,931	0
Volunteer firefighter retirement plans adjustment	2,451	0	2,451
Statewide information technology staff consolidation	(144,994)	(144,994)	0
State PERA contribution reduction	(12,720)	(12,720)	0

<b>General Fund Summary</b>	<b>Total General Fund</b>	<b>General Fund</b>	<b>General Fund Exempt</b>
Field services technical adjustment	(9,126)	(9,126)	0
Operating reduction	(2,109)	(2,109)	0
Increase General Fund Exempt amount for volunteer firefighter retirement plans based on FY 2010-11 revenue projections	<u>0</u>	<u>(4,141,912)</u>	<u>4,141,912</u>
<b>Total FY 2010-11 Long Bill Appropriation</b>	<b>\$4,782,437</b>	<b>\$638,074</b>	<b>\$4,144,363</b>

## General Fund Exempt

Referendum C, passed by Colorado voters in November 2005, allows the State to retain and spend all revenue that is collected in excess of the TABOR limit for FY 2005-06 through FY 2009-10. For FY 2010-11 and subsequent fiscal years, Referendum C allows the State to retain all revenues that are in excess of the TABOR limit, but less than the excess state revenues cap<sup>1</sup>, for that fiscal year. This revenue must be placed in the General Fund Exempt Account. The above table shows the amount of General Fund Exempt appropriated for FY 2009-10 and FY 2010-11 from the General Fund Exempt Account for volunteer firefighter retirement plans and death and disability insurance, pursuant to Section 24-77-103.6 (2) (c), C.R.S.

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1307 made the following changes: reflected the full amount of federal funds available pursuant to the American Recovery and Reinvestment Act (ARRA) of 2009 including \$8.7 million to reduce poverty in communities and \$2.8 million for infrastructure projects; reduced \$943,127 General Fund by refinancing 6.9 FTE in the Division with severance tax and federal mineral lease payment revenues; and reflected the actual impact of the FY 2009-10 furloughs.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Conservation Trust Fund disbursements:** The appropriation reflects a projected increase in disbursements from the Conservation Trust Fund for parks, recreation, and open space purposes based on projected lottery revenues.

**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.

**Community Services Block Grant:** The appropriation reflects a projected increase in federal funds for the reduction of poverty through the Community Services Block Grant program.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

---

<sup>1</sup> The "excess state revenues cap" is equal to the highest annual total state revenues from FY 2005-06 through FY 2009-10, adjusted each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes.

**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.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**Waste tire programs:** The appropriation reflects anticipated expenditures from funds administered by this Department based on projected revenues. Please note that H.B. 10-1018 transfers administration of the Waste Tire Program from the Department of Local Affairs to the Department of Public Health and Environment beginning in FY 2010-11.

**Search and rescue program:** The appropriation reflects anticipated expenditures from the Search and Rescue Fund.

**Field services technical adjustment:** The appropriation includes a technical funding source adjustment related to mid-year changes to the appropriation for Field Services staff made in H.B. 10-1307.

**Local government mineral and energy impact grants and disbursements:** The appropriation reflects a reduced 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 in FY 2010-11.

**Eliminate one-time FY 2009-10 ARRA allocation:** The appropriation reflects the elimination of a one-time allocation of moneys made available from the American Recovery and Reinvestment Act (ARRA) of 2009. Of this reduction, \$8,684,648 were made available through the Community Services Block Grant program for the reduction of poverty, revitalization of low-income communities, and to assist low-income families and individuals to become fully self-sufficient; and \$2,832,608 were made available through the Community Development Block Grant program for critical infrastructure projects.

**Statewide information technology staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**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.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

**Postage adjustment:** The appropriation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1018, see also the "Recent Legislation" section at the end of the Department of Public Health and Environment.

## 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 Governments. 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$19,974,178	\$575,611	\$4,510,988	\$78,448	\$14,809,131	29.4
HB 10-1307	<u>(24,705)</u>	<u>(3,052)</u>	<u>0</u>	<u>0</u>	<u>(21,653)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$19,949,473</b>	<b>\$572,559</b>	<b>\$4,510,988</b>	<b>\$78,448</b>	<b>\$14,787,478</b>	<b>29.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$19,949,473	\$572,559	\$4,510,988	\$78,448	\$14,787,478	29.4
Restore FY 2009-10 furlough reductions	54,508	12,295	0	1,204	41,009	0.0
Statewide information technology staff consolidation	(142,768)	0	0	0	(142,768)	(1.6)
State PERA contribution reduction	(42,382)	(10,968)	0	(877)	(30,537)	0.0
Annualize prior year funding	(19,615)	(2,201)	0	0	(17,414)	0.1
Indirect cost assessment	(17,296)	0	0	2,016	(19,312)	0.0
Postage adjustment	(922)	0	0	0	(922)	0.0
<b>HB 10-1376</b>	<b><u>\$19,780,998</u></b>	<b><u>\$571,685</u></b>	<b><u>\$4,510,988</u></b>	<b><u>\$80,791</u></b>	<b><u>\$14,617,534</u></b>	<b><u>27.9</u></b>
<b>TOTAL</b>	<b>\$19,780,998</b>	<b>\$571,685</b>	<b>\$4,510,988</b>	<b>\$80,791</b>	<b>\$14,617,534</b>	<b>27.9</b>
<b>Increase/(Decrease)</b>	<b>(\$168,475)</b>	<b>(\$874)</b>	<b>\$0</b>	<b>\$2,343</b>	<b>(\$169,944)</b>	<b>(1.5)</b>
<b>Percentage Change</b>	<b>(0.8)%</b>	<b>(0.2)%</b>	<b>0.0%</b>	<b>3.0%</b>	<b>(1.1)%</b>	<b>(5.1)%</b>

## **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1307 reflected the actual impact of the FY 2009-10 furloughs.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Statewide information technology staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes a reduction of \$19,615 related to a prior year budget action related to Pre-Disaster Mitigation Program. Of this reduction, \$23,962 reflects the elimination of one-time operating and capital outlay expenditures which is offset by an increase of \$4,347 and 0.1 FTE in annualizations for personal services.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

**Postage adjustment:** The appropriation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

## **Recent Legislation**

### **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 act also allows the department to contract with a private person, corporation, or entity for the administration of the program. Finally, the act makes changes to certain deadlines for allocation and reporting requirements regarding the program.

**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 transfers from funds in this Department. For FY 2009-10, transfers \$22,600,000 from the Local Government Mineral Impact 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.

This act also included the following options for one-day transfers on June 30, 2009 to augment the General Fund if needed. These transfers were reversed back to the original funds on July 1, 2009.

<b>June 30th, 2009 One-Day Cash Fund Transfers</b>		
<b>Cash Fund</b>	<b>Maximum Amount</b>	<b>Actual July 1, 2009 Transfer</b>
Local Government Severance Tax Fund	\$128,000,000	\$109,633,992
Local Government Mineral Impact Fund	72,000,000	14,248,358
<b>Total</b>	<b>\$200,000,000</b>	<b>\$123,882,350</b>

**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 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 to the Housing Development Grant Fund in any one state fiscal year for any uses other than those related to construction grants or loans.

## 2010 Session Bills

**H.B. 10-1018:** Consolidates authority over waste tire fees within the Department of Public Health and Environment and transfers administration of the Waste Tire Program from the Department of Local Affairs to the Department of Public Health and Environment. Reduces the appropriation to the Department of Local Affairs for FY 2010-11 by \$4.2 million cash funds and 0.7 FTE. For information on H.B. 10-1018, see the "Recent Legislation" section at the end of the Department of Public Health and Environment.

**H.B. 10-1176:** Requires the Office of the State Controller to contract with a third party to perform an audit of state executive agencies to determine whether overpayments to individuals, vendors, and others occur as a result of pricing errors, neglected rebates, discounts, unclaimed refunds, or other related general errors. The act applies to state executive agencies that spend more than \$25 million annually and authorizes the Office of the State Controller to retain a portion of any amount recovered due to an audit to defray the administrative costs

incurred in contracting for and providing oversight of the recovery audit. General Fund expenditures in FY 2010-11 and FY 2011-12 will be reimbursed from the savings generated by the implementation of H.B. 10-1338. Appropriates \$26,927 General Fund, including \$20,327 and 0.3 FTE for program administration and \$6,600 for copying costs. For information on H.B. 10-1176, see the "Recent Legislation" section at the end of the Department of the Governor - Lieutenant Governor - State Planning and Budgeting. For information on H.B. 10-1338, see the "Recent Legislation" section at the end of the Department of Corrections.

**H.B. 10-1307:** Supplemental appropriation to the Department of Local Affairs to modify FY 2009-10 appropriations included in the FY 2009-10 Long Bill (S.B. 09-259).

**H.B. 10-1376:** General appropriations act for FY 2010-11.

**H.B. 10-1386:** Adjusts the filing fees for tax-exempt status applications on real and personal property to recover sufficient revenues to offset the Property Tax Exemption Program's direct and indirect expenditures in the Department of Local Affairs, thus relieving the necessity for fee revenue shortfalls to be backfilled with General Fund. The Property Tax Administrator is authorized to waive late filing fees for good cause shown. Reduces the General Fund appropriation to the Division of Property Taxation by \$169,742 and increases the cash funds appropriation from the Property Tax Exemption Fund by \$301,073 for FY 2010-11. The difference between the increased cash funds spending authority and the General Fund savings (\$131,331) reflects the increased indirect cost assessment applied to the new cash fund revenue.

# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

The Department of Military and Veterans Affairs has 5,463 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, 350 members of the Colorado National Guard are serving on federal active duty in Iraq, Afghanistan, or 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 96.5 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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$5,530,793	\$5,685,713	\$5,407,887	\$5,320,408
Cash Funds/1	119,124	1,308,889	1,407,940	1,408,881
Cash Funds Exempt/1	1,580,665	n/a	n/a	n/a
Reappropriated Funds/1	n/a	653,509	803,509	803,509
Federal Funds	<u>165,434,307</u>	<u>195,706,763</u>	<u>195,608,488</u>	<u>213,758,894</u>
<b>Total Funds</b>	<b>\$172,664,889</b>	<b>\$203,354,874</b>	<b>\$203,227,824</b>	<b>\$221,291,692</b>
Full Time Equiv. Staff	1,383.8	1,386.9	1,386.9	1,384.9

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 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 Department's funding for FY 2010-11 consists of 2.4 percent General Fund, 0.6 percent cash funds, 0.4 percent reappropriated funds and 96.6 percent federal funds.

## Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of Military and Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$203,227,824</b>	<b>\$5,407,887</b>	<b>\$1,407,940</b>	<b>\$803,509</b>	<b>\$195,608,488</b>	<b>1,386.9</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	10,043,370	4,022,064	101,960	800,000	5,119,346	85.8
Division of Veterans Affairs	2,227,576	867,087	1,305,980	3,509	51,000	12.5
Air National Guard	3,250,414	390,758	0	0	2,859,656	48.6
Federal Funded Programs	187,578,486	0	0	0	187,578,486	1,239.0
Civil Air Patrol	127,978	127,978	0	0	0	1.0
<u>Breakdown of Total Appropriation by Bill</u>						
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
HB 10-1308	(528,598)	(454,445)	(2,250)	0	(71,903)	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$221,291,692</b>	<b>\$5,320,408</b>	<b>\$1,408,881</b>	<b>\$803,509</b>	<b>\$213,758,894</b>	<b>1,384.9</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director and Army National Guard	10,178,158	4,068,966	102,539	800,000	5,206,653	84.8
Division of Veterans Affairs	2,230,885	870,034	1,306,342	3,509	51,000	12.5
Air National Guard	3,236,280	381,408	0	0	2,854,872	48.6
Federal Funded Programs	205,646,369	0	0	0	205,646,369	1,239.0
Civil Air Patrol	0	0	0	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	221,291,692	5,320,408	1,408,881	803,509	213,758,894	1,384.9
<b>Increase/(Decrease)</b>	<b>\$18,063,868</b>	<b>(\$87,479)</b>	<b>\$941</b>	<b>\$0</b>	<b>\$18,150,406</b>	<b>(2.0)</b>
Percentage Change	8.9%	(1.6)%	0.1%	0.0%	9.3%	(0.1)%

### FY 2009-10 Appropriation Adjustment Highlights:

- Supplemental appropriations refinance \$50,000 of General Fund with cash funds from the Colorado State Veterans Trust Fund to address the General Fund revenue shortfall in FY 2009-10.

2. Supplemental adjustments decrease the appropriation for repair and maintenance expenses by \$347,000 General Fund.
3. Supplemental adjustments decrease the appropriation for personal services by \$81,000 total funds to reflect the actual impact of the FY 2009-10 furlough of non-exempt personnel.

#### **FY 2010-11 Appropriation Highlights:**

1. The appropriation reflects estimated increases of \$18.2 million in federal funding for Colorado National Guard training, operating, and construction expenses.
2. The appropriation restores \$81,000 total funds to restore a one-time reduction associated with the furlough of non-exempt state employees in FY 2009-10.
3. The appropriation transfers the funding and responsibilities for the Civil Air Patrol to the Executive Director and Army National Guard Division and eliminates the Division of the Civil Air Patrol.
4. The appropriation reflects a reduction of \$114,000 to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.
5. The appropriation decreases funding for information technology services by \$7,400 and 2.0 FTE as a result of the Statewide consolidation of information technology staff.

### **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. The State supports the Civil Air Patrol, Colorado Wing with 1.0 FTE and General Fund for some of the Civil Air Patrol's operating and maintenance expenses. 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. In addition to the State funding, it is primarily funded by the U.S. Air Force and user fees. The organization's statutory purposes include: (1) encouraging 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 cash funds sources are armory rental fees, the Western Slope Military Veterans' Cemetery Fund, real estate proceeds, and the Distance Learning Cash Fund. The reappropriated funds source is the Colorado Commission on Higher Education financial assistance program. Federal Funds are pursuant to cooperative agreements with the federal government for operations of the Colorado National Guard.

Executive Director and Army National Guard						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1308	<u>(365,720)</u>	<u>(316,070)</u>	<u>(5)</u>	<u>0</u>	<u>(49,645)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$10,043,370</b>	<b>\$4,022,064</b>	<b>\$101,960</b>	<b>\$800,000</b>	<b>\$5,119,346</b>	<b>85.8</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$10,043,370	\$4,022,064	\$101,960	\$800,000	\$5,119,346	85.8
Restructure Civil Air Patrol	127,978	127,978	0	0	0	1.0
Restore FY 2009-10 furlough reductions	40,554	36,356	69	0	4,129	0.0
Annualize prior year funding	22,004	19,771	(69)	0	2,302	0.0
Statewide information technology common policy adjustments	4,014	4,014	0	0	0	0.0
Changes to Army National Guard cooperative agreement	930	0	0	0	930	0.0
State PERA contribution reduction	(49,851)	(42,149)	0	0	(7,702)	0.0
Statewide information technology staff consolidation	(7,362)	(7,362)	0	0	0	(2.0)
Centrally-appropriated line items	(3,519)	(91,746)	579	0	87,648	0.0
Other	40	40	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$10,178,158</u></b>	<b><u>\$4,068,966</u></b>	<b><u>\$102,539</u></b>	<b><u>\$800,000</u></b>	<b><u>\$5,206,653</u></b>	<b><u>84.8</u></b>
<b>TOTAL</b>	<b>\$10,178,158</b>	<b>\$4,068,966</b>	<b>\$102,539</b>	<b>\$800,000</b>	<b>\$5,206,653</b>	<b>84.8</b>
<b>Increase/(Decrease)</b>	\$134,788	\$46,902	\$579	\$0	\$87,307	(1.0)
Percentage Change	1.3%	1.2%	0.6%	0.0%	1.7%	(1.2)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1308 reduced \$41,000 to reflect the actual impact of the FY 2009-10 furloughs and reduced funding for repair and maintenance by \$277,199, among other changes.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restructure Civil Air Patrol:** The appropriation transfers \$128,000 General Fund and 1.0 FTE from the Civil Air Patrol Division to the Executive Director and Army National Guard Division. The Civil Air Patrol Division is eliminated, though the State continues to support the Civil Air Patrol.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reduction associated with the furlough of non-exempt state employees in FY 2009-10.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Statewide information technology common policy adjustments:** The appropriation includes adjustments to line item appropriations for the following: the purchase of services from computer center; multiuse network payments; management and administration of the Office of Information Technology; and communication services payments.

**Changes to Army National Guard cooperative agreement:** The appropriation reflects estimated changes to the funding provided by the federal government for the Army National Guard.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Statewide information technology staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**Centrally-appropriated line items:** The appropriation includes adjustment to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

**Other:** The appropriation includes other minor adjustments associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

---

## **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. There are currently 424,228 veterans registered with the U.S.

Department of Veterans Affairs who live in Colorado. During FY 2008-09, the Division of Veterans Affairs assisted 1,746 veterans with their claims with the U.S. Department of Veterans Affairs.

The cash funds sources are the Colorado State Veterans Trust Fund and the Western Slope Military Veterans' Cemetery Fund. The reappropriated funds source is the Colorado State Veterans Trust Fund. The federal funds source is interment fees from the U.S. Department of Veterans Affairs, which the Department attempts to obtain from the U.S. Department of Veterans Affairs to defray the interment costs at the Western Slope Military Veterans Cemetery.

<b>Division of Veterans Affairs</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1308	<u>(67,872)</u>	<u>(65,627)</u>	<u>(2,245)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,227,576</b>	<b>\$867,087</b>	<b>\$1,305,980</b>	<b>\$3,509</b>	<b>\$51,000</b>	<b>12.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$2,227,576	\$867,087	\$1,305,980	\$3,509	\$51,000	12.5
Restore FY 2009-10 furlough reductions	17,872	15,627	2,245	0	0	0.0
Changes in Colorado State Veterans Trust Fund Expenditures	364	0	364	0	0	0.0
Annualize prior year funding	0	50,000	(50,000)	0	0	0.0
Refinance Veterans Service Operations	0	(50,000)	50,000	0	0	0.0
State PERA contribution reduction	(14,927)	(12,680)	(2,247)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$2,230,885</u></b>	<b><u>\$870,034</u></b>	<b><u>\$1,306,342</u></b>	<b><u>\$3,509</u></b>	<b><u>\$51,000</u></b>	<b><u>12.5</u></b>
<b>TOTAL</b>	<b>\$2,230,885</b>	<b>\$870,034</b>	<b>\$1,306,342</b>	<b>\$3,509</b>	<b>\$51,000</b>	<b>12.5</b>
<b>Increase/(Decrease)</b>	<b>\$3,309</b>	<b>\$2,947</b>	<b>\$362</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.1%	0.3%	0.0%	0.0%	0.0%	0.0%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1308 reduced General Fund by \$50,000 due to a refinancing of General Fund with cash funds from the Colorado State Veterans Trust Fund and reduced \$18,000 to reflect the actual impact of the FY 2009-10 furloughs.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reduction associated with the furlough of non-exempt state employees in FY 2009-10.

**Changes in Colorado State Trust Fund expenditures:** The appropriation reflects the lower estimate for Trust Fund receipts from the Tobacco Master Settlement Agreement and reflects the refinance of General Fund with cash funds for veterans service operations.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Refinance veterans service operations:** The appropriation refinances \$50,000 of General Fund with cash funds from the Colorado State Veterans Trust Fund.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

---

### 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, and is 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. Federal funds are pursuant to cooperative agreements with the federal government for the operations of the Colorado National Guard.

Air National Guard						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$3,343,234	\$461,320	\$0	\$0	\$2,881,914	48.6
HB 10-1308	<u>(92,820)</u>	<u>(70,562)</u>	<u>0</u>	<u>0</u>	<u>(22,258)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,250,414</b>	<b>\$390,758</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,859,656</b>	<b>48.6</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$3,250,414	\$390,758	\$0	\$0	\$2,859,656	48.6
Annualize prior year funding	92,820	70,562	0	0	22,258	0.0
Restore FY 2009-10 furlough reductions	23,052	4,561	0	0	18,491	0.0
Operating adjustments	(81,167)	(81,167)	0	0	0	0.0
State PERA contribution reduction	(48,839)	(3,306)	0	0	(45,533)	0.0

Air National Guard						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1376	<u>\$3,236,280</u>	<u>\$381,408</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,854,872</u>	<u>48.6</u>
TOTAL	\$3,236,280	\$381,408	\$0	\$0	\$2,854,872	48.6
Increase/(Decrease)	(\$14,134)	(\$9,350)	\$0	\$0	(\$4,784)	0.0
Percentage Change	(0.4)%	(2.4)%	n/a	n/a	(0.2)%	0.0%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1308 reflect a reduction of \$70,000 in funding for maintenance and repair expenses and reflect a reduction of \$22,000 for the actual impact of the FY 2009-10 furloughs.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reduction associated with the furlough of non-exempt state employees in FY 2009-10.

**Operating Adjustments:** The appropriation includes a decrease of \$81,167 General Fund for reductions in maintenance and repair expenditures.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

### Federal Funded Programs

This section is included in the Long Bill for informational purposes only. It describes funding that is managed by the Department but is not subject to appropriation by the General Assembly and does not flow through the state accounting system. This funding supports training for members of the Colorado National Guard, and the operations, maintenance, and construction of armories and other military facilities. Funding is based on the federal fiscal year, which begins October 1, 2010. Federal funds are pursuant to cooperative agreements with the federal government for the operations of the Colorado National Guard.

Federal Funded Programs						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	<u>\$187,578,486</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$187,578,486</u>	<u>1,239.0</u>
<b>TOTAL</b>	<b>\$187,578,486</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$187,578,486</b>	<b>1,239.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$187,578,486	\$0	\$0	\$0	\$187,578,486	1,239.0
Estimated changes in federal funded programs	18,067,883	0	0	0	18,067,883	0.0
Restructure federal funded programs	0	0	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$205,646,369</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$205,646,369</u></b>	<b><u>1,239.0</u></b>
<b>TOTAL</b>	<b>\$205,646,369</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$205,646,369</b>	<b>1,239.0</b>
<b>Increase/(Decrease)</b>	\$18,067,883	\$0	\$0	\$0	\$18,067,883	0.0
Percentage Change	9.6%	n/a	n/a	n/a	9.6%	0.0%

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Estimated changes in federal funded programs:** The appropriation reflects an increase in the estimated federal funding for the Colorado National Guard.

**Restructure federal funded program:** The appropriation includes the restructuring of the Division's line items from four line items to one line item, titled federal funded programs operations.

### Civil Air Patrol

The Civil Air Patrol Division has been eliminated and funding transferred to the Executive Director and Army National Guard Division.

Civil Air Patrol						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$130,164	\$130,164	\$0	\$0	\$0	1.0
HB 10-1308	<u>(2,186)</u>	<u>(2,186)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

<b>Civil Air Patrol</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$127,978</b>	<b>\$127,978</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$127,978	\$127,978	\$0	\$0	\$0	1.0
Restructure Civil Air Patrol	(127,978)	(127,978)	0	0	0	(1.0)
<b>HB 10-1376</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>(\$127,978)</b>	<b>(\$127,978)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(1.0)</b>
Percentage Change	(100.0)%	(100.0)%	n/a	n/a	n/a	(100.0)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1308 reflect the actual impact of the FY 2009-10 furloughs.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restructure Civil Air Patrol:** The appropriation transfers \$127,978 General Fund and 1.0 FTE from the Civil Air Patrol Division to the Executive Director and Army National Guard Division. The Civil Air Patrol Division is eliminated, though the State support of the Civil Air Patrol continues.

## **Recent Legislation**

### **2009 Session Bills**

**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. Appropriates \$150,000 cash funds from the Colorado National Guard Tuition Fund for tuition assistance.

**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:** 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 for appropriation. Appropriates \$439,500 cash funds to the Colorado State Veterans Trust Fund expenditures line item.

## **2010 Session Bills**

**S.B. 10-075:** Permits the owners of historical military vehicles to register the vehicle using the military identification number stenciled on the body of the vehicle. Defines a military vehicle. License plates are not issued to such vehicles unless required because of a duplicate military identification number. License plates, when issued, are not required to be displayed or attached to the vehicle, but must be on hand.

**H.B. 10-1139:** Creates the Veteran of Iraq and Veteran of Afghanistan special license plates, available to the veterans who have served in a branch of the armed forces during those conflicts. For more information on H.B. 10-1139 see the "Recent Legislation" section in the Department of Revenue.

**H.B. 10-1140:** Authorizes the use of moneys from the Colorado State Veterans Trust Fund to provide state matching funds for federal construction dollars to construct readiness centers (armories) at Alamosa, Grand Junction, and Windsor.

**H.B. 10-1209:** Allows an eligible member of the U.S. military to request a special designation be placed upon their driver's license signifying the branch of the military that the applicant serves or served with. Requires an additional fee of \$15 fee for the driver's license for the designation.

**H.B. 10-1308:** Supplemental appropriation to the Department of Military and Veterans Affairs to modify FY 2009-10 appropriations included in the FY 2009-10 Long Bill (S.B. 09-259).

**H.B. 10-1376:** General appropriations act for FY 2010-11.

# 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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$30,258,368	\$31,057,499	\$26,634,588	\$26,419,333
Cash Funds/1	49,707,409	179,001,019	174,744,140	191,814,141
Cash Funds Exempt/1	114,273,379	n/a	n/a	n/a
Reappropriated Funds/1	n/a	7,377,769	7,305,823	7,972,361
Federal Funds	<u>16,903,787</u>	<u>17,333,292</u>	<u>17,236,282</u>	<u>19,728,647</u>
<b>Total Funds</b>	<b>\$211,142,943</b>	<b>\$234,769,579</b>	<b>\$225,920,833</b>	<b>\$245,934,482</b>
Full Time Equiv. Staff	1,515.4	1,546.8	1,538.8	1,474.8

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 2010-11 consists of 10.7 percent General Fund, 78.0 percent cash funds, 3.2 percent reappropriated funds, and 8.0 percent federal funds. Some of the most important factors driving the budget are reviewed below.

### Severance Tax (Operational Account) Funds

The availability of severance tax revenues to the Operational Account influences the funding levels for many programs in the Department. Section 39-29-108 (2), C.R.S., provides that 50.0 percent of total 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 revenues credited to the Severance Tax Trust Fund, 50.0 percent are 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) are 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. To manage this variability H.B. 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 of a given fiscal year. Tier 2 programs are subject to proportional reduction if mid-year revenue projections indicate there are insufficient funds.

	<b>FY 05-06 Actual</b>	<b>FY 06-07 Actual</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Estimate</b>	<b>FY 10-11 Estimate</b>
Beginning balance	\$25,399,591	\$50,851,612	\$40,012,876	\$46,588,101	\$68,073,848	\$30,440,918
Revenues	64,468,852	33,312,271	39,367,947	81,052,610	11,411,662	45,216,479
Total available	89,868,443	84,163,883	79,380,823	127,640,711	79,485,511	75,657,397
Tier 1 Programs	7,167,084	8,669,679	9,715,887	12,701,274	17,894,248	16,261,864
Tier 2 Programs	31,849,747	35,481,328	23,076,835	46,865,589	20,150,345	31,701,072
Transfer to General Fund (HB 10-1327)	0	0	0	0	11,000,000	0
Ending balance	50,851,612	40,012,876	46,588,101	68,073,848	30,440,918	27,694,461
Reserve	26,896,272	28,864,470	32,431,774	19,731,112	19,126,047	21,017,025
Unobligated	23,955,340	11,148,406	14,156,327	48,342,736	11,314,871	6,677,436

## State Board of Land Commissioners

The State Board of Land Commissioners (State Land Board) manages properties in the Public School Trust to raise money for the benefit of K-12 education. The State Land Board also manages seven other smaller trusts set up in the Colorado Constitution or in statute. Approximately 98.0 percent of State Land Board revenue is attributable to the Public School Trust.

House Bill 08-1335 (known as the BEST bill; see Section 22-43.7-104, C.R.S.) significantly changed the distribution of state public school land revenue. Fifty percent of the gross amount of income received during the fiscal year from income and mineral royalties derived from state public school lands is deposited in the Public School Capital Construction Assistance (PSCCA) Fund. Up to \$11 million of rental income may be appropriated to the Department of Education for public schools for operating expenses. Any remaining revenue is deposited in the Public School Fund (the Permanent Fund) or may be reinvested by the State Land Board to purchase other lands.

<b>SCHOOL TRUST REVENUE</b>	<b>FY04-05 Actual</b>	<b>FY05-06 Actual</b>	<b>FY06-07 Actual</b>	<b>FY07-08 Actual</b>	<b>FY08-09 Actual</b>
School Trust-Total Revenues	<u>\$53,771,940</u>	<u>\$63,868,553</u>	<u>\$61,151,881</u>	<u>\$69,495,847</u>	<u>\$74,023,628</u>
Mineral Rental	1,253,324	1,751,130	1,614,907	2,023,401	1,739,678
Mineral Royalties/Bonuses	40,121,204	50,399,909	46,715,425	53,105,648	58,327,085
Surface Rental	7,988,701	8,009,916	8,371,449	8,819,293	8,305,534
Commercial/Other	4,033,546	3,478,051	3,259,564	5,172,228	5,210,122
Land Sales	75,707	11,286	60,021	4,085	3,250

<b>SCHOOL TRUST REVENUE</b>	<b>FY04-05 Actual</b>	<b>FY05-06 Actual</b>	<b>FY06-07 Actual</b>	<b>FY07-08 Actual</b>	<b>FY08-09 Actual</b>
Interest and Penalties	149,153	126,634	16,694	315,960	381,501
Timber Sales	150,305	91,627	1,113,821	55,232	56,458

## 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.

<b>Oil and Gas Conservation Commission</b>	<b>FY 05-06 Actual</b>	<b>FY 06-07 Actual</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Estimate</b>	<b>FY 10-11 Estimate</b>
<u>Workload Activity</u>						
Drilling Permits Received	5,829	6,664	7,661	6,910	4,650	5,250
Location Assessments (Form 2A) Received	N/A	N/A	N/A	67	1,750	2,000
Number of Active Wells	30,324	32,021	35,686	39,944	42,300	45,500
Active Drilling Rigs	83	97	113	87	46	53
OGCC Expenditures <sup>1/</sup>	\$3,977,718	\$6,067,702	\$6,533,355	\$8,226,522	\$9,155,871	\$8,778,894
Total FTE	38.0	43.4	51.0	52.6	73.0	69.0
<sup>1/</sup> Division-only expenditures include all fund sources; does not include centrally appropriated items funded in the Executive Director's Office.						

## State Parks

The Division of Parks and Outdoor Recreation manages 44 parks and associated parks' projects, of which 42 are currently open to the public. The Division also manages several special purpose programs including statewide recreation programs, such as the snowmobile program, the off-highway vehicle program, and river outfitters regulation. Other special programs under the management of the Division include federal grants, aquatic nuisance species control and prevention and the distribution of trails grants.

The level of services at existing state parks as well as the acquisition and development of new parks' properties is driven by available funding sources. Workload, and to some extent revenue, is driven by visitation. State Parks are estimated to have approximately 12,463,495 visitors in FY 2010-11. In the past two years, Parks has seen a significant reduction in General Fund support totaling approximately \$4.4 million. Of this reduction, approximately \$2.2 million was refinanced with funds from the Operational Account of the Severance Tax Trust Fund through H.B. 10-1326.

Revenues for State Parks are a mixture of cash funds from fees, lottery funds, other state and federal funds and General Fund. For FY 2008-09, the last year actual data is available, State Parks received a total of \$61.7 million in total revenues. Of this amount, a total of \$25.6 million was from park passes and entry fees, permits and user fees, and various other fees; \$17.1 million in Lottery and Great Outdoors Colorado (GOCO) funds; \$12.0 million in state, federal, and other funds; and \$7.0 million in General Fund.

<b>General Fund Support to State Parks</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Estimated</b>	<b>FY 2010-11 Estimated</b>
General Fund - State Parks <sup>/1</sup>	\$6,398,814	\$6,644,343	\$6,989,032	\$2,599,045	\$2,604,047
<i>Percent Change</i>	<i>n/a</i>	<i>3.8%</i>	<i>5.2%</i>	<i>(62.8)%</i>	<i>0.2%</i>
State Parks Visitation	11,305,183	11,834,228	11,955,691	12,243,119	12,463,495
<i>Percent Change</i>	<i>n/a</i>	<i>4.7%</i>	<i>1.0%</i>	<i>2.4%</i>	<i>1.8%</i>

/1 Includes centrally appropriated items funded in the Executive Director's Office.

## Great Outdoors Colorado (GOCO) Board Grants

This section provides information on grants from GOCO to State Parks and the Division of Wildlife. GOCO also makes grants to local governments and for open space that are not reflected in the budget. Pursuant to Article XXVII of the Colorado Constitution, 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.

<b>Great Outdoors Colorado Board Grants</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>FY 2009-10 Estimated</b>	<b>FY 2010-11 Estimated</b>
Parks Capital Budget	\$7,112,000	\$8,318,000	\$760,000	\$14,104,000	\$9,217,500
Parks Operating Budget	<u>4,143,000</u>	<u>4,025,000</u>	<u>3,864,000</u>	<u>4,214,000</u>	<u>4,375,000</u>
Total GOCO Grants to Parks	\$11,255,000	\$12,343,000	\$4,624,000	\$18,318,000	\$13,592,500
<i>Percent of Total Parks' Expenditures</i>	<i>19.4%</i>	<i>21.1%</i>	<i>6.9%</i>	<i>26.9%</i>	<i>20.0%</i>
Wildlife Capital Budget	\$2,330,000	\$13,940,283	\$11,895,410	\$4,658,040	\$2,300,000
Wildlife Operating Budget	<u>6,070,000</u>	<u>6,421,006</u>	<u>6,167,923</u>	<u>5,910,267</u>	<u>6,300,000</u>
Total Grants to Wildlife	\$8,400,000	\$20,361,289	\$18,063,333	\$10,568,307	\$8,600,000
<i>Percent of DOW Expenditures</i>	<i>16.1%</i>	<i>17.7%</i>	<i>14.6%</i>	<i>8.5%</i>	<i>7.0%</i>

## Division of Wildlife

The Division manages the state's 960 game and non-game wildlife species by issuing fishing and hunting licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations and managing over 300 state wildlife areas totaling more than 550,000 acres. Funding for the Division of Wildlife is a mixture of cash funds from license fees, federal funds, and Great Outdoors Colorado funds. The largest funding source for the division is the Wildlife Cash Fund which is projected to receive \$111.0 million in revenues in FY 2010-11. Approximately 67.0 percent of total revenues in the Wildlife Cash Fund come from hunting and fishing license sales. About one-half of all revenues in the Wildlife Cash Fund come from the sale of non-resident big game hunting licenses. The table below shows the FY 2010-11 operating budget for the Division of Wildlife as shown in H.B. 10-1376.

<b>Division of Wildlife Operating Budget by Fund Source</b>	<b>FY 2010-11 Appropriation</b>
Wildlife Cash Fund	\$62,766,966
Federal Funds	10,814,973
Great Outdoors Colorado (GOCO)	6,200,000
Habitat Partnership Cash Fund	2,500,000
Operational Account of the Severance Tax Trust Fund	1,620,356
Division of Wildlife Aquatic Nuisance Species Fund	1,304,544
Wildlife Management Public Education Fund	1,100,000
Other	<u>915,000</u>
	\$87,221,839

### Colorado Water Conservation Board Construction Fund

The Colorado Water Conservation Board Construction Fund (Construction Fund), created in Section 37-60-121 (1) (a), C.R.S., provides loans and grants for projects that 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, unless specifically authorized by the legislature through a bill. In FY 2010-11, H.B. 10-1250 appropriated \$13.2 million for various water related projects.

The Construction Fund receives revenues 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 creating separate distribution formulas for FML bonus payment revenues as well as non-bonus (rent and royalty) FML revenues. Senate Bill 08-218 amended statute so that beginning with FY 2008-09, the 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 2010-11 the CWCB estimates that it will need \$7.3 million for salaries, operating costs, and other related expenditures. In addition the Construction Fund provides funding for non-reimbursable projects, an estimated \$1.3 million in FY 2010-11. The CWCB anticipates providing loans for new water projects totaling \$30.0 million in FY 2010-11.

<b>Colorado Water Conservation Board Construction Fund</b>				
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Estimate</b>
Cash Balance - Beginning of Year	\$13,282,580	\$20,278,862	\$17,998,654	\$6,004,762
Revenues	45,300,023	26,152,036	26,602,235	29,023,464
<i>CWCB Operations</i>	<i>(6,255,134)</i>	<i>(7,372,322)</i>	<i>(7,321,127)</i>	<i>(7,624,424)</i>

<b>Colorado Water Conservation Board Construction Fund</b>				
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Estimate</b>
<i>Non-Reimbursable Investments</i>	(4,724,563)	(5,845,000)	(1,275,000)	(4,427,500)
<i>Loan Issuances</i>	(18,047,534)	(15,214,922)	(30,000,000)	(20,000,000)
<i>Total Expenditures</i>	<u>(29,027,231)</u>	<u>(28,432,244)</u>	<u>(38,596,127)</u>	<u>(32,051,924)</u>
Ending FY Balance without transfer	29,555,372	17,998,654	6,004,762	2,976,302
Transfer to the General Fund in S.B. 09-208	<u>(10,250,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance after transfer	\$19,305,372	\$17,998,654	\$6,004,762	\$2,976,302

### **Perpetual Base Account of the Severance Tax Trust Fund**

The Severance Tax Perpetual Base Account, authorized in Section 39-29-109 (2) (a), C.R.S., is used for similar 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, and as such no permanent programs depend on this fund.

<b>Perpetual Base Account of the Severance Tax Trust Fund</b>				
	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Estimate</b>	<b>FY 2010-11 Estimate</b>	<b>FY 2011-12 Estimate</b>
Cash Balance - Beginning of Year	\$18,058,960	\$40,454,321	\$130,439	\$18,562
<i>Receivables/Interest Earnings</i>	11,071,624	6,771,721	8,743,828	10,480,339
<i>Severance Tax</i>	71,253,177	12,813,500	47,115,750	46,798,750
<i>Principal Repayment</i>	3,099,696	4,379,259	2,878,545	3,028,268
<i>Previously Obligated Loans*</i>	0	36,000,000	0	0
<i>Total Revenues</i>	85,424,497	59,964,480	58,738,123	60,307,357
Loan Issuances/Drought Grants	<u>(28,029,136)</u>	<u>(36,288,362)</u>	<u>(47,850,000)</u>	<u>(52,360,136)</u>
Ending FY Balance without transfer	75,454,321	64,130,439	11,018,562	7,965,783
Transfer to the General Fund in S.B. 09-208	(20,000,000)	0	0	0
Transfer to the General Fund in S.B. 09-279	(15,000,000)	(62,000,000)	0	0
Transfer to the General Fund in H.B. 10-1327	0	(2,000,000)	0	0
Transfer to the General Fund in H.B. 10-1388	<u>0</u>	<u>0</u>	<u>(11,000,000)</u>	<u>0</u>
Ending Balance after transfer	\$40,454,321	\$130,439	\$18,562	\$7,965,783

\* An estimated \$36.0 million will come from money set aside for authorized projects that are not yet under contract or have not yet been fully completed.

## Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$225,920,833</b>	<b>\$26,634,588</b>	<b>\$174,744,140</b>	<b>\$7,305,823</b>	<b>\$17,236,282</b>	<b>1,538.8</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	41,224,301	5,436,120	28,369,157	6,141,225	1,277,799	58.8
Reclamation, Mining, and Safety	7,774,918	0	4,306,591	30,000	3,438,327	72.9
Geological Survey	4,808,972	0	3,012,911	838,571	957,490	35.4
Oil and Gas Conservation Commission	9,155,871	0	9,055,663	0	100,208	73.0
State Board of Land Commissioners	3,908,221	0	3,908,221	0	0	38.0
Parks and Outdoor Recreation	36,021,813	1,704,815	33,285,157	0	1,031,841	294.5
Colorado Water Conservation Board	14,252,328	0	13,819,327	296,027	136,974	47.7
Water Resources Division	21,656,448	19,493,653	2,066,728	0	96,067	267.1
Division of Wildlife	87,117,961	0	76,920,385	0	10,197,576	651.4
<u>Breakdown of Total Appropriation by Bill</u>						
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
HB 10-1309	(1,897,369)	(898,328)	(829,848)	(4,911)	(164,282)	(6.3)
HB 10-1326	0	(2,147,415)	2,147,415	0	0	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$245,934,482</b>	<b>\$26,419,333</b>	<b>\$191,814,141</b>	<b>\$7,972,361</b>	<b>\$19,728,647</b>	<b>1,474.8</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	45,214,663	5,944,984	30,849,587	6,591,738	1,828,354	43.8
Reclamation, Mining, and Safety	7,682,632	0	4,322,869	30,000	3,329,763	70.9
Geological Survey	4,796,198	0	2,980,723	829,596	985,879	35.4
Oil and Gas Conservation Commission	8,778,894	0	8,676,437	0	102,457	69.0
State Board of Land Commissioners	4,078,323	0	3,853,323	225,000	0	37.0
Parks and Outdoor Recreation	45,781,643	1,643,963	41,744,875	0	2,392,805	289.5
Colorado Water Conservation Board	21,609,476	0	21,174,093	296,027	139,356	45.7

<b>Department of Natural Resources</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Water Resources Division	20,770,814	18,830,386	1,805,368	0	135,060	252.1
Division of Wildlife	87,221,839	0	76,406,866	0	10,814,973	631.4
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	224,700,682	26,419,333	170,580,341	7,972,361	19,728,647	1,474.8
SB 10-071	8,800	0	8,800	0	0	0.0
HB 10-1250	13,225,000	0	13,225,000	0	0	0.0
HB 10-1398	8,000,000	0	8,000,000	0	0	0.0
<b>Increase/(Decrease)</b>	\$20,013,649	(\$215,255)	\$17,070,001	\$666,538	\$2,492,365	(64.0)
Percentage Change	8.9%	(0.8)%	9.8%	9.1%	14.5%	(4.2)%

#### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations reduce \$1.1 million total funds to reflect the impact of the FY 2009-10 furloughs, reduce \$413,000 total funds and 5.3 FTE in the Division of Water Resources, and reduce \$97,000 and 1.0 FTE for a National Environmental Policy Act (NEPA) coordinator position.
2. House Bill 10-1326 refinances \$2.2 million General Fund in State Parks with funds from the Operational Account.

#### **FY 2010-11 Appropriation Highlights:**

1. House Bill 10-1250 provides \$13.2 million cash funds for a variety of water-related projects from the Colorado Water Conservation Board Construction Fund.
2. The appropriation transfers \$10.3 million cash and federal funds from the capital budget to the operating budgets of State Parks and the Division of Wildlife as a budget reorganization.
3. House Bill 10-1398 provides an additional \$8.0 million cash funds from the Species Conservation Trust Fund for native species conservation (transfers from the Operational Account).
4. The appropriation provides \$3.2 million total funds to restore a FY 2009-10 furlough.
5. The appropriation eliminates \$13.9 million cash funds to annualize one-time funding.
6. The appropriation reduces \$2.2 million, including \$403,000 General Fund, for a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.
7. The appropriation transfers 64.0 FTE to the Governor's Office of Information Technology.

## 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 2010-11 funding for this division consists of 68.2 percent cash funds (approximately \$22.8 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 Administration and the Governor's Office, and \$8.0 million from the Species Conservation Trust Fund pursuant to H.B. 10-1398), 13.1 percent General Fund, 14.6 reappropriated funds (indirect cost recovery), and 4.0 percent federal funds.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1309	<u>(484,253)</u>	<u>(294,542)</u>	<u>(182,680)</u>	<u>0</u>	<u>(7,031)</u>	<u>(1.0)</u>
<b>TOTAL</b>	<b>\$41,224,301</b>	<b>\$5,436,120</b>	<b>\$28,369,157</b>	<b>\$6,141,225</b>	<b>\$1,277,799</b>	<b>58.8</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$41,224,301	\$5,436,120	\$28,369,157	\$6,141,225	\$1,277,799	58.8
Statewide IT staff consolidation	3,329,843	777,957	2,509,048	(123,339)	166,177	(15.0)
Centrally-appropriated line items	872,281	(78,226)	232,813	342,228	375,466	0.0
Restore FY 2009-10 furlough reductions	221,807	149,193	59,811	3,891	8,912	0.0
Legal services for instream flow protection	106,828	0	106,828	0	0	0.0
Postage adjustment	13	0	0	13	0	0.0
Indirect cost assessment	0	(330,863)	0	330,863	0	0.0
Eliminate one-time funding	(8,378,070)	0	(8,378,070)	0	0	0.0
State PERA contribution reduction	(103,143)	0	0	(103,143)	0	0.0
Annualize prior year funding	(50,000)	0	(50,000)	0	0	0.0
Operating adjustments	(9,197)	(9,197)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$37,214,663</b>	<b>\$5,944,984</b>	<b>\$22,849,587</b>	<b>\$6,591,738</b>	<b>\$1,828,354</b>	<b>43.8</b>
HB 10-1398	<u>8,000,000</u>	<u>0</u>	<u>8,000,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

<b>Executive Director's Office</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$45,214,663</b>	<b>\$5,944,984</b>	<b>\$30,849,587</b>	<b>\$6,591,738</b>	<b>\$1,828,354</b>	<b>43.8</b>
<b>Increase/(Decrease)</b>	\$3,990,362	\$508,864	\$2,480,430	\$450,513	\$550,555	(15.0)
Percentage Change	9.7%	9.4%	8.7%	7.3%	43.1%	(25.5)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1312 provide \$71,000 for additional legal services for the Colorado Water Conservation Board's in stream flow program, reduce \$282,000 related to various services provided by the Department of Personnel and Administration and the Governor's Office of Information Technology, reduce \$125,000 related to FY 2009-10 furloughs, reduce \$97,000 and 1.0 FTE related to a National Environmental Policy Act position, and reduce \$51,000 in centrally appropriated line items related to a Division of Water Resources personal services reduction.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**Centrally appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; purchase of services from computer center; multiuse network payments; management and administration of OIT; payment to risk management and property funds; leased space; capitol complex leased space; communication services; and vehicle lease payments.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Legal services for instream flow protection:** The appropriation includes additional legal services hours for the Instream Flow protection section within the Colorado Water Conservation Board.

**Postage adjustment:** The appropriation provides funding associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Indirect cost assessment:** The appropriation includes a funding mix adjustment related to indirect cost assessments.

**Eliminate one-time funding:** The appropriation eliminates one-time funding that was provided to the Department in FY 2009-10 through H.B. 09-1289 (Species Conservation Trust Fund).

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes an adjustment to prior year legislation contained in S.B. 09-158 (Concerning an Analysis of Conservation Programs on Private Lands).

**Operating adjustments:** The appropriation includes a budget balancing decrease of \$9,197 General Fund.

**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 issues and enforces mining and reclamation permits for coal mines in Colorado on state, federal, and private lands, including ensuring compliance with the requirements of the federal Surface Mining Control and Reclamation Act. The program is currently responsible for 40 permits and 115 exploration units (permitted areas covering 159,551 acres).
- **Inactive Mines** -- This program safeguards mine openings, inspects and monitors mine sites, and reclaims abandoned mines. There are over 23,000 hazardous mine openings in Colorado, of which only about 7,000 have been safeguarded.
- **Minerals** -- This program issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands. The program permits and inspects the 1,562 non-coal mines in Colorado, (permitted areas covering 181,009 acres) and regulates 244 active prospecting operations.
- **Mine Safety Training** -- This program regulates active mines for safety, inspects tourist mines, performs safety audits, administers certification programs for mining employees, provides training in mine rescue and safety, and regulates underground diesel equipment and mining explosives.

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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$7,861,729	\$0	\$4,331,148	\$30,000	\$3,500,581	72.9
HB 10-1309	<u>(86,811)</u>	<u>0</u>	<u>(24,557)</u>	<u>0</u>	<u>(62,254)</u>	<u>0.0</u>

Division of Reclamation, Mining, and Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>TOTAL</b>	<b>\$7,774,918</b>	<b>\$0</b>	<b>\$4,306,591</b>	<b>\$30,000</b>	<b>\$3,438,327</b>	<b>72.9</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$7,774,918	\$0	\$4,306,591	\$30,000	\$3,438,327	72.9
Restore FY 2009-10 furlough reductions	155,222	0	66,279	0	88,943	0.0
Indirect cost assessment	61,535	0	4,538	0	56,997	0.0
Statewide IT staff consolidation	(187,920)	0	0	0	(187,920)	(2.0)
State PERA contribution reduction	(120,517)	0	(54,094)	0	(66,423)	0.0
Postage adjustment	(606)	0	(445)	0	(161)	0.0
<b>HB 10-1376</b>	<b><u>\$7,682,632</u></b>	<b><u>\$0</u></b>	<b><u>\$4,322,869</u></b>	<b><u>\$30,000</u></b>	<b><u>\$3,329,763</u></b>	<b><u>70.9</u></b>
<b>TOTAL</b>	<b>\$7,682,632</b>	<b>\$0</b>	<b>\$4,322,869</b>	<b>\$30,000</b>	<b>\$3,329,763</b>	<b>70.9</b>
<b>Increase/(Decrease)</b>	<b>(\$92,286)</b>	<b>\$0</b>	<b>\$16,278</b>	<b>\$0</b>	<b>(\$108,564)</b>	<b>(2.0)</b>
Percentage Change	(1.2)%	n/a	0.4%	0.0%	(3.2)%	(2.7)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1309 reflect the actual impact of the FY 2009-10 furloughs.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Postage adjustment:** The appropriation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

## 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, distribution, and presentation of maps and reports on geological conditions, mineral potential, mineral reserves, and 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$4,881,414	\$0	\$3,071,647	\$843,482	\$966,285	35.4
HB 10-1309	<u>(72,442)</u>	<u>0</u>	<u>(58,736)</u>	<u>(4,911)</u>	<u>(8,795)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,808,972</b>	<b>\$0</b>	<b>\$3,012,911</b>	<b>\$838,571</b>	<b>\$957,490</b>	<b>35.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$4,808,972	\$0	\$3,012,911	\$838,571	\$957,490	35.4
Restore FY 2009-10 furlough reductions	70,842	0	57,136	4,911	8,795	0.0
State PERA contribution reduction	(56,304)	0	(36,862)	(12,329)	(7,113)	0.0
Indirect cost assessment	(25,197)	0	(51,904)	0	26,707	0.0
Leased space	(1,557)	0	0	(1,557)	0	0.0
Postage adjustment	(558)	0	(558)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$4,796,198</u></b>	<b><u>\$0</u></b>	<b><u>\$2,980,723</u></b>	<b><u>\$829,596</u></b>	<b><u>\$985,879</u></b>	<b><u>35.4</u></b>
<b>TOTAL</b>	<b>\$4,796,198</b>	<b>\$0</b>	<b>\$2,980,723</b>	<b>\$829,596</b>	<b>\$985,879</b>	<b>35.4</b>
<b>Increase/(Decrease)</b>	<b>(\$12,774)</b>	<b>\$0</b>	<b>(\$32,188)</b>	<b>(\$8,975)</b>	<b>\$28,389</b>	<b>0.0</b>
Percentage Change	(0.3)%	n/a	(1.1)%	(1.1)%	3.0%	0.0%

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1309 reflect the actual impact of the FY 2009-10 furloughs.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

**Leased space:** The appropriation includes a transfer of leased space costs to the Executive Director's Office, Leased Space line item.

**Postage adjustment:** The appropriation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

---

## 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 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$9,187,907	\$0	\$9,087,699	\$0	\$100,208	73.0
HB 10-1309	<u>(32,036)</u>	<u>0</u>	<u>(32,036)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$9,155,871</b>	<b>\$0</b>	<b>\$9,055,663</b>	<b>\$0</b>	<b>\$100,208</b>	<b>73.0</b>

Oil and Gas Conservation Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$9,155,871	\$0	\$9,055,663	\$0	\$100,208	73.0
Fund vacant permitting FTE	269,538	0	269,538	0	0	0.0
Restore FY 2009-10 furlough reductions	139,040	0	139,040	0	0	0.0
Indirect cost assessment	98,107	0	95,858	0	2,249	0.0
Annualize S.B. 07-198	(445,200)	0	(445,200)	0	0	0.0
Statewide IT staff consolidation	(350,772)	0	(350,772)	0	0	(4.0)
State PERA contribution reduction	(87,332)	0	(87,332)	0	0	0.0
Postage adjustment	(358)	0	(358)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$8,778,894</u></b>	<b><u>\$0</u></b>	<b><u>\$8,676,437</u></b>	<b><u>\$0</u></b>	<b><u>\$102,457</u></b>	<b><u>69.0</u></b>
<b>TOTAL</b>	<b>\$8,778,894</b>	<b>\$0</b>	<b>\$8,676,437</b>	<b>\$0</b>	<b>\$102,457</b>	<b>69.0</b>
<b>Increase/(Decrease)</b>						
	(\$376,977)	\$0	(\$379,226)	\$0	\$2,249	(4.0)
<b>Percentage Change</b>						
	(4.1)%	n/a	(4.2)%	n/a	2.2%	(5.5)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1309 reflect the actual impact of the FY 2009-10 furloughs.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Fund vacant permitting FTE:** The appropriation includes resources to fill 4.0 vacant positions to assist with oil and gas permitting activities. Cash funds are evenly split between the Operational Account of the Severance Tax Trust Fund and the Oil and Gas Conservation and Environmental Response Fund.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**Annualize S.B. 07-198:** The appropriation recognizes the elimination of one-time funding associated with implementation of S.B. 07-198 (Severance Tax Coalbed Methane Seepage).

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Postage adjustment:** The appropriation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

## State Board of Land Commissioners

The State Board of Land Commissioners (State Land Board) manages properties in the Public School Trust to raise money for the benefit of K-12 education. The State Land Board also manages seven other smaller trusts set up in the Colorado Constitution or in statute. Approximately 98.0 percent of State Land Board revenue is attributable to the Public School Trust.

House Bill 08-1335 (known as the BEST bill; see Section 22-43.7-104, C.R.S.) significantly changed the distribution of state public school land revenue. Fifty percent of the gross amount of income received during the fiscal year from income and mineral royalties derived from state public school lands is deposited in the Public School Capital Construction Assistance (PSCCA) Fund. Up to \$11 million of rental income may be appropriated to the Department of Education for public schools for operating expenses. Any remaining revenue is deposited in the Public School Fund (the Permanent Fund) or may be 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$3,937,897	\$0	\$3,937,897	\$0	\$0	38.0
HB 10-1309	<u>(29,676)</u>	<u>0</u>	<u>(29,676)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,908,221</b>	<b>\$0</b>	<b>\$3,908,221</b>	<b>\$0</b>	<b>\$0</b>	<b>38.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$3,908,221	\$0	\$3,908,221	\$0	\$0	38.0
Public access program	225,000	0	0	225,000	0	0.0
Restore FY 2009-10 furlough reductions	74,161	0	74,161	0	0	0.0
Indirect cost assessment	12,543	0	12,543	0	0	0.0
Statewide IT staff consolidation	(77,568)	0	(77,568)	0	0	(1.0)
State PERA contribution reduction	(63,709)	0	(63,709)	0	0	0.0
Postage adjustment	(325)	0	(325)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$4,078,323</u></b>	<b><u>\$0</u></b>	<b><u>\$3,853,323</u></b>	<b><u>\$225,000</u></b>	<b><u>\$0</u></b>	<b><u>37.0</u></b>

State Board of Land Commissioners						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>TOTAL</b>	<b>\$4,078,323</b>	<b>\$0</b>	<b>\$3,853,323</b>	<b>\$225,000</b>	<b>\$0</b>	<b>37.0</b>
<b>Increase/(Decrease)</b>	\$170,102	\$0	(\$54,898)	\$225,000	\$0	(1.0)
Percentage Change	4.4%	n/a	(1.4)%	n/a	n/a	(2.6)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1309 reflect the actual impact of the FY 2009-10 furloughs.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Public access program:** The appropriation provides an increase of reappropriated funds from the Division of Wildlife to support the rehabilitation and enhancement of lands enrolled in the public access hunting and fishing program. Spending in prior years was included in the Division of Wildlife's budget, and the appropriation does not represent an increase in total spending on the program.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Postage adjustment:** The appropriation eliminates one-time increases associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

### Parks and Outdoor Recreation

This division manages 44 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 12,463,495 visitors in FY 2010-11. 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 H.B. 10-1326), and federal grants.

<b>Parks and Outdoor Recreation</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$36,128,365	\$3,866,992	\$31,233,217	\$0	\$1,028,156	294.5
HB 10-1309	(106,552)	(14,762)	(95,475)	0	3,685	0.0
HB 10-1326	<u>0</u>	<u>(2,147,415)</u>	<u>2,147,415</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$36,021,813</b>	<b>\$1,704,815</b>	<b>\$33,285,157</b>	<b>\$0</b>	<b>\$1,031,841</b>	<b>294.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$36,021,813	\$1,704,815	\$33,285,157	\$0	\$1,031,841	294.5
Budget reorganization	8,100,000	0	6,750,000	0	1,350,000	0.0
Off-highway vehicle program grants	1,137,624	0	1,137,624	0	0	0.0
Increase lottery funding	750,000	0	750,000	0	0	0.0
Restore FY 2009-10 furlough reductions	511,774	73,736	433,629	0	4,409	0.0
Indirect cost assessment	57,872	0	51,317	0	6,555	0.0
Postage adjustment	932	177	755	0	0	0.0
Statewide IT staff consolidation	(417,267)	(66,764)	(350,503)	0	0	(5.0)
State PERA contribution reduction	(356,348)	(51,232)	(305,116)	0	0	0.0
State fleet vehicle lease adjustment	(16,788)	0	(16,788)	0	0	0.0
Operating adjustments	(16,769)	(16,769)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$45,772,843</b>	<b>\$1,643,963</b>	<b>\$41,736,075</b>	<b>\$0</b>	<b>\$2,392,805</b>	<b>289.5</b>
SB 10-071	<u>8,800</u>	<u>0</u>	<u>8,800</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$45,781,643</b>	<b>\$1,643,963</b>	<b>\$41,744,875</b>	<b>\$0</b>	<b>\$2,392,805</b>	<b>289.5</b>
<b>Increase/(Decrease)</b>	<b>\$9,759,830</b>	<b>(\$60,852)</b>	<b>\$8,459,718</b>	<b>\$0</b>	<b>\$1,360,964</b>	<b>(5.0)</b>
Percentage Change	27.1%	(3.6)%	25.4%	n/a	131.9%	(1.7)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1309 reduce \$73,000 to reflect the actual impact of the FY 2009-10 furloughs and reduced 34,000 to reflect an adjustment to services provided by the Department of Personnel and Administration.

Supplemental appropriations in H.B. 10-1326 refinanced \$2.2 million General Fund with funds from the Operational Account of the Severance Tax Trust Fund.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Budget reorganization:** The appropriation includes the transfer of funding from the Department of Natural Resources capital construction budget to the operating budget and the creation of three new line items in the operating budget titled "Off-highway Vehicle Grants", "Natural Resource Protection", and "Miscellaneous Small Projects".

**Off-highway vehicle program grants:** The appropriation reflects an increase of \$1,000,000 for off-highway vehicle grants and \$137,624 for the Off-Highway Vehicle Program.

**Increase lottery funding:** The appropriation reflects a State Parks Board decision to increase the lottery funding allocation to the State Park Operations line item.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**Postage adjustment:** The appropriation provides funding associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**State fleet vehicle lease adjustment:** The appropriation includes an adjustment to the division's funding for state fleet vehicles.

**Operating adjustments:** The appropriation includes a budget balancing decrease of \$16,769 General Fund.

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

---

## **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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1309	<u>(69,976)</u>	<u>0</u>	<u>(65,582)</u>	<u>0</u>	<u>(4,394)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$14,252,328</b>	<b>\$0</b>	<b>\$13,819,327</b>	<b>\$296,027</b>	<b>\$136,974</b>	<b>47.7</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$14,252,328	\$0	\$13,819,327	\$296,027	\$136,974	47.7
Restore FY 2009-10 furlough reductions	124,685	0	120,291	0	4,394	0.0
Indirect cost assessment	28,777	0	29,164	0	(387)	0.0
Annualize prior year funding	680	0	680	0	0	0.0
Postage adjustment	14	0	14	0	0	0.0
Eliminate one-time funding	(5,530,000)	0	(5,530,000)	0	0	0.0
Statewide IT staff consolidation	(163,521)	0	(163,521)	0	0	(2.0)
State PERA contribution reduction	(78,487)	0	(76,862)	0	(1,625)	0.0
<b>HB 10-1376</b>	<b>\$8,634,476</b>	<b>\$0</b>	<b>\$8,199,093</b>	<b>\$296,027</b>	<b>\$139,356</b>	<b>45.7</b>
HB 10-1250	<u>12,975,000</u>	<u>0</u>	<u>12,975,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$21,609,476</b>	<b>\$0</b>	<b>\$21,174,093</b>	<b>\$296,027</b>	<b>\$139,356</b>	<b>45.7</b>
<b>Increase/(Decrease)</b>	<b>\$7,357,148</b>	<b>\$0</b>	<b>\$7,354,766</b>	<b>\$0</b>	<b>\$2,382</b>	<b>(2.0)</b>
Percentage Change	51.6%	n/a	53.2%	0.0%	1.7%	(4.2)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1309 reflect the actual impact of the FY 2009-10 furloughs, among other changes.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**Annualize prior year funding:** The appropriation includes an adjustment to prior year legislation contained in H.B. 09-1129 (concerning beneficial use of captured precipitation in new real estate developments).

**Postage adjustment:** The appropriation provides funding associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Eliminate one-time funding:** The appropriation eliminates one-time funding that was provided to the Department in FY 2009-10 through S.B. 09-125 (Colorado Water Conservation Board Projects).

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**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 84,322 direct flow water rights. The Division is also responsible for dam safety inspections and groundwater well construction regulation. The General Fund provides approximately 90.7 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1309	<u>(561,753)</u>	<u>(589,024)</u>	<u>27,807</u>	<u>0</u>	<u>(536)</u>	<u>(5.3)</u>
<b>TOTAL</b>	<b>\$21,656,448</b>	<b>\$19,493,653</b>	<b>\$2,066,728</b>	<b>\$0</b>	<b>\$96,067</b>	<b>267.1</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$21,656,448	\$19,493,653	\$2,066,728	\$0	\$96,067	267.1
Restore FY 2009-10 furlough reductions	549,201	526,941	21,724	0	536	0.0

<b>Water Resources Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Federal grant	39,030	0	0	0	39,030	0.0
Postage adjustment	74	74	0	0	0	0.0
Fund source adjustment	0	(20,000)	20,000	0	0	0.0
Statewide IT staff consolidation	(966,473)	(787,784)	(178,689)	0	0	(15.0)
State PERA contribution reduction	(367,853)	(351,647)	(15,816)	0	(390)	0.0
Annualize prior year funding	(350,000)	0	(350,000)	0	0	0.0
Operating adjustments	(30,851)	(30,851)	0	0	0	0.0
Indirect cost assessment	(8,762)	0	(8,579)	0	(183)	0.0
<b>HB 10-1376</b>	<b>\$20,520,814</b>	<b>\$18,830,386</b>	<b>\$1,555,368</b>	<b>\$0</b>	<b>\$135,060</b>	<b>252.1</b>
HB 10-1250	<u>250,000</u>	<u>0</u>	<u>250,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$20,770,814</b>	<b>\$18,830,386</b>	<b>\$1,805,368</b>	<b>\$0</b>	<b>\$135,060</b>	<b>252.1</b>
<b>Increase/(Decrease)</b>	(\$885,634)	(\$663,267)	(\$261,360)	\$0	\$38,993	(15.0)
Percentage Change	(4.1)%	(3.4)%	(12.6)%	n/a	40.6%	(5.6)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1309 reduce \$362,000 and 5.3 FTE as a budget balancing measure and reduce \$197,000 to reflect the actual impact of the FY 2009-10 furloughs, among other changes.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Federal grant:** The appropriation includes an anticipated increase in federal funding.

**Postage adjustment:** The appropriation provides funding associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Fund source adjustment:** The appropriation reflects an increase in cash fund revenue to the Satellite Monitoring Program offsetting the need for General Fund.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes an adjustment to prior year legislation contained in S.B. 09-125 (Colorado Water Conservation Board Projects).

**Operating adjustments:** The appropriation includes a budget balancing decrease of \$30,851 General Fund.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

**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 over 300 state wildlife areas totaling more than 550,000 acres. 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. This 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. This 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. This 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.

<b>Division of Wildlife</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1309	<u>(453,870)</u>	<u>0</u>	<u>(368,913)</u>	<u>0</u>	<u>(84,957)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$87,117,961</b>	<b>\$0</b>	<b>\$76,920,385</b>	<b>\$0</b>	<b>\$10,197,576</b>	<b>651.4</b>

Division of Wildlife						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$87,117,961	\$0	\$76,920,385	\$0	\$10,197,576	651.4
Budget reorganization	2,231,880	0	2,231,880	0	0	0.0
Restore FY 2009-10 furlough reductions	1,333,929	0	1,129,961	0	203,968	0.0
Indirect cost assessment	225,635	0	(317,238)	0	542,873	0.0
Annualize S.B. 09-235	183,819	0	183,819	0	0	0.0
Postage adjustment	807	0	807	0	0	0.0
Statewide IT staff consolidation	(1,646,920)	0	(1,646,920)	0	0	(20.0)
Annualize prior year funding	(1,217,500)	0	(1,217,500)	0	0	0.0
State PERA contribution reduction	(1,007,772)	0	(878,328)	0	(129,444)	0.0
<b>HB 10-1376</b>	<b><u>\$87,221,839</u></b>	<b><u>\$0</u></b>	<b><u>\$76,406,866</u></b>	<b><u>\$0</u></b>	<b><u>\$10,814,973</u></b>	<b><u>631.4</u></b>
<b>TOTAL</b>	<b>\$87,221,839</b>	<b>\$0</b>	<b>\$76,406,866</b>	<b>\$0</b>	<b>\$10,814,973</b>	<b>631.4</b>
<hr/>						
<b>Increase/(Decrease)</b>	\$103,878	\$0	(\$513,519)	\$0	\$617,397	(20.0)
Percentage Change	0.1%	n/a	(0.7)%	n/a	6.1%	(3.1)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1309 reduce \$425,000 to reflect the actual impact of the FY 2009-10 furloughs and \$29,000 to reflect changes in services provided by the Department of Personnel and Administration.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Budget reorganization:** The appropriation includes the transfer of funding from the Department of Natural Resources capital construction budget to the operating budget and the creation of two new line items in the operating budget titled "Grants and Habitat Partnerships" and "Asset Maintenance and Repairs".

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**Annualize S.B. 09-235:** The appropriation includes an adjustment to prior year legislation contained in S.B. 09-235 (Concerning Division of Wildlife Fees).

**Postage adjustment:** The appropriation provides funding associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a ten percent cost savings statewide.

**Annualize prior year funding:** The appropriation includes an adjustment to the Game Damage Claims and Prevention program related to prior year legislation and budget actions.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

---

## **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 2009-10 and FY 2010-11.

## **Recent Legislation**

### **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. 09-208:** 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.

## 2010 Session Bills

**S.B. 10-071:** Creates an Aspen Leaf Lifetime Pass to Colorado State Parks for residents that meet the age requirement for the existing Aspen Leaf Annual Pass, which is currently 64 years or older. The price of the

lifetime pass will be set by the Colorado State Parks Board, but cannot exceed 5 times the cost of the Aspen Leaf Annual Pass. Appropriates \$8,800 from the Parks and Outdoor Recreation Cash Fund to State Parks in FY 2010-11.

**H.B. 10-1250:** Appropriates \$13,225,000 cash funds from the Colorado Water Conservation Board (CWCB) Construction Fund to the Department of Natural Resources in FY 2010-11 for various water-related projects. Transfers \$300,000 from the CWCB Construction Fund to the Flood Response Fund in FY 2010-11. Transfers \$36.0 million dollars from the Perpetual Base Account of the Severance Tax Trust Fund to the CWCB Construction Fund for the purchase of all or a portion of Colorado's allotment of the Animas-La Plata Project water. The \$36.0 million dollars in transfers are to occur in three consecutive annual installments of \$12.0 million dollars on June 30 of each year, commencing June 30, 2011.

**H.B. 10-1309:** Supplemental appropriation to the Department of Natural Resources to modify FY 2009-10 appropriations included in the FY 2009-10 Long Bill (S.B. 09-259).

**H.B. 10-1319:** Makes the following changes to transfers from the Operational Account of the Severance Tax Trust Fund:

- Reduces funding for low-income energy assistance through the Department of Human Services by \$1,625,000 in FY 2009-10; and
- Reduces funding for low-income energy assistance through the Governor's Energy Office by \$6.5 million per year in FY 2010-11 and FY 2011-12.

**H.B. 10-1326:** Makes the following adjustments to the authorization of appropriations from the Operational Account of the Severance Tax Trust Fund (Operational Account) for tax years beginning on or after July 1, 2009:

- Decreases the authorization to the Colorado Oil and Gas Conservation Commission from up to 40 percent to up to 35 percent of the Operational Account;
- Increases the authorization to the Division of Parks and Outdoor Recreation from up to 5 percent to up to 10 percent of the Operational Account; and
- Allows the increased appropriation to the Division of Parks and Outdoor Recreation to supplant moneys that would otherwise be available to the Division of Parks and Outdoor Recreation.

Also makes the following adjustments:

- Decreases transfers from the Operational Account to the Water Supply Reserve Account by \$4.0 million in FY 2010-11 and by \$3.0 million in FY 2011-12 and beyond; and
- Decreases the FY 2009-10 Long Bill General Fund appropriation to the Division of Parks and Outdoor Recreation by \$2,147,415 and increases its cash fund appropriation from the Operational Account by the same amount.

**H.B. 10-1327:** Transfers in FY 2009-10 to the General Fund \$2,000,000 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 Higher Education.

**H.B. 10-1349:** Creates the Re-energize Colorado Program in the Division of Parks and Outdoor Recreation. The goal of the program is to generate or offset 100 percent of the division's electrical energy consumption by 2020 using energy resources on land owned, leased, or controlled by the Division of Parks and Outdoor Recreation. For purposes of meeting this goal, a qualifying retail utility can waive some of the existing limits placed on net metering and energy generated on a customer's property. Restricts any state agency from making retail sales, transmitting, or distributing electric energy between or among state agencies or properties. Authorizes the Department of Natural Resources to acquire lands under the control of the Division of Parks and Outdoor Recreation that have the potential to support renewable energy generation development. Directs the Public Utilities Commission to give the fullest possible consideration to approving projects developed under the Re-energize Colorado Program with particular attention to those projects that offer the prospect of job creation and local economic growth. Requires the Governor's Energy Office (GEO) to conduct a Geographic Information System (GIS) analysis to determine the optimum state park land for renewable energy development.

Creates the Renewable Resource Generation Development Areas Fund and authorizes the GEO to accept public and private gifts, grants, and donations to support the activities authorized under the bill. Appropriates \$50,000 federal funds to the Governor's Energy Office in FY 2010-11 for the implementation of the Geographic Information System analysis.

**H.B. 10-1376:** General appropriations act for FY 2010-11.

**H.B. 10-1388:** Transfers \$11,000,000 to the General Fund from the Perpetual Base Account of the Severance Tax Trust Fund in FY 2010-11. For additional information on this bill see the "Recent Legislation" section for the Department of Public Health and Environment.

**H.B. 10-1398:** Appropriates \$4,500,000 from the Capital Account of the Species Conservation Trust Fund (Capital Account) and \$3,500,000 from the Operation and Maintenance Account of the Species Conservation Trust Fund (Operation and Maintenance Account) 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. Reduces the authorization contained in H.B. 09-1289 to obligate and expend \$500,000 of revenues from the Capital Account for the purpose of instream flow protection and transfers on July 1, 2010, \$500,000 to the Operation and Maintenance Account for the Upper Colorado River Recovery Program. Makes the following transfers from the Operational Account of the Severance Tax Trust Fund to the Capital Account: reduces from \$4.0 million to \$3.0 million the transfer scheduled to occur on July 1, 2011; transfers \$4.5 million each year on July 1, 2012 and on July 1, 2013. Makes the following transfers from the Operational Account of the Severance Tax Trust Fund to the Operation and Maintenance Account: transfers \$1.0 million on July 1, 2011; and transfers \$2.5 million each year on July 1, 2012 and on July 1, 2013.

# DEPARTMENT OF PERSONNEL AND ADMINISTRATION

The Department of Personnel and Administration is responsible for administering the state personnel system, which includes approximately 36,000 full-time-equivalent (FTE) employees, excluding the Department of Higher Education. The Department's responsibilities pertaining to the personnel system include: (1) develop the annual employee compensation plan; (2) administer personnel policies for classified employees; (3) administer the State's employee group benefit plans such as health, life, and dental insurance, as well as short-term disability insurance; and (4) provides support to the State Personnel Board, which is responsible for ensuring compliance with the State personnel system as authorized in Sections 13 through 15 of Article XII of the Colorado Constitution.

The Department also provides general support services for state agencies such as: (1) administer the State's procurement policies; (2) maintain the state archives and public records; (3) maintain the buildings in the capitol complex; (4) provides mail services for state agencies; (5) provides document handling services such as printing and copying; (6) administer's the state's motor vehicle fleet; and (7) provides administrative law judge services.

## Department Budget: Recent Appropriations

Funding Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$11,439,122	\$5,784,722	\$5,576,326	\$5,476,140
Cash Funds/1	14,676,758	6,667,669	10,828,867	9,579,235
Cash Funds Exempt/1	164,029,604	n/a	n/a	n/a
Reappropriated Funds/1	n/a	136,431,825	160,102,416	157,149,679
Federal Funds	<u>121,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Funds</b>	<b>\$190,266,484</b>	<b>\$148,884,216</b>	<b>\$176,507,609</b>	<b>\$172,205,054</b>
Full Time Equiv. Staff	567.5	392.9	393.6	391.3

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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, 5.6 percent cash funds, and 91.3 percent reappropriated funds. The primary source of reappropriated funds is user fees transferred from other agencies for the provision of statewide services.

## Number of State Employees

The Department administers the State's programs related to employee compensation and benefits. 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 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Total appropriated FTE	29,106.7	30,211.0	31,138.3	31,070.5	31,510.6

The Department's Executive Director serves as the State Personnel Director, and submits annual recommendations for the salary adjustments and the State's contributions for health, life, and dental insurance for State employees. The Department did not recommend, nor did the General Assembly fund, salary increases or performance-based pay for FY 2009-10 or FY 2010-11. Additionally, S.B. 10-146 reduced the State's contribution to the Public Employees' Retirement Association (PERA) by 2.5 percent of employees' salaries, and increased the employee's contribution percentage by a corresponding amount. Initial estimates are that this will reduce the State's contribution by a total of \$37.2 million, including \$20.4 million General Fund.

FY 2010-11 State Contribution Rates, Group Benefit Plans				
	Health	Dental	Life	Total Contribution
Employee	\$356.92	\$19.78	\$9.40	\$386.10
Employee with Spouse	602.82	32.16	9.40	644.38
Employee with Child(ren)	637.96	33.92	9.40	681.28
Employee with Family	883.84	46.32	9.40	939.56
<b>Total statewide appropriation for all departments<sup>1/</sup></b>				<b>\$142,598,883</b>
1/ Does not include non-appropriated FTE within the Department of Higher Education				

## State Fleet Program

Pursuant to Section 24-30-1104 (2) (a), C.R.S., the Division of Central Services administers the state's fleet management program, which provides the following services: (1) purchases vehicles; (2) manages maintenance and repairs; (3) manages the fleet; (4) auctions older vehicles; and (5) manages the state motor pool. The Department acquires private-sector financing for new or replacement vehicles. The leases vary between 72 and 120 months, with the exception of State Patrol vehicles, whose leases are for 48 months. For FY 2009-10, the State's average vehicle cost is \$0.37 per mile. Of this amount, an average of \$0.15 per mile is attributed to *fixed* costs (cost and financing *only*), and an average of \$0.22 per mile is attributed to *operating* costs (fuel and maintenance *only*). Departments are also assessed an average vehicle management fee of \$26.50 per vehicle, per month, to fund the fleet management program's overhead costs. Many of the institutions of Higher Education manage their own vehicle fleets, and this data is not reflected as a part of the Department's totals.

Beginning in FY 2009-10, the Department was appropriated additional contingency spending authority, equivalent to \$1.00 per gallon for anticipated fuel costs, to account for fluctuations in the price of fuel. For FY 2010-11, the contingency spending authority is approximately \$4.5 million.

<b>Fiscal Year</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08<sup>1</sup> Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10<sup>2</sup> Approp</b>	<b>FY 2010-11 Approp</b>
Number of fleet vehicles	5,569	5,824	5,858	5,955	6,039
Total fleet management cost	<b>\$29,669,350</b>	<b>\$35,286,201</b>	<b>\$33,235,636</b>	<b>\$38,112,278</b>	<b>\$40,433,173</b>

/1 The increase between FY 2006-07 and FY 2007-08 reflects S.B. 06-015, which consolidated an additional 483 vehicles within State Fleet Management.

## Risk Management

The State's Risk Management program provides insurance coverage to departments and agencies for workers' compensation and property and liability insurance. The State is self-insured for workers' compensation and liability, and it purchases property insurance from the private sector. Generally, appropriations for the risk management coverage are calculated by using actuarially determined prospective claims losses. The larger institutions of Higher Education administer their own risk management programs and those funds are not included in the following table. The total dollar amount appropriated to departments decreased significantly for FY 2010-11 because the risk management cash funds had accrued excess fund balances.

<b>Statewide Risk Management Expenditures</b>					
	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Appropriated</b>	<b>FY 2010-11 Appropriated</b>
Workers' Compensation	\$30,305,844	\$35,473,864	\$36,202,854	\$42,253,272	\$36,964,341
Property	6,556,767	9,047,174	7,997,934	10,297,398	2,667,289
Liability	<u>4,540,332</u>	<u>4,951,379</u>	<u>6,435,247</u>	<u>9,529,022</u>	<u>2,916,592</u>
Total	\$41,402,943	\$49,472,417	\$50,636,035	\$62,079,692	\$42,548,222

## Summary of FY 2009-10 and FY 2010-11 Appropriations

<b>Department of Personnel and Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Total Appropriation:</b>	<b>\$176,507,609</b>	<b>\$5,576,326</b>	<b>\$10,828,867</b>	<b>\$160,102,416</b>	<b>\$0</b>	<b>393.6</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	12,429,734	4,002,486	394,172	8,033,076	0	45.2
Division of Human Resources	70,424,068	0	2,710,701	67,713,367	0	43.0
Constitutionally Independent Entities	752,022	735,863	16,159	0	0	6.8
Central Services	79,160,124	50,206	67,405	79,042,513	0	193.1
Division of Accounts and Control - Controller	10,064,911	787,771	7,612,827	1,664,313	0	65.5
Administrative Courts	3,676,750	0	27,603	3,649,147	0	40.0

Department of Personnel and Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
SB 09-259	172,501,975	6,291,404	6,662,597	159,547,974	0	393.1
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
SB 10-146	5,138	5,138	0	0	0	0.0
HB 10-1310	(4,878,521)	(669,904)	2,374,013	(6,582,630)	0	1.5
HB 10-1376	48,949	(50,312)	46,784	52,477	0	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$172,205,054</b>	<b>\$5,476,140</b>	<b>\$9,579,235</b>	<b>\$157,149,679</b>	<b>\$0</b>	<b>391.3</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	14,590,774	3,537,916	926,542	10,126,316	0	42.5
Division of Human Resources	60,964,076	0	2,738,536	58,225,540	0	39.2
Constitutionally Independent Entities	518,338	497,694	1,166	19,478	0	4.8
Central Services	84,579,063	156,018	42,899	84,380,146	0	192.8
Division of Accounts and Control - Controller	7,915,885	1,284,512	5,842,831	788,542	0	72.0
Administrative Courts	3,636,918	0	27,261	3,609,657	0	40.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	172,405,224	5,619,048	10,106,360	156,679,816	0	391.3
SB 10-143	1,000	0	0	1,000	0	0.0
SB 10-203	4,500	0	0	4,500	0	0.0
SB 10-207	20,900	0	20,900	0	0	0.2
HB 10-1176	134,716	134,716	0	0	0	1.8
HB 10-1181	(94,864)	(6,802)	(552,425)	464,363	0	0.0
HB 10-1228	4,400	0	4,400	0	0	0.0
HB 10-1404	(270,822)	(270,822)	0	0	0	(2.0)
<b>Increase/(Decrease)</b>	<b>(\$4,302,555)</b>	<b>(\$100,186)</b>	<b>(\$1,249,632)</b>	<b>(\$2,952,737)</b>	<b>\$0</b>	<b>(2.3)</b>
Percentage Change	(2.4)%	(1.8)%	(11.5)%	(1.8)%	n/a	(0.6)%

### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations reduce reappropriated funds by \$2.9 million to reflect an adjustment in the volatility rate for the State's risk management and workers' compensation programs.
2. Supplemental appropriations reduce reappropriated funds by \$547,863 due to savings from reduced administrative fees and fewer claims than anticipated for the State's workers' compensation program.

### **FY 2010-11 Appropriation Highlights:**

1. Increases the appropriation for Office of Information Technology statewide services by \$2.0 million. This includes an overall increase of \$2.4 million General Fund and \$200,000 cash funds, which is offset by a reduction of \$600,000 reappropriated funds.
2. Increases the appropriation for the Division of Central Services by \$1.8 million reappropriated funds to provide a 20.0 percent contingency spending authority for certain services.
3. Restores the reductions for furloughs during FY 2009-10, which increases the appropriation by a total of \$700,000.
4. Reduces the appropriation for statewide Risk Management and Workers' Compensation premiums by a total of \$8.9 million reappropriated funds. These reductions are reflected in reduced billings to departments for these statewide services.
5. Eliminates funds and refinancing that occurred during FY 2009-10 for services related to the American Recovery and Reinvestment Act (ARRA) of 2009, reducing the appropriation by a total of \$1.9 million.
6. Reduces the appropriation by a total of \$700,000 to account for the second-year impact of legislation enacted during 2009.
7. Reduces the appropriation by a total of \$560,000, including \$61,811 General Fund, to reflect a reduction in the State's contribution rate to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146..

## **Detail of Appropriation by Administrative Section**

### **Executive Director's Office**

This division provides centralized accounting, personnel, and budgeting services for the Department. It also includes the Colorado State Employees Assistance Program, the Office of the State Architect, and the Colorado State Archives. The primary fund source is reappropriated funds, which originate as indirect cost recoveries from other divisions within the Department, as well as user fees from other state agencies.

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$12,783,225	\$4,230,129	\$187,666	\$8,365,430	\$0	47.0
HB 10-1310	<u>(353,491)</u>	<u>(227,643)</u>	<u>206,506</u>	<u>(332,354)</u>	<u>0</u>	<u>(1.8)</u>
<b>TOTAL</b>	<b>\$12,429,734</b>	<b>\$4,002,486</b>	<b>\$394,172</b>	<b>\$8,033,076</b>	<b>\$0</b>	<b>45.2</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$12,429,734	\$4,002,486	\$394,172	\$8,033,076	\$0	45.2
Purchase of OIT services	2,563,798	919,638	358,622	1,285,538	0	0.0
Capitol complex leased space	119,017	(573,264)	0	692,281	0	0.0
Restore FY 2009-10 furlough reductions	117,335	32,515	2,856	81,964	0	0.0
Centrally-appropriated line items	102,639	52,689	390,097	(340,147)	0	0.0
Annual fleet vehicle replacements	32,857	0	0	32,857	0	0.0
Annualize mail equipment upgrade	1,000	0	0	1,000	0	0.0
Employment security contract	600	375	0	225	0	0.0
Reallocate FTE	0	0	0	0	0	(1.5)
Refinance	0	(629,793)	122,952	506,841	0	0.0
Adjust risk management for volatility	(321,376)	(107,946)	(10,676)	(202,754)	0	0.0
Annualize prior-year funding and FTE reduction	(149,124)	(59,292)	14	(89,846)	0	(1.2)
Annualize ARRA supplemental funds	(124,241)	6,250	(212,985)	82,494	0	0.0
HIPAA security remediation	(108,008)	0	0	(108,008)	0	0.0
State PERA contribution reduction	(51,931)	0	0	(51,931)	0	0.0
Operating expenses	(33,798)	0	(50,980)	17,182	0	0.0
Indirect cost assessment	(29,579)	0	0	(29,579)	0	0.0
Operating reduction	(9,008)	(3,967)	0	(5,041)	0	0.0
Legal services	(6,072)	(4,641)	0	(1,431)	0	0.0
Annualize prior year legislation	(5,244)	0	(5,244)	0	0	0.0
Other	104,769	(80,958)	(69,088)	254,815	0	0.0
<b>HB 10-1376</b>	<b>\$14,633,368</b>	<b>\$3,554,092</b>	<b>\$919,740</b>	<b>\$10,159,536</b>	<b>\$0</b>	<b>42.5</b>
HB 10-1176	2,000	2,000	0	0	0	0.0
HB 10-1181	0	(6,802)	6,802	0	0	0.0
HB 10-1404	<u>(44,594)</u>	<u>(11,374)</u>	<u>0</u>	<u>(33,220)</u>	<u>0</u>	<u>0.0</u>

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>TOTAL</b>	<b>\$14,590,774</b>	<b>\$3,537,916</b>	<b>\$926,542</b>	<b>\$10,126,316</b>	<b>\$0</b>	<b>42.5</b>
<b>Increase/(Decrease)</b>	\$2,161,040	(\$464,570)	\$532,370	\$2,093,240	\$0	(2.7)
Percentage Change	17.4%	(11.6)%	135.1%	26.1%	n/a	(6.0)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1310 reflect the following: (1) an increase of \$124,241, comprised of an increase of \$212,985 cash funds, which is offset by a decrease of \$82,494 reappropriated funds and \$6,250 General Fund, due to the appropriation of additional ARRA funds for centralized administrative functions; (2) a reduction of \$145,867, including \$92,508 General Fund and \$53,359 reappropriated funds, due to the elimination of several positions; and (3) a reduction of \$106,496, comprised of \$65,443 reappropriated funds, \$35,157 General Fund, and \$5,896 cash funds, to reflect adjustments due to statewide furloughs for FY 2009-10. Additional adjustments reflect changes to the appropriations for centrally-appropriated line items and statewide common policies.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Purchase of OIT services:** The appropriation includes an increased appropriation for statewide computer services that are provided by the Governor's Office of Information Technology (OIT).

**Capitol complex leased space:** The appropriation includes an increase in the Department's portion of the statewide costs for operating the Capitol complex, as well as the refinancing of General Fund with indirect cost recoveries.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; and administrative law judges.

**Annual fleet vehicle replacements:** The appropriation reflects costs associated with fleet vehicle replacements.

**Annualize mail equipment upgrade:** The appropriation reflects the change in the second-year's appropriation for the Department's five-year lease agreement to upgrade its mail equipment.

**Employment security contract:** The appropriation reflects an increase in the cost of the Employment Security Contract payments.

**Reallocate FTE:** The appropriation reflects the Department's request to transfer 2.0 FTE, and associated funds, from this division to the Division of Accounts and Control - Controller.

**Refinance:** The appropriation includes a technical change to recategorize certain cash funds as reappropriated funds.

**Adjust risk management for volatility:** The appropriation reduces the appropriation for risk management premiums (property and liability) because of a reduction in anticipated claims.

**Annualize prior-year funding and FTE reduction:** The appropriation reflects the second-year impact of adjustments that occurred during FY 2009-10.

**Annualize ARRA supplemental funds:** The appropriation restores line items that were refinanced with funds from the American Recovery and Reinvestment Act (ARRA) to their original appropriation amounts and fund sources.

**HIPAA security remediation:** The appropriation reflects the elimination of the Health Insurance Portability and Accountability Act (HIPAA) - Security Remediation line item. The Department has already implemented the majority of HIPAA's requirements, and the remaining functions can be absorbed by other programs within the division.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating expenses:** The appropriation reflects a 5.0 percent reduction to eligible operating expenses funded with General Fund, as well as the refinancing of certain funds from cash funds to reappropriated funds.

**Indirect cost assessment:** The appropriation reduces the appropriation for the indirect costs line item.

**Operating reduction:** The appropriation reflects the Department's request to reduce certain operating expenses line items by 5.0 percent.

**Legal services:** The appropriation reduces the appropriation to reflect reduced legal services rates charged to departments by the Department of Law.

**Annualize prior year legislation:** The appropriation accounts for the second-year impact of transferring the management of certain retirement benefit services from the Department to the Public Employees' Retirement Association (PERA).

**Other:** Reflects numerous small changes within the Executive Director's Office, as well as using statewide indirect cost recoveries to refinance General Fund with reappropriated funds.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1404, see also the "Recent Legislation" section at the end of the Judicial Department.

## Division of Human Resources

This division is responsible for the administration of: (1) the State's personnel system; (2) the State's employee benefit programs; and (3) the risk management program for all state agencies, including all components of property, liability, and workers' compensation claims. The majority of the reappropriated funds are user fees that are transferred from other state agencies.

Division of Human Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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)
HB 10-1310	(3,681,462)	46,784	(8,054)	(3,720,192)	0	(2.7)
HB 10-1376	<u>0</u>	<u>(46,784)</u>	<u>46,784</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$70,424,068</b>	<b>\$0</b>	<b>\$2,710,701</b>	<b>\$67,713,367</b>	<b>\$0</b>	<b>43.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$70,424,068	\$0	\$2,710,701	\$67,713,367	\$0	43.0
Restore FY 2009-10 furlough reductions	88,597	0	22,787	65,810	0	0.0
Refinance	0	0	192,367	(192,367)	0	0.0
Workers' compensation and risk management premiums	(8,917,257)	0	0	(8,917,257)	0	0.0
Supplemental state contribution	(129,314)	0	(129,314)	0	0	0.0
Indirect cost assessment	(90,828)	0	0	(90,828)	0	0.0
Annualize prior year supplemental	(89,859)	0	0	(89,859)	0	(1.3)
State PERA contribution reduction	(67,931)	0	0	(67,931)	0	0.0
Legal services	(64,039)	0	0	(64,039)	0	0.0
Reallocate FTE	(62,648)	0	0	(62,648)	0	(2.0)
Operating expenses reduction	(45,860)	0	0	(45,860)	0	0.0
Annualize prior year legislation	(41,676)	0	0	(41,676)	0	(0.5)
Annualize ARRA supplemental	(36,403)	0	(62,405)	26,002	0	0.0
Annualize indirect cost recoveries	(7,174)	0	0	(7,174)	0	0.0
<b>HB 10-1376</b>	<b>\$60,959,676</b>	<b>\$0</b>	<b>\$2,734,136</b>	<b>\$58,225,540</b>	<b>\$0</b>	<b>39.2</b>

Division of Human Resources						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1228	4,400	0	4,400	0	0	0.0
<b>TOTAL</b>	<b>\$60,964,076</b>	<b>\$0</b>	<b>\$2,738,536</b>	<b>\$58,225,540</b>	<b>\$0</b>	<b>39.2</b>
<b>Increase/(Decrease)</b>	(\$9,459,992)	\$0	\$27,835	(\$9,487,827)	\$0	(3.8)
Percentage Change	(13.4)%	n/a	1.0%	(14.0)%	n/a	(8.8)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1310 include the following: (1) a decrease of \$2,907,505 reappropriated funds due to a reduction in the statewide risk management volatility rate; (2) a decrease of \$547,863 reappropriated funds due to changes in the State's risk management contract review and fewer than anticipated claims; and (3) a decrease of \$197,169 reappropriated funds and 2.7 FTE due to the elimination of certain positions, among other changes. House Bill 10-1376 increased the appropriation by \$46,784 cash funds and reduced the appropriation by \$46,784 General Fund to reflect a fund source adjustment.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Refinance:** The appropriation includes a technical correction to recategorize cash funds to reappropriated funds.

**Workers' compensation and risk management premiums:** The appropriation includes reductions for the statewide premiums for Workers' Compensation (reduced \$5,593,122), Property (reduced \$1,107,488), and Liability (reduced \$2,216,647). The reductions are in comparison to the final FY 2009-10 appropriations.

**Supplemental state contribution:** The appropriation reflects a reduction in available funds from the tobacco litigation settlement dollars. The funding formula is defined in statute.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

**Annualize prior year supplemental:** The appropriation reflects the second-year impact of a FY 2009-10 supplemental to eliminate several positions.

**State PERA contribution reduction:** The appropriation reflects a 2.5 percent reduction to the State's contribution rate to the Public Employees' Retirement Association (PERA), pursuant to S.B. 10-146.

**Legal services:** The appropriation reflects a reduction in the per hour legal services rate that the Department of Law charges to departments.

**Reallocate FTE:** The appropriation reflects the Department's request to transfer 2.0 FTE, and associated funds, from this division to the Division of Accounts and Control - Controller.

**Operating expenses reduction:** The appropriation reflects a 5.0 percent reduction to eligible operating expenses funded with General Fund. It also reflects the Department's request to reduce the appropriation because it is able to implement certain legislation at a lower cost than initially anticipated.

**Annualize prior year legislation:** The appropriation accounts for the second year of legislation that transferred the management of the Defined Contribution and Defined Compensation plans to the Public Employees' Retirement Association (PERA).

**Annualize ARRA supplemental:** The appropriation restores line items that were refinanced with funds from the American Recovery and Reinvestment Act (ARRA) to their original appropriation amounts and fund sources.

**Annualize indirect cost recoveries:** The appropriation reflects the second year's adjustment to correct the Department's indirect cost recoveries.

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

## Constitutionally Independent Entities

This division includes the State Personnel Board and the Independent Ethics Commission. The five-member *State Personnel 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. The *Independent Ethics Commission* is responsible for the implementation of Article XXIX of the Colorado Constitution and Section 24-18.5-101, C.R.S. The Commission's purpose is to hear complaints, issue findings and assess penalties in appropriate cases, and also to issue advisory opinions on ethics issues in accordance with Article XXIX of the Colorado Constitution.

Constitutionally Independent Entities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1310	(8,279)	(23,242)	14,963	0	0	0.0
HB 10-1376	<u>0</u>	<u>(3,528)</u>	<u>0</u>	<u>3,528</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$752,022</b>	<b>\$735,863</b>	<b>\$16,159</b>	<b>\$0</b>	<b>\$0</b>	<b>6.8</b>

Constitutionally Independent Entities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$752,022	\$735,863	\$16,159	\$0	\$0	6.8
Restore FY 2009-10 furlough reductions	16,753	16,716	37	0	0	0.0
Fund source adjustment	3,540	(15,938)	0	19,478	0	0.0
State PERA contribution reduction	(17,140)	(17,110)	(30)	0	0	0.0
Annualize ARRA supplemental	(8,750)	6,250	(15,000)	0	0	0.0
Operating reduction	(1,859)	(1,859)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$744,566</b>	<b>\$723,922</b>	<b>\$1,166</b>	<b>\$19,478</b>	<b>\$0</b>	<b>6.8</b>
HB 10-1404	<u>(226,228)</u>	<u>(226,228)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2.0)</u>
<b>TOTAL</b>	<b>\$518,338</b>	<b>\$497,694</b>	<b>\$1,166</b>	<b>\$19,478</b>	<b>\$0</b>	<b>4.8</b>
<hr/>						
<b>Increase/(Decrease)</b>	(\$233,684)	(\$238,169)	(\$14,993)	\$19,478	\$0	(2.0)
Percentage Change	(31.1)%	(32.4)%	(92.8)%	n/a	n/a	(29.4)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1310 and H.B. 10-1376 reduced the appropriation by a total of \$6,279, which included an increase of \$16,963 cash funds and \$3,528 reappropriated funds, and a decrease of \$23,242 General Fund. The changes correct the appropriation clause for H.B. 09-1150, and also reflect an increase for ARRA funds spending authority, among other changes.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Fund source adjustment:** The appropriation uses indirect cost recoveries, which are categorized as reappropriated funds, to offset the need for General Fund in this division.

**State PERA contribution reduction:** The appropriation reflects a 2.5 percent reduction to the State's contribution rate to the Public Employees' Retirement Association (PERA), pursuant to S.B. 10-146.

**Annualize ARRA supplemental:** The appropriation restores line items that were refinanced with funds from the American Recovery and Reinvestment Act (ARRA) to their original appropriation amounts and fund sources.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction to eligible operating expenses funded with General Fund.

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

## Central Services

This division provides services such as: (1) management of the statewide travel program; (2) processing of incoming and outgoing mail; (3) mail delivery and messenger services; (4) copying, printing and graphics design; (5) management of the State's motor vehicle fleet; and (6) operation and maintenance of buildings in the Capitol complex and other state-owned facilities. The primary fund source is reappropriated funds, which originate as fees paid by user agencies.

Central Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1310	(2,623,255)	50,206	0	(2,673,461)	0	0.0
HB 10-1376	<u>48,949</u>	<u>0</u>	<u>0</u>	<u>48,949</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$79,160,124</b>	<b>\$50,206</b>	<b>\$67,405</b>	<b>\$79,042,513</b>	<b>\$0</b>	<b>193.1</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$79,160,124	\$50,206	\$67,405	\$79,042,513	\$0	193.1
Vehicle lease payments	3,653,953	0	0	3,653,953	0	0.0
Contingency funds	1,856,651	0	0	1,856,651	0	0.0
Indirect cost assessment	558,337	0	0	558,337	0	0.0
Restore FY 2009-10 furlough reductions	209,096	0	0	209,096	0	0.0
Mail equipment upgrade	196,149	105,812	0	90,337	0	0.0
Capitol complex security	28,244	0	0	28,244	0	0.0
Statewide IT staff consolidation	(512,124)	0	0	(512,124)	0	0.0
Eliminate prior year reimbursement	(279,869)	0	0	(279,869)	0	0.0
State PERA contribution reduction	(223,242)	0	(437)	(222,805)	0	0.0
Eliminate one-time funds	(44,187)	0	0	(44,187)	0	0.0
Eliminate spending authority	(24,069)	0	(24,069)	0	0	(0.3)
<b>HB 10-1376</b>	<b><u>\$84,579,063</u></b>	<b><u>\$156,018</u></b>	<b><u>\$42,899</u></b>	<b><u>\$84,380,146</u></b>	<b><u>\$0</u></b>	<b><u>192.8</u></b>
<b>TOTAL</b>	<b>\$84,579,063</b>	<b>\$156,018</b>	<b>\$42,899</b>	<b>\$84,380,146</b>	<b>\$0</b>	<b>192.8</b>

Central Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$5,418,939	\$105,812	(\$24,506)	\$5,337,633	\$0	(0.3)
Percentage Change	6.8%	210.8%	(36.4)%	6.8%	n/a	(0.2)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1310 reduced the appropriation by \$2.6 million to reflect the refinancing of new mail equipment and a mid-year adjustment to State fleet vehicle leases, among other changes. House Bill 10-1376 increased the appropriation by \$48,949 reappropriated funds to reimburse the federal government for its portion of cash funds that were transferred to the General Fund for FY 2009-10

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Vehicle lease payments:** The appropriation reflects the additional funds required for the State to enter into lease-purchase agreements for the replacement of existing vehicles (175 total vehicle replacements, including 150 with the Department of Public Safety), as well as additional vehicles (18 new vehicles, including 12 for the Department of Public Safety and 6 for the Department of Corrections).

**Contingency funds:** The appropriation updates the 20.0 percent contingency funds spending authority for certain programs. The numbers represent spending authority, not the appropriation of actual dollars. The funds are first appropriated to other departments, then transferred to this division to purchase services.

**Indirect cost assessment:** The appropriation includes an increase for indirect costs that are attributed to this division.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Mail equipment upgrade:** The appropriation reflects the annualization of the Department's request to enter into a 5-year lease-purchase agreement for the upgrade of its mail equipment.

**Capitol complex security:** The appropriation includes an increase for Capitol complex security, to reflect the increased billing from the Department of Public Safety.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a 10.0 percent cost savings statewide.

**Eliminate prior year reimbursement:** The appropriation eliminates one-time spending authority for the Department to reimburse the federal government for its portion of cash fund transfers.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Eliminate one-time funds:** The appropriation eliminates one-time funds for FY 2009-10.

**Eliminate spending authority:** The appropriation eliminates spending authority for the Fallen Heroes Memorials Construction Fund because the intended fund source has not materialized.

## Division of Accounts and Control - Controller

This division includes the Office of the State Controller, which manages the financial affairs of all of the departments. The division also: (1) administers a statewide procurement program through the State Purchasing Office; (2) meets the product and service needs of state agencies by negotiating contracts for goods and services; (3) conducts statewide financial reporting, policy and procedural guidance; (4) manages contracts; (5) develops the statewide indirect cost allocation plan; and (6) 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
<b>FY 2009-10 Appropriation:</b>						
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
SB 10-146	5,138	5,138	0	0	0	0.0
HB 10-1310	<u>1,825,738</u>	<u>(516,009)</u>	<u>2,161,022</u>	<u>180,725</u>	<u>0</u>	<u>6.0</u>
<b>TOTAL</b>	<b>\$10,064,911</b>	<b>\$787,771</b>	<b>\$7,612,827</b>	<b>\$1,664,313</b>	<b>\$0</b>	<b>65.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$10,064,911	\$787,771	\$7,612,827	\$1,664,313	\$0	65.5
Indirect cost assessment	170,468	0	(68,481)	238,949	0	0.0
Restore FY 2009-10 furlough reduction	126,873	(13,413)	70,483	69,803	0	0.0
FTE reallocation	62,648	0	0	62,648	0	3.5
Mail equipment upgrade	106	106	0	0	0	0.0
Annualize prior year funding	0	(132,584)	0	132,584	0	0.0
Fund source adjustment	0	332,385	1,542,534	(1,874,919)	0	0.0
Annualize ARRA supplemental	(1,681,448)	250,265	(1,931,713)	0	0	0.0
Annualize special legislation	(701,888)	0	(701,888)	0	0	1.0
State PERA contribution reduction	(104,830)	(19,120)	(72,824)	(12,886)	0	0.0
Statewide IT staff consolidation	(69,780)	0	(69,780)	0	0	0.0
Operating reduction	(5,789)	(15,256)	0	9,467	0	0.0
Other	(5,138)	(5,138)	0	0	0	0.0

Division of Accounts and Control - Controller						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>HB 10-1376</b>	<b>\$7,856,133</b>	<b>\$1,185,016</b>	<b>\$6,381,158</b>	<b>\$289,959</b>	<b>\$0</b>	<b>70.0</b>
SB 10-143	1,000	0	0	1,000	0	0.0
SB 10-207	20,900	0	20,900	0	0	0.2
HB 10-1176	132,716	132,716	0	0	0	1.8
HB 10-1181	(94,864)	0	(559,227)	464,363	0	0.0
HB 10-1404	<u>0</u>	<u>(33,220)</u>	<u>0</u>	<u>33,220</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$7,915,885</b>	<b>\$1,284,512</b>	<b>\$5,842,831</b>	<b>\$788,542</b>	<b>\$0</b>	<b>72.0</b>
<b>Increase/(Decrease)</b>	(\$2,149,026)	\$496,741	(\$1,769,996)	(\$875,771)	\$0	6.5
Percentage Change	(21.4)%	63.1%	(23.3)%	(52.6)%	n/a	9.9%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1310 increased the appropriation by \$1.7 million cash funds spending authority for funds received through the American Recovery and Reinvestment Act (ARRA) of 2009, and reduced the appropriation by \$465,427 General Fund due to refinancing with cash funds and indirect cost recoveries, among other changes. Additionally, S.B. 10-146 increased the appropriation by \$5,138 General Fund to modify the statewide personnel computer system to change the State and employee contribution amounts to the Public Employees' Retirement Association (PERA).

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Indirect cost assessment:** The appropriation adjusts for an increase in indirect costs assessed to this division, as well as a change in the line item's fund sources.

**Restore FY 2009-10 furlough reduction:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**FTE reallocation:** The appropriation reallocates FTE and corresponding funds from elsewhere in the Department to this division.

**Mail equipment upgrade:** The appropriation annualizes a request for the Department to upgrade its mail equipment.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Fund source adjustment:** The appropriation recategorizes funds from reappropriated funds to cash funds beginning in FY 2010-11.

**Annualize ARRA supplemental:** The appropriation reinstates line items that were refinanced to their original appropriation amounts, including fund splits.

**Annualize special legislation:** The appropriation accounts for the second year's impact of S.B. 09-099.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a 10.0 percent cost savings statewide.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction in the Department's operating expenses for certain line items.

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

## Administrative Courts

This division provides an independent administrative law adjudication system for state agencies in order to resolve cases with topics such as workers' compensation, human resources, and regulatory law. It offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation. Approximately one-half of all hearings are related to workers' compensation cases. The division is primarily funded with reappropriated funds that are transferred from user agencies, and it also receives a small amount of cash funds that originate as user fees from non-state agencies.

Administrative Courts						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1310	<u>(37,772)</u>	<u>0</u>	<u>(424)</u>	<u>(37,348)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,676,750</b>	<b>\$0</b>	<b>\$27,603</b>	<b>\$3,649,147</b>	<b>\$0</b>	<b>40.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$3,676,750	\$0	\$27,603	\$3,649,147	\$0	40.0
Restore FY 2009-10 furlough reduction	120,297	0	424	119,873	0	0.0
Mail equipment upgrade	208	0	0	208	0	0.0

Administrative Courts						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Indirect cost assessment	(82,993)	0	0	(82,993)	0	0.0
State PERA contribution reduction	(76,616)	0	(766)	(75,850)	0	0.0
Annualize staffing adjustment	(5,228)	0	0	(5,228)	0	0.0
<b>HB 10-1376</b>	<b>\$3,632,418</b>	<b>\$0</b>	<b>\$27,261</b>	<b>\$3,605,157</b>	<b>\$0</b>	<b>40.0</b>
SB 10-203	<u>4,500</u>	<u>0</u>	<u>0</u>	<u>4,500</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,636,918</b>	<b>\$0</b>	<b>\$27,261</b>	<b>\$3,609,657</b>	<b>\$0</b>	<b>40.0</b>
<b>Increase/(Decrease)</b>	<b>(39,832)</b>	<b>\$0</b>	<b>(\$342)</b>	<b>(\$39,490)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(1.1)%	n/a	(1.2)%	(1.1)%	n/a	0.0%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1310 reduced the appropriation by \$424 cash funds and \$37,348 reappropriated funds to reflect statewide furloughs during FY 2009-10 and refinanced the procurement plan for mail services equipment, among other changes.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Mail equipment upgrade:** The appropriation reflects the annualization of a request to upgrade the Department's mail equipment.

**Indirect cost assessment:** The appropriation reflects a decrease in indirect cost assessments.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize staffing adjustment:** The appropriation accounts for the second year of a staffing adjustment for the division.

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

## Recent Legislation

### 2009 Session Bills

**S.B. 09-066:** Transfers the administration of two state employee retirement plans from the Department of Personnel and Administration 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 and Administration totaling \$956,815 and 2.0 FTE.

**S.B. 09-099:** Requires the Department of Personnel and Administration 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 and Administration for the implementation of the procurement system.

**S.B. 09-259:** General appropriations act for FY 2009-10. Section 17 of S.B. 09-259 amends Department of Personnel and Administration's appropriations for FY 2008-09.

**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 and Administration.

**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.

### 2010 Session Bills

**S.B. 10-143:** Authorizes the State Controller to issue a refund for fees that were erroneously collected by the Secretary of State prior to July 1, 2006. Directs the State Controller to issue the refund upon receipt of a voucher from the Secretary indicating the person and the amount of the refund. Transfers \$1,000 from the Department of State to the Office of the State Controller to fund the cost of issuing the refunds.

**S.B. 10-146:** Reduces the State's contribution towards the Public Employees' Retirement Association (PERA) by 2.5 percentage points, and increases the employee's contribution amount by 2.5 percentage points, for FY 2010-11 only. Reduces the statewide PERA contribution by approximately \$37.2 million, including \$20.4 million General Fund, during FY 2010-11. Increases the Department of Personnel and Administration's appropriation for FY 2009-10 by \$5,138 General Fund to modify the statewide personnel computer system to accommodate the changes.

**S.B. 10-203:** Changes campaign finance laws to regulate third-party expenditures and donations made in connection with state elections. Transfers \$4,500 from the Department of State to the Department of Personnel and Administration's Office of Administrative Courts to fund administrative law judge services.

**S.B. 10-207:** Authorizes the State Treasurer to enter into lease-purchase agreements on behalf of the state to finance certain energy efficiency-related capital construction projects. Appropriates \$20,900 cash funds and 0.2 FTE to manage the accounting and reporting of the agreements within the Office of the State Controller.

**H.B. 10-1176:** Requires the Office of the State Controller to contract with a third party to audit Executive agencies and determine whether overpayments occur related to various types of general errors. Appropriates \$134,716 and 1.8 FTE for staff to promulgate rules, contract with consultants, and manage vendor contracts.

**H.B. 10-1181:** Permits institutions of higher education to opt-out of the procurement card program, and substitutes the lost revenue with other sources of income from the institutions. Permits the Office of the State Archives to charge fees for certain services, and uses those fees to offset General Fund. Reduces the Department's total appropriation by \$94,864 (comprised of an increase of \$464,363 reappropriated funds, offset by a decrease of \$552,425 cash funds and \$6,802 General Fund).

**H.B. 10-1228:** Requires the Director of the Department of Personnel and Administration to remove dependents of state employees from state group health benefit plans when they turn 25 years of age and become ineligible for coverage. Appropriates \$3,000 cash funds for one-time programming changes, and \$1,400 cash funds for on-going verification of employees' dependents.

**H.B. 10-1310:** Supplemental appropriations act for the Department of Personnel and Administration, to modify the appropriations included in the FY 2009-10 Long Bill (S.B. 09-259).

**H.B. 10-1376:** General appropriations act for FY 2010-11. Also includes supplemental adjustments to modify appropriations to the Department included in the FY 2009-10 Long Bill (S.B. 09-259)

**H.B. 10-1404:** Transfers the Independent Ethics Commission from the Department of Personnel and Administration to the Judicial Department. Reduces the Department's appropriation by \$270,822 General Fund and 2.0 FTE, and transfers the resources to the Judicial Department. The dollars include funds for salaries and benefits (\$187,173), funds for 900 hours of legal services related to the Commission's activities (\$67,842), and the Commission's operating expenses (\$15,807). For additional information see the "Recent Legislation" section at the end of the Judicial Department.

# 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 and protecting the quality of Colorado's environment. 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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund/1	\$23,932,469	\$26,586,357	\$27,076,170	\$27,541,461
Cash Funds/2	40,390,291	164,440,239	145,250,938	129,530,277
Cash Funds Exempt/2	186,347,402	n/a	n/a	n/a
Reappropriated Funds/2	n/a	69,325,687	33,233,774	26,479,698
Federal Funds	<u>210,131,476</u>	<u>209,613,716</u>	<u>223,379,861</u>	<u>256,596,843</u>
<b>Total Funds</b>	<b>\$460,801,638</b>	<b>\$469,965,999</b>	<b>\$428,940,743</b>	<b>\$440,148,279</b>
Full Time Equiv. Staff	1,188.2	1,224.8	1,289.5	1,227.7

/1 Includes General Fund Exempt.

/2 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 2010-11 consists of 6.3 percent General Fund (including appropriations from the General Fund Exempt account), 29.4 percent cash funds, 6.0 percent reappropriated funds, and 58.3 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 percent of federal poverty guidelines (\$40,793 annually for a family of four in 2010) 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 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Approp.
Appropriations to Programs Targeting Low-income Populations	\$124,844,845	\$144,140,221	\$160,067,308	\$134,716,638	\$180,566,239
As a Percent of Total Health and Administration Divisions Budget	44.4%	48.5%	45.1%	36.6%	47.5%

### 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. However, some programs, such as the Maternal and Child Health Block Grant, require a state match.

Health Divisions	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Approp.
Total Federal Funds - Health and Administration Divisions	\$185,675,026	\$202,537,989	\$202,829,774	\$203,865,653	\$238,268,488
As a Percent of Total Health and Administration Divisions Budget	66.0%	68.1%	57.1%	55.3%	62.7%

*Environmental Divisions:* Approximately 29.8 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 State 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).

<b>Environmental Divisions/1</b>	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Approp.</b>
Total Federal Funds	\$23,103,737	\$23,638,931	\$22,715,016	\$24,964,728	\$20,200,354	\$19,018,010
Percent of the Environ. Divisions' Budget	46.9%	46.6%	42.1%	42.5%	33.4%	29.8%

/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 Section 21 of Article X of the Colorado Constitution (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. See Appendix G for more information on tobacco funding.

<b>Funding from Tobacco Sources</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Approp.</b>
Master Settlement Agreement	\$15,235,366	\$21,614,120	\$26,307,153	\$27,476,195	\$27,101,085
Amendment 35	<u>60,778,953</u>	<u>51,149,510</u>	<u>51,973,673</u>	<u>38,200,936</u>	<u>20,872,236</u>
Total	\$76,014,319	\$72,763,630	\$78,280,826	\$65,677,131	\$47,973,321
As a percent of total Health and Administration Divisions budget	27.0%	24.5%	22.0%	17.8%	12.6%

## Number of Permits and Inspections

The environmental divisions use permits and inspections to enforce compliance with applicable state and federal regulations. Permits range from construction permits for expanding a factory to discharge permits at hazardous waste generators. Inspection responsibilities include regulating sanitary conditions at dairy farms, ensuring that contaminated sites are properly remediated, and monitoring drinking water and wastewater treatment facilities.

<b>Environmental Divisions</b>	<b>FY 05-06 Actual</b>	<b>FY 06-07 Actual</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Estimate</b>	<b>FY 10-11 Estimate</b>
<u>Permits and Applications Processed</u>						
Air Quality Control Division	6,037	6,263	7,086	7,367	8,178	7,965
Water Quality Control Division/1	2,326	2,354	2,565	2,302	2,059	3,900
Hazardous Waste Division	1,244	1,385	1,120	1,181	1,240	1,184
Consumer Protection Division	<u>2,530</u>	<u>2,680</u>	<u>2,841</u>	<u>2,545</u>	<u>2,895</u>	<u>2,894</u>
<b>Total Permits &amp; Applications</b>	<b>12,137</b>	<b>12,682</b>	<b>13,612</b>	<b>13,395</b>	<b>14,372</b>	<b>15,943</b>
<u>Inspections Conducted</u>						
Air Quality Control Division/2	3,584	3,085	3,687	3,021	3,020	3,090
Water Quality Control Division/1	1,034	937	826	855	917	940
Hazardous Waste Division/3	7,040	5,455	6,240	7,835	7,340	6,540
Consumer Protection Division	<u>3,367</u>	<u>3,257</u>	<u>3,327</u>	<u>2,625</u>	<u>2,674</u>	<u>2,753</u>
<b>Total Inspections</b>	<b>15,025</b>	<b>12,734</b>	<b>14,080</b>	<b>14,336</b>	<b>13,951</b>	<b>13,323</b>

/1 In FY 2010-11 includes an estimated 1,500 new discharge permit applications associated with pesticides, as required by a federal court decision effective April 9, 2011. An inspection is not required in the first year of the permit, so no inspections are required for these sites in FY 2010-11 although there will be a corresponding increase in inspections in FY 2011-12.

/2 The number of inspections dropped in FY 2006-07 due to a large number of vacant positions in the Stationary Sources program.

/3 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 2009-10 and FY 2010-11 Appropriations

<b>Department of Public Health and Environment</b>						
	<b>Total Funds</b>	<b>General Fund/1,2</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Total Appropriation:</b>	<b>\$428,940,743</b>	<b>\$27,076,170</b>	<b>\$145,250,938</b>	<b>\$33,233,774</b>	<b>\$223,379,861</b>	<b>1,289.5</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration and Support	37,791,107	779,945	7,224,774	24,431,991	5,354,397	77.3
Center for Health and Environmental Information	7,486,216	0	3,222,740	2,952,405	1,311,071	78.9
Laboratory Services	11,602,357	1,075,231	7,444,517	303,045	2,779,564	84.0
Local Public Health Planning and Support	9,479,191	6,513,409	2,715,697	0	250,085	8.4
Air Quality Control Division	18,690,963	0	15,397,878	0	3,293,085	167.1
Water Quality Control Division	15,975,598	2,635,571	5,157,761	40,632	8,141,634	142.8
Hazardous Materials and Waste Management Division	19,193,562	0	11,223,852	227,050	7,742,660	134.2

Department of Public Health and Environment						
	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Consumer Protection	2,627,202	1,162,573	1,031,582	96,218	336,829	29.6
Disease Control and Environmental Epidemiology Division	68,583,105	5,716,753	7,972,956	305,574	54,587,822	183.5
Prevention Services Division	195,479,406	6,625,488	69,748,206	327,100	118,778,612	187.9
Health Facilities and Emergency Medical Services Division	23,967,359	1,688,986	14,110,975	4,549,759	3,617,639	163.9
Emergency Preparedness and Response Division	18,064,677	878,214	0	0	17,186,463	31.9
<u>Breakdown of Total Appropriation by Bill</u>						
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
HB 10-1311	(16,503,475)	(1,101,904)	(13,607,321)	(235,655)	(1,558,595)	0.0
HB 10-1320	(1,000,000)	0	0	(1,000,000)	0	0.0
HB 10-1376	(108,000)	(54,000)	(54,000)	0	0	0.0
<b>FY 2010-11 Total Appropriation:</b>						
	<b>\$440,148,279</b>	<b>\$27,541,461</b>	<b>\$129,530,277</b>	<b>\$26,479,698</b>	<b>\$256,596,843</b>	<b>1,227.7</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration and Support	44,344,356	7,429,876	13,632,752	17,439,061	5,842,667	90.5
Center for Health and Environmental Information	13,649,363	258,583	5,490,547	3,338,837	4,561,396	70.7
Laboratory Services	10,472,969	1,068,112	7,287,039	265,423	1,852,395	76.7
Local Public Health Planning and Support	0	0	0	0	0	0.0
Air Quality Control Division	18,249,959	0	15,200,385	0	3,049,574	161.1

Department of Public Health and Environment						
	Total Funds	General Fund/1,2	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Water Quality Control Division	15,347,482	2,545,825	5,055,479	40,632	7,705,546	133.9
Hazardous Materials and Waste Management Division	20,077,087	0	12,576,699	265,603	7,234,785	134.6
Consumer Protection	2,692,192	1,167,444	1,089,730	96,568	338,450	30.5
Disease Control and Environmental Epidemiology Division	56,942,689	5,518,425	8,028,315	305,574	43,090,375	150.5
Prevention Services Division	211,781,316	6,105,324	46,505,938	327,246	158,842,808	166.7
Health Facilities and Emergency Medical Services Division	25,298,712	1,687,937	14,663,393	4,400,754	4,546,628	170.0
Emergency Preparedness and Response Division	21,292,154	1,759,935	0	0	19,532,219	42.5
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	460,772,091	27,541,461	145,673,654	30,960,133	256,596,843	1,220.9
SB 10-073	0	0	0	0	0	(1.0)
SB 10-109	815,224	0	815,224	0	0	2.1
HB 10-1018	3,450,855	0	3,450,855	0	0	2.9
HB 10-1125	61,964	0	61,964	0	0	0.7
HB 10-1260	68,657	0	68,657	0	0	0.9
HB 10-1284	59,747	0	59,747	0	0	1.2
HB 10-1329	511,159	0	511,159	0	0	0.0
HB 10-1381	(25,591,418)	0	(21,110,983)	(4,480,435)	0	0.0
<b>Increase/(Decrease)</b>	\$11,207,536	\$465,291	(\$15,720,661)	(\$6,754,076)	\$33,216,982	(61.8)
Percentage Change	2.6%	1.7%	(10.8)%	(20.3)%	14.9%	(4.8)%

/1 Includes \$450,000 of General Fund Exempt in FY 2009-10 and \$447,000 in FY 2010-11. See Division Detail for more information.

/2 Includes \$450,000 in FY 2009-10 and \$447,000 in FY 2010-11 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 2009-10 Appropriation Adjustment Highlights:

1. Supplemental adjustments reduce appropriations for Cancer, Cardiovascular Disease, and Pulmonary Disease Grants and Tobacco Education, Prevention, and Cessation Grants by a total of \$14.0 million cash funds.
2. Supplemental adjustments reduce appropriations by \$2.5 million total funds to reflect the actual impact of the FY 2009-10 furloughs.

### **FY 2010-11 Appropriation Highlights:**

1. The appropriation increases the amount of federal funds that are reflected in the Long Bill by \$33.0 million to improve alignment with federal funding that the Department has received in recent years.
2. The appropriation transfers \$25.7 million of Amendment 35 moneys to the Department of Health Care Policy and Financing (HCPF) to offset General Fund appropriations in that department. This action reduces appropriations of Amendment 35 dollars in the Department of Public Health and Environment (DPHE) by a like amount. The reductions at DPHE primarily reduce grants.
3. The appropriation transfers \$9.7 million of spending and 12.4 FTE from several divisions into the Administration Division to better reflect the internal structure of the Department.
4. House Bill 10-1018 provides an additional \$3.5 million cash funds from multiple waste tire-related cash fund sources to consolidate most waste tire activities within the Department of Public Health and Environment. The bill reduces the FY 2010-11 Long Bill appropriation to the Department of Local Affairs by \$4.2 million in order to transfer waste tire functions to the Department of Public Health and Environment.
5. The appropriation restores a total of \$2.3 million of FY 2009-10 furlough reductions.
6. The appropriation reduces spending from all fund sources by a total of \$2.0 million due to the State PERA contribution reduction.
7. The appropriation provides an additional \$1.2 million cash funds and 12.0 FTE for the Medical Marijuana Registry.
8. The appropriation provides an additional \$881,000 of General Fund as increased state matching funds for federal emergency preparedness and response grants.
9. House Bill 10-1018 provides an additional \$815,000 cash funds for the Medical Marijuana Registry program.
10. The appropriation provides an additional \$705,000 cash funds and 9.6 FTE for the second year impact of an initiative to expand oversight of licensed health care facilities.
11. The appropriation reflects an additional 10.6 federally funded FTE that are in the Emergency Preparedness and response division.
12. The appropriations reduces spending by a total of \$619,000 from all fund sources and transfers 65.8 FTE to the OIT as part of the statewide IT staff consolidation.
13. The appropriation reduces spending for tobacco-settlement supported programs by \$377,000, reflecting the expected reduction in tobacco-settlement revenues.

## 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, the Office of Planning and Partnerships, which deals with local public health issues, 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, 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1311	(94,208)	(7,082)	27,792	(41,155)	(73,763)	0.0
HB 10-1320	<u>(1,000,000)</u>	<u>0</u>	<u>0</u>	<u>(1,000,000)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$37,791,107</b>	<b>\$779,945</b>	<b>\$7,224,774</b>	<b>\$24,431,991</b>	<b>\$5,354,397</b>	<b>77.3</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$37,791,107	\$779,945	\$7,224,774	\$24,431,991	\$5,354,397	77.3
Long Bill realignment - transfer Local Public Health Planning and Support division	9,190,029	6,514,579	2,424,206	0	251,244	8.4
Centrally-appropriated line items	1,056,823	64,260	537,136	(114,195)	569,622	0.0
Long Bill realignment - transfer from Water Quality Control Division	415,613	100,000	315,613	0	0	3.0
Medical marijuana registry	256,248	0	35,771	220,477	0	0.0
Restore FY 2009-10 furlough reductions	240,834	7,082	32,699	143,171	57,882	0.0
Long Bill realignment - transfer from Air Pollution Control Division	120,693	0	120,693	0	0	1.0
Amendment 35 programs	(2,300,271)	0	0	(2,300,271)	0	0.0
Statewide IT staff consolidation	(619,900)	(34,859)	(68,961)	(189,672)	(326,408)	0.0
State PERA contribution reduction	(133,699)	(1,131)	(6,389)	(110,975)	(15,204)	0.0
Annualize prior year funding	(79,353)	0	25,477	(104,830)	0	0.0
Legal services	(66,200)	0	(10,000)	(56,200)	0	0.0

<b>Administration and Support</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Federal funds adjustment	(48,866)	0	0	0	(48,866)	0.0
<b>HB 10-1376</b>	<b>\$45,823,058</b>	<b>\$7,429,876</b>	<b>\$10,631,019</b>	<b>\$21,919,496</b>	<b>\$5,842,667</b>	<b>89.7</b>
SB 10-109	99,879	0	99,879	0	0	0.0
HB 10-1018	2,901,176	0	2,901,176	0	0	0.8
HB 10-1260	678	0	678	0	0	0.0
HB 10-1381	<u>(4,480,435)</u>	<u>0</u>	<u>0</u>	<u>(4,480,435)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$44,344,356</b>	<b>\$7,429,876</b>	<b>\$13,632,752</b>	<b>\$17,439,061</b>	<b>\$5,842,667</b>	<b>90.5</b>
<b>Increase/(Decrease)</b>	\$6,553,249	\$6,649,931	\$6,407,978	(\$6,992,930)	\$488,270	13.2
Percentage Change	17.3%	852.6%	88.7%	(28.6)%	9.1%	17.1%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1311 reflected the actual impact of the FY 2009-10 furloughs, common policy reductions for workers' compensation and risk management and property fund payments, and a technical correction for the utilities appropriation, among other changes. For information on H.B. 09-1320 also see the "Recent Legislation" section at the end of the Department of Health Care Policy and Financing.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Long Bill realignment - transfer Local Public Health Planning and Support division:** The appropriation consolidates the Local Public Health Planning and Support division into the Administration and Support division.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; payment to risk management and property funds; vehicle lease payments; Capitol complex leased space; other leased space, building security; ADP capital outlay; and communication services payments.

**Long Bill realignment - transfer from Water Quality Control Division:** The appropriation transfers \$415,613, including \$100,000 General Fund and \$315,613 cash funds, and 3.0 FTE from the Water Quality Control Division to the Animal Feeding Operations line item to consolidate animal feeding operations-related work within the Special Environmental Programs.

**Medical marijuana registry:** The appropriation provides increased funding for the Medical Marijuana registry.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Long Bill realignment - transfer from Air Pollution Control Division:** The appropriation transfers \$194,741 and 2.0 FTE from the Air Pollution Control Division to two newly created Oil and Gas Consultation line items within the Special Environmental Programs subdivision. In addition, the appropriation reduces the transferred appropriation by \$74,048 and 1.0 FTE to reflect lower than anticipated oil and gas consultation workloads, resulting in an appropriation of \$120,693 and 1.0 FTE to the new line items.

**Amendment 35 programs:** Amendment 35 tobacco taxes support the Health Disparities program. The appropriation reflects the expected decline in tobacco-tax revenues.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a 10.0 percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Legal services:** The appropriation reduces the legal services appropriation to reflect a reduction in the Department of Law's billing rate and changes to the legal services fund mix.

**Federal funds adjustment:** The appropriation aligns the federal funding reflected in the FY 2010-11 Long Bill with federal funding that the Department has recently received.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For more information on H.B. 10-1018, see the corresponding bill descriptions at the end of the Department of Local Affairs and the Department of Public Safety. For more information on H.B. 10-1260, see the corresponding bill description at the end of the Department of Regulatory Agencies. For more information on H.B. 10-1381, see the corresponding bill description at the end of the Department of Health Care Policy and Financing.

---

## **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, abortions and operates the medical marijuana registry; (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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$7,411,178	\$0	\$2,912,108	\$3,132,092	\$1,366,978	78.9
HB 10-1311	<u>75,038</u>	<u>0</u>	<u>310,632</u>	<u>(179,687)</u>	<u>(55,907)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$7,486,216</b>	<b>\$0</b>	<b>\$3,222,740</b>	<b>\$2,952,405</b>	<b>\$1,311,071</b>	<b>78.9</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$7,486,216	\$0	\$3,222,740	\$2,952,405	\$1,311,071	78.9
Statewide IT staff consolidation	3,785,796	258,583	563,721	339,271	2,624,221	(23.5)
Medical Marijuana Registry	975,339	0	958,690	16,649	0	12.0
Federal funds adjustment	605,462	0	0	0	605,462	0.0
Restore FY 2009-10 furlough reductions	134,354	0	46,678	38,476	49,200	0.0
State PERA contribution reduction	(72,896)	0	(36,374)	(7,964)	(28,558)	0.0
<b>HB 10-1376</b>	<b>\$12,914,271</b>	<b>\$258,583</b>	<b>\$4,755,455</b>	<b>\$3,338,837</b>	<b>\$4,561,396</b>	<b>67.4</b>
SB 10-109	715,345	0	715,345	0	0	2.1
HB 10-1284	59,747	0	59,747	0	0	1.2
HB 10-1381	<u>(40,000)</u>	<u>0</u>	<u>(40,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$13,649,363</b>	<b>\$258,583</b>	<b>\$5,490,547</b>	<b>\$3,338,837</b>	<b>\$4,561,396</b>	<b>70.7</b>
<b>Increase/(Decrease)</b>	\$6,163,147	\$258,583	\$2,267,807	\$386,432	\$3,250,325	(8.2)
Percentage Change	82.3%	n/a	70.4%	13.1%	247.9%	(10.4)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1311 reflected the actual impact of the FY 2009-10 furloughs, an increase for the Medical Marijuana Registry program, and adjustments for the Governor's Office of Information Technology, among other changes.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a 10.0 percent cost savings statewide.

**Medical Marijuana Registry:** The appropriation provides increased funding for the Medical Marijuana registry.

**Federal funds adjustment:** The appropriation aligns the federal funding reflected in the FY 2010-11 Long Bill with federal funding that the Department has recently received.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For more information on H.B. 10-1284 see the corresponding bill description for the Department of Revenue. For more information on H.B. 10-1381, see the corresponding bill description for the Department of Health Care Policy and Financing.

## 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$11,326,742	\$1,078,621	\$7,158,238	\$324,532	\$2,765,351	84.0
HB 10-1311	<u>275,615</u>	<u>(3,390)</u>	<u>286,279</u>	<u>(21,487)</u>	<u>14,213</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$11,602,357</b>	<b>\$1,075,231</b>	<b>\$7,444,517</b>	<b>\$303,045</b>	<b>\$2,779,564</b>	<b>84.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$11,602,357	\$1,075,231	\$7,444,517	\$303,045	\$2,779,564	84.0
Restore FY 2009-10 furlough reductions	41,121	6,453	20,105	764	13,799	0.0
Annualize prior year funding	18,078	0	18,078	0	0	0.0
Federal funds adjustment	(914,795)	0	0	0	(914,795)	(5.1)
Statewide IT staff consolidation	(163,686)	0	(125,789)	(37,897)	0	(2.2)
State PERA contribution reduction	(94,989)	(13,572)	(54,755)	(489)	(26,173)	0.0
Indirect cost assessment	(15,117)	0	(15,117)	0	0	0.0

<b>Laboratory Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>HB 10-1376</b>	<b><u>\$10,472,969</u></b>	<b><u>\$1,068,112</u></b>	<b><u>\$7,287,039</u></b>	<b><u>\$265,423</u></b>	<b><u>\$1,852,395</u></b>	<b><u>76.7</u></b>
<b>TOTAL</b>	<b>\$10,472,969</b>	<b>\$1,068,112</b>	<b>\$7,287,039</b>	<b>\$265,423</b>	<b>\$1,852,395</b>	<b>76.7</b>
<b>Increase/(Decrease)</b>	(\$1,129,388)	(\$7,119)	(\$157,478)	(\$37,622)	(\$927,169)	(7.3)
<b>Percentage Change</b>	(9.7)%	(0.7)%	(2.1)%	(12.4)%	(33.4)%	(8.7)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1311 reflected the actual impact of the FY 2009-10 furloughs and a cash fund increase for the Newborn Screening Program, among other changes.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Annualize prior year funding:** The appropriation includes an increase resulting from a FY 2009-10 Long Bill initiative that provided additional funding for newborn blood screening and a decrease following a one-time expenditure to acquire replacement servers for the newborn screening program.

**Federal funds adjustment:** The appropriation aligns the federal funding reflected in the FY 2010-11 Long Bill with federal funding that the Department has recently received.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources results in a 10.0 percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**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.

---

### **Local Public Health Planning and Support**

Starting in FY 2010-11, this division is a subdivision of the Administration and Support division. However, the unit's functions have not changed. It continues to furnish technical and financial support for the health and environmental services that are provided by local public health agencies around the state. The unit continues to be 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1311	<u>(21,262)</u>	<u>(6,244)</u>	<u>(1,901)</u>	<u>0</u>	<u>(13,117)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$9,479,191</b>	<b>\$6,513,409</b>	<b>\$2,715,697</b>	<b>\$0</b>	<b>\$250,085</b>	<b>8.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$9,479,191	\$6,513,409	\$2,715,697	\$0	\$250,085	8.4
Restore FY 2009-10 furlough reductions	14,580	6,244	1,901	0	6,435	0.0
Transfer to the Administration division	(9,190,029)	(6,514,579)	(2,424,206)	0	(251,244)	(8.4)
Distributions to local health agencies	(291,847)	0	(291,847)	0	0	0.0
State PERA contribution reduction	(11,848)	(5,074)	(1,545)	0	(5,229)	0.0
Federal funds adjustment	(47)	0	0	0	(47)	0.0
<b>HB 10-1376</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>(9,479,191)</b>	<b>(6,513,409)</b>	<b>(2,715,697)</b>	<b>\$0</b>	<b>(\$250,085)</b>	<b>(8.4)</b>
Percentage Change	(100.0)%	(100.0)%	(100.0)%	n/a	(100.0)%	(100.0)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1311 reflected the actual impact of the FY 2009-10 furloughs, among other changes.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Transfer to the Administration division:** The appropriation consolidates the Local Public Health Planning and Support division into the Administration division, which better reflects the internal structure of the Department.

**Distributions to local health agencies:** Tobacco-settlement revenues support distributions to local health agencies. The appropriation reflects the expected decline in these revenues.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Federal funds adjustment:** The appropriation aligns the federal funding reflected in the FY 2010-11 Long Bill with federal funding that the Department has recently received.

## 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1311	<u>108,931</u>	<u>0</u>	<u>134,398</u>	<u>0</u>	<u>(25,467)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$18,690,963</b>	<b>\$0</b>	<b>\$15,397,878</b>	<b>\$0</b>	<b>\$3,293,085</b>	<b>167.1</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$18,690,963	\$0	\$15,397,878	\$0	\$3,293,085	167.1
Restore FY 2009-10 furlough reductions	354,334	0	284,611	0	69,723	0.0
North Front Range emissions technical center	88,366	0	88,366	0	0	1.0
Annualize prior year funding	55,611	0	55,611	0	0	1.0
Statewide IT staff consolidation	(471,818)	0	(206,490)	0	(265,328)	(6.0)
State PERA contribution reduction	(272,756)	0	(224,850)	0	(47,906)	0.0
Long Bill realignment	(194,741)	0	(194,741)	0	0	(2.0)
<b>HB 10-1376</b>	<b><u>\$18,249,959</u></b>	<b><u>\$0</u></b>	<b><u>\$15,200,385</u></b>	<b><u>\$0</u></b>	<b><u>\$3,049,574</u></b>	<b><u>161.1</u></b>
<b>TOTAL</b>	<b>\$18,249,959</b>	<b>\$0</b>	<b>\$15,200,385</b>	<b>\$0</b>	<b>\$3,049,574</b>	<b>161.1</b>

<b>Air Quality Control Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	(\$441,004)	\$0	(\$197,493)	\$0	(\$243,511)	(6.0)
Percentage Change	(2.4)%	n/a	(1.3)%	n/a	(7.4)%	0.6%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1311 made adjustments reflecting the actual impact of FY 2009-10 furloughs, among other changes.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**North Front Range emissions technical center:** The appropriation includes staff and funding to support an emissions technical center associated with the regulatory expansion of vehicle emissions testing into Larimer and Weld Counties.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources results in a 10.0 percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Long Bill realignment:** The appropriation: (1) renames the division the Air Pollution Control Division to reflect the Division's name outside of the Long Bill, and (2) transfers funding and staff associated with the coordination of the Department's consultation role in the oil and gas permitting process to the Administration and Support, Special Environmental Programs subdivision.

### **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. 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.

<b>Water Quality Control Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$16,132,476	\$2,664,413	\$5,253,177	\$39,924	\$8,174,962	142.8
HB 09-1330	29,853	0	29,853	0	0	0.0
HB 10-1311	<u>(186,731)</u>	<u>(28,842)</u>	<u>(125,269)</u>	<u>708</u>	<u>(33,328)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$15,975,598</b>	<b>\$2,635,571</b>	<b>\$5,157,761</b>	<b>\$40,632</b>	<b>\$8,141,634</b>	<b>142.8</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$15,975,598	\$2,635,571	\$5,157,761	\$40,632	\$8,141,634	142.8
Restore FY 2009-10 furlough reductions	281,358	54,695	193,335	0	33,328	0.0
Fund 3.0 vacant FTE	194,573	0	194,573	0	0	0.0
Indirect cost assessment	57,748	0	(93,292)	0	151,040	0.0
Statewide IT staff consolidation	(479,953)	0	0	0	(479,953)	(5.9)
Long Bill realignment	(415,613)	(100,000)	(315,613)	0	0	(3.0)
State PERA contribution reduction	(266,229)	(44,441)	(81,285)	0	(140,503)	0.0
<b>HB 10-1376</b>	<b><u>\$15,347,482</u></b>	<b><u>\$2,545,825</u></b>	<b><u>\$5,055,479</u></b>	<b><u>\$40,632</u></b>	<b><u>\$7,705,546</u></b>	<b><u>133.9</u></b>
<b>TOTAL</b>	<b>\$15,347,482</b>	<b>\$2,545,825</b>	<b>\$5,055,479</b>	<b>\$40,632</b>	<b>\$7,705,546</b>	<b>133.9</b>
<b>Increase/(Decrease)</b>	<b>(\$628,116)</b>	<b>(\$89,746)</b>	<b>(\$102,282)</b>	<b>\$0</b>	<b>(\$436,088)</b>	<b>(8.9)</b>
<b>Percentage Change</b>	<b>(3.9)%</b>	<b>(3.4)%</b>	<b>(2.0)%</b>	<b>0.0%</b>	<b>(5.4)%</b>	<b>(6.2)%</b>

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1311 made adjustments reflecting the actual impact of FY 2009-10 furloughs, among other changes.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Fund 3.0 vacant FTE:** The appropriation provides funding to fill 3.0 vacant FTE to assist with water discharge permit processing.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources results in a 10.0 percent cost savings statewide.

**Long Bill realignment:** The appropriation (1) consolidates two existing subdivisions (Watershed Assessment, Outreach, and Assistance; and Permitting and Compliance Assurance) into the Clean Water Program; (2) transfers \$415,613 total funds (including \$100,000 General Fund) and 3.0 FTE associated with the division's animal feeding operations programs to the Administration and Support division; and 3) transfers \$423,451 total funds (including \$50,000 General Fund) and 6.5 FTE from the Drinking Water Program subdivision to the Administration subdivision to accurately reflect management costs within the division.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

---

## 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1311	<u>51,776</u>	<u>0</u>	<u>21,440</u>	<u>(4,798)</u>	<u>35,134</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$19,193,562</b>	<b>\$0</b>	<b>\$11,223,852</b>	<b>\$227,050</b>	<b>\$7,742,660</b>	<b>134.2</b>

<b>Hazardous Materials and Waste Management Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$19,193,562	\$0	\$11,223,852	\$227,050	\$7,742,660	134.2
Restore FY 2009-10 furlough reductions	251,510	0	144,511	4,798	102,201	0.0
Indirect cost assessment	0	0	(9,800)	0	9,800	0.0
State PERA contribution reduction	(200,546)	0	(115,932)	(3,790)	(80,824)	0.0
Statewide IT staff consolidation	(128,511)	0	(71,318)	(2,455)	(54,738)	(2.0)
Legal services adjustments	(107,631)	0	(82,917)	0	(24,714)	0.0
Annualize prior year funding	(54,099)	0	365,501	40,000	(459,600)	(0.4)
<b>HB 10-1376</b>	<b>\$18,954,285</b>	<b>\$0</b>	<b>\$11,453,897</b>	<b>\$265,603</b>	<b>\$7,234,785</b>	<b>131.8</b>
HB 10-1018	549,679	0	549,679	0	0	2.1
HB 10-1125	61,964	0	61,964	0	0	0.7
HB 10-1329	<u>511,159</u>	<u>0</u>	<u>511,159</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$20,077,087</b>	<b>\$0</b>	<b>\$12,576,699</b>	<b>\$265,603</b>	<b>\$7,234,785</b>	<b>134.6</b>
<b>Increase/(Decrease)</b>	\$883,525	\$0	\$1,352,847	\$38,553	(\$507,875)	0.4
Percentage Change	4.6%	n/a	12.1%	17.0%	(6.6)%	0.3%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1311 made adjustments reflecting the actual impact of FY 2009-10 furloughs, among other changes.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net-zero change in the fund sources for indirect cost assessments.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources results in a 10.0 percent cost savings statewide.

**Legal services adjustments:** The appropriation adjusts for changes in the statewide blended legal services rate and eliminates one-time funding for legal services provided through FY 2009-10 supplemental appropriations.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1311	<u>(43,815)</u>	<u>(4,918)</u>	<u>(20,762)</u>	<u>(384)</u>	<u>(17,751)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,627,202</b>	<b>\$1,162,573</b>	<b>\$1,031,582</b>	<b>\$96,218</b>	<b>\$336,829</b>	<b>29.6</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$2,627,202	\$1,162,573	\$1,031,582	\$96,218	\$336,829	29.6
Restore FY 2009-10 furlough reductions	79,194	25,980	33,600	1,863	17,751	0.0
Annualize prior year funding	55,465	0	55,465	0	0	0.9
State PERA contribution reduction	(41,270)	(21,109)	(11,627)	(1,513)	(7,021)	0.0
Indirect cost assessment	(28,399)	0	(19,290)	0	(9,109)	0.0
<b>HB 10-1376</b>	<b><u>\$2,692,192</u></b>	<b><u>\$1,167,444</u></b>	<b><u>\$1,089,730</u></b>	<b><u>\$96,568</u></b>	<b><u>\$338,450</u></b>	<b><u>30.5</u></b>
<b>TOTAL</b>	<b>\$2,692,192</b>	<b>\$1,167,444</b>	<b>\$1,089,730</b>	<b>\$96,568</b>	<b>\$338,450</b>	<b>30.5</b>
<b>Increase/(Decrease)</b>	\$64,990	\$4,871	\$58,148	\$350	\$1,621	0.9
Percentage Change	2.5%	0.4%	5.6%	0.4%	0.5%	3.0%

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1311 made adjustments reflecting the actual impact of FY 2009-10 furloughs, among other changes.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

## 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 defects data helps to reduce the incidence of 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1311	(602,594)	(9,647)	(16,693)	0	(576,254)	0.0
HB 10-1376	<u>(108,000)</u>	<u>(54,000)</u>	<u>(54,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$68,583,105</b>	<b>\$5,716,753</b>	<b>\$7,972,956</b>	<b>\$305,574</b>	<b>\$54,587,822</b>	<b>183.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$68,583,105	\$5,716,753	\$7,972,956	\$305,574	\$54,587,822	183.5
Restore FY 2009-10 furlough reductions	359,679	25,396	2,077	0	332,206	0.0
Tobacco-settlement programs	66,490	0	66,490	0	0	0.0

<b>Disease Control and Environmental Epidemiology Division</b>						
	<b>Total Funds</b>	<b>General Fund/1</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Indirect cost assessment	36,654	0	0	0	36,654	0.0
Annualize prior year funding	4,856	4,856	0	0	0	0.1
Federal funds adjustments	(11,189,887)	0	0	0	(11,189,887)	(26.7)
Statewide IT staff consolidation	(542,960)	(134,705)	(8,805)	0	(399,450)	(6.4)
State PERA contribution reduction	(299,248)	(20,875)	(1,403)	0	(276,970)	0.0
General Fund reductions	(70,000)	(70,000)	0	0	0	0.0
Amendment 35 funding for immunizations	(6,000)	(3,000)	(3,000)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$56,942,689</u></b>	<b><u>\$5,518,425</u></b>	<b><u>\$8,028,315</u></b>	<b><u>\$305,574</u></b>	<b><u>\$43,090,375</u></b>	<b><u>150.5</u></b>
<b>TOTAL</b>	<b>\$56,942,689</b>	<b>\$5,518,425</b>	<b>\$8,028,315</b>	<b>\$305,574</b>	<b>\$43,090,375</b>	<b>150.5</b>
<b>Increase/(Decrease)</b>	(\$11,640,416)	(\$198,328)	\$55,359	\$0	(\$11,497,447)	(33.0)
Percentage Change	(17.0)%	(3.5)%	0.7%	0.0%	(21.1)%	(18.0)%

/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.

<b>General Fund Summary - Appropriation to the Disease Control and Environmental Epidemiology Division</b>	<b>Total General Fund</b>	<b>Non-exempt General Fund</b>	<b>General Fund Exempt/1</b>
<b>Appropriations in SB 09-259</b>	<b>\$5,780,400</b>	<b>5,276,400</b>	<b>\$504,000</b>
Adjustments to FY 2009-10 appropriations in H.B. 10-1311	(9,647)	(9,647)	0
Adjustment to FY 2009-10 appropriations in H.B. 10-1376	<u>(54,000)</u>	<u>0</u>	<u>(54,000)</u>
<b>FY 2009-10 General Fund Appropriation</b>	<b>\$5,716,753</b>	<b>\$5,266,753</b>	<b>\$450,000</b>
Adjustments to FY 2010-11 appropriations in H.B. 10-1376	<u>(198,328)</u>	<u>(195,328)</u>	<u>(3,000)</u>
<b>FY 2010-11 Appropriation</b>	<b>\$5,518,425</b>	<b>\$5,071,425</b>	<b>\$447,000</b>

/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:** Colorado Constitutional Amendment 35 requires that a portion of the tobacco tax revenue collected pursuant to the amendment be appropriated to the General Fund and then be appropriated from the General Fund to health-related programs. These health-related programs are specified in statute. One of the appropriations to a health-related program (an appropriation for immunizations by local public health agencies) is included in two preceding table. Because Amendment 35 moneys are not subject to the limitation on state fiscal year spending imposed by the Taxpayer's Bill of Rights (TABOR), this immunization appropriation is classified as General Fund Exempt. The preceding table details the exempt and non-exempt General Fund appropriations for this division.

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1311 reflected the actual impact of the FY 2009-10 furloughs, and adjustments for indirect cost assessments to reflect the most recent cash- and federally-funded expenditures.

The supplemental appropriation included in H.B. 10-1376 reflected reduced Amendment 35 tobacco-tax revenues.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Tobacco-settlement programs:** Tobacco-settlement revenues, which are expected to decline, support three programs in the division: the Colorado Immunization Fund (CIF), the AIDS Drug Assistance Program (ADAP), and the Colorado HIV and AIDS Prevention Grant Program (CHAPP). The appropriation reduces the CIF appropriation, but uses CHAPP reserves to maintain the ADAP appropriation while increasing CHAPP grants.

**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.

**Annualize prior year funding:** The appropriation includes adjustments related a FY 2009-10 Long Bill initiative that increased public health surveillance and response capabilities.

**Federal funds adjustment:** The appropriation aligns the federal funding reflected in the FY 2010-11 Long Bill with federal funding that the Department has recently received.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a 10.0 percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**General Fund reduction:** The appropriation temporarily reduces the General Fund appropriation for operating expenses of the Division's administrative section and its immunizations program. No reduction in services is expected.

**Amendment 35 funding for immunizations:** The appropriation reflects the anticipated decline in Amendment 35 tobacco tax revenue, which supports immunizations.

---

### **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 Grampas Youth Services Grant Program and the Colorado Children's Trust; (E) Family and Community 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 are not included elsewhere. The division's cash funds derive from Amendment 35 tobacco taxes, tobacco settlement moneys, the Colorado Children's Trust, and newborn screening fees.

<b>Prevention Services Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1311	<u>(15,540,781)</u>	<u>(1,034,291)</u>	<u>(14,217,048)</u>	<u>(780)</u>	<u>(288,662)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$195,479,406</b>	<b>\$6,625,488</b>	<b>\$69,748,206</b>	<b>\$327,100</b>	<b>\$118,778,612</b>	<b>187.9</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$195,479,406	\$6,625,488	\$69,748,206	\$327,100	\$118,778,612	187.9
Federal funds adjustment	40,637,408	0	0	0	40,637,408	(11.6)
Restore FY 2009-10 furlough reductions	329,043	36,596	7,172	780	284,495	0.0
Adult stem cells funding	140,000	0	140,000	0	0	0.0
Reorganization of subdivisions	0	0	0	0	0	0.0
Amendment 35 and tobacco settlement revenues	(2,278,348)	0	(2,278,348)	0	0	0.0
Statewide IT staff consolidation	(727,413)	(100,856)	0	0	(626,557)	(8.6)
Dental program reduction	(397,531)	(397,531)	0	0	0	0.0
State PERA contribution reduction	(301,628)	(29,735)	(40,109)	(634)	(231,150)	0.0
General Fund reduction	(28,638)	(28,638)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$232,852,299</b>	<b>\$6,105,324</b>	<b>\$67,576,921</b>	<b>\$327,246</b>	<b>\$158,842,808</b>	<b>167.7</b>
SB 10-073	0	0	0	0	0	(1.0)
HB 10-1381	<u>(21,070,983)</u>	<u>0</u>	<u>(21,070,983)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$211,781,316</b>	<b>\$6,105,324</b>	<b>\$46,505,938</b>	<b>\$327,246</b>	<b>\$158,842,808</b>	<b>166.7</b>
<b>Increase/(Decrease)</b>	<b>\$16,301,910</b>	<b>(\$520,164)</b>	<b>(\$23,242,268)</b>	<b>\$146</b>	<b>\$40,064,196</b>	<b>(21.2)</b>
Percentage Change	8.3%	(7.9)%	(33.3)%	0.0%	33.7%	(11.3)%

## **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1311 reflected the actual impact of the FY 2009-10 furloughs, a \$7.0 million cash funds reduction for Cancer, Cardiovascular Disease, and Pulmonary Disease Grants, a \$7.0 million cash funds reduction for Tobacco Education, Prevention, and Cessation Grants, and a \$1.0 million General Fund reduction for the Tony Grampas Youth Services Program.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Federal funds adjustment:** The appropriation aligns the federal funding reflected in the FY 2010-11 Long Bill with federal funding that the Department has recently received.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Adult stem cells funding:** House Bill 08-1372 created an income tax checkoff to fund the Adult Stem Cells Cure Fund. The appropriation reflects the expected revenues.

**Reorganization of subdivisions:** The appropriation moves the funding for several programs from one subdivision to another without changing the amount appropriated.

**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 Grampas Youth Services Program, and the Nurse Home Visitor Program. The appropriation reflects the expected decline in revenues from both sources for FY 2010-11.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a 10.0 percent cost savings statewide.

**Dental program reduction:** The appropriation eliminates funding for the Old Age Pension (OAP) dental program.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**General Fund reduction:** The appropriation temporarily reduces the General Fund appropriation for operating expenses of the Health Care Program for Children with Special Needs program. No reduction in services is expected.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For additional information on H.B. 10-1381, also see the "Recent Legislation" section at the end of the Department of Health Care Policy and Financing.

## 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. Reappropriated funds are transferred 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
<b>FY 2009-10 Appropriation:</b>						
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
SB 09-128	15,218	0	15,218	0	0	0.1
HB 09-1275	18,979	0	18,979	0	0	0.4
HB 10-1311	<u>(85,620)</u>	<u>(4,537)</u>	<u>(6,189)</u>	<u>11,928</u>	<u>(86,822)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$23,967,359</b>	<b>\$1,688,986</b>	<b>\$14,110,975</b>	<b>\$4,549,759</b>	<b>\$3,617,639</b>	<b>163.9</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$23,967,359	\$1,688,986	\$14,110,975	\$4,549,759	\$3,617,639	163.9
Federal funds adjustment	1,162,624	0	0	0	1,162,624	0.4
Annualize prior year funding	736,741	0	736,741	0	0	10.6
Restore FY 2009-10 furlough reductions	159,006	7,377	54,158	57,513	39,958	0.0
Statewide IT staff consolidation	(457,766)	(2,062)	(124,998)	(130,124)	(200,582)	(5.8)
State PERA contribution reduction	(201,506)	(6,364)	(45,737)	(76,394)	(73,011)	0.0
Indirect cost assessment	(135,725)	0	(135,725)	0	0	0.0
<b>HB 10-1376</b>	<b>\$25,230,733</b>	<b>\$1,687,937</b>	<b>\$14,595,414</b>	<b>\$4,400,754</b>	<b>\$4,546,628</b>	<b>169.1</b>
HB 10-1260	<u>67,979</u>	<u>0</u>	<u>67,979</u>	<u>0</u>	<u>0</u>	<u>0.9</u>
<b>TOTAL</b>	<b>\$25,298,712</b>	<b>\$1,687,937</b>	<b>\$14,663,393</b>	<b>\$4,400,754</b>	<b>\$4,546,628</b>	<b>170.0</b>

### Health Facilities and Emergency Medical Services Division

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$1,331,353	(\$1,049)	\$552,418	(\$149,005)	\$928,989	6.1
Percentage Change	5.6%	(0.1)%	3.9%	(3.3)%	25.7%	3.7%

#### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1311 reflected the actual impact of the FY 2009-10 furloughs, among other changes.

#### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Federal funds adjustment:** The appropriation aligns the federal funding reflected in the FY 2010-11 Long Bill with federal funding that the Department has recently received.

**Annualize prior year funding:** The appropriation includes adjustments for S.B. 08-153 (License Home Health Care) and a FY 2009-10 Long Bill initiative that expanded oversight of licensed health care facilities.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a 10.0 percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**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.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1260, see also the "Recent Legislation" section at the end of the Department of Regulatory Agencies.

#### **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.

Emergency Preparedness and Response Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$18,504,501	\$881,167	\$0	\$0	\$17,623,334	31.9
HB 10-1311	<u>(439,824)</u>	<u>(2,953)</u>	<u>0</u>	<u>0</u>	<u>(436,871)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$18,064,677</b>	<b>\$878,214</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,186,463</b>	<b>31.9</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$18,064,677	\$878,214	\$0	\$0	\$17,186,463	31.9
Federal funds adjustment	2,780,394	0	0	0	2,780,394	15.8
Increased federal match requirement	881,167	881,167	0	0	0	0.1
Restore FY 2009-10 furlough reductions	40,703	2,953	0	0	37,750	0.0
Statewide IT staff consolidation	(448,342)	0	0	0	(448,342)	(5.3)
State PERA contribution reduction	(26,445)	(2,399)	0	0	(24,046)	0.0
<b>HB 10-1376</b>	<b><u>\$21,292,154</u></b>	<b><u>\$1,759,935</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$19,532,219</u></b>	<b><u>42.5</u></b>
<b>TOTAL</b>	<b>\$21,292,154</b>	<b>\$1,759,935</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,532,219</b>	<b>42.5</b>
<b>Increase/(Decrease)</b>	<b>\$3,227,477</b>	<b>\$881,721</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,345,756</b>	<b>10.6</b>
<b>Percentage Change</b>	<b>17.9%</b>	<b>100.4%</b>	<b>n/a</b>	<b>n/a</b>	<b>13.6%</b>	<b>33.2%</b>

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1311 reflected the actual impact of the FY 2009-10 furloughs, and adjustments for indirect cost assessments to reflect the most current cash- and federally-funded expenditures.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Federal funds adjustment:** The appropriation aligns the federal funding reflected in the FY 2010-11 Long Bill with federal funding that the Department has recently received.

**Increased federal match requirement:** The appropriation provides increased state matching funds for federal emergency preparedness and response grants. Federal law increased the match percentage from 5 percent to 10 percent.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a 10.0 percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the state's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

## Recent Legislation

### 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 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 and H.B. 10-1320.

**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. 09-210:** 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 and 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. In FY 2009-10 transfers \$2.4 million from the Supplemental Tobacco Litigation Settlement Moneys Account of the Comprehensive Primary and Preventative Grant Fund to the General Fund to augment FY 2009-10 General Fund revenue.

**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
<b>Net transfers to General Fund</b>	<b>\$12,453,178</b>	<b>\$65,000,000</b>

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
<b>Department of Education</b>	
Read-to-achieve Grant Program	(\$1,165,296)

<b>Changes to FY 2009-10 Long Bill Department / Program</b>	<b>Change to CF Appropriations</b>
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
<b>Subtotal - Department of Education</b>	<b>(1,165,296)</b>
<b>Department of Health Care Policy and Financing</b>	
Comprehensive Primary and Preventive Care Grants Program	(99,177)
Medicaid shortfalls at Children's Hospital	<u>(5,359)</u>
<b>Subtotal - Department of Health Care Policy and Financing</b>	<b>(104,536)</b>
<b>Department of Higher Education</b>	
University of Colorado, Health Sciences Center	<b>(262,571)</b>
<b>Department of Human Services</b>	
Offender Mental Health Services	(64,303)
Alcohol and Drug Abuse Community Prevention and Treatment	<u>(16,076)</u>
<b>Subtotal - Department of Human Services</b>	<b>(80,379)</b>
<b>Department of Public Health and Environment</b>	
Nurse Home Visitor Program	(982,962)
Ryan White AIDS Drug Assistance Program	12,985
Tony Gramsas Youth Services Program	(132,237)
Colorado Immunization Program	(21,434)
Distributions to Local Public Health Agencies	<u>(37,510)</u>
<b>Subtotal - Department of Public Health and Environment</b>	<b>(1,161,158)</b>
<b>Total</b>	<b>(\$2,773,940)</b>

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.

**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:

<b>Department / Program / Appropriation Source</b>	<b>Total</b>	<b>GF</b>	<b>CF</b>
<b>Department of Health Care Policy and Financing</b>			
Medical Services Premiums	\$0	(\$27,400,000)	\$27,400,000

Department / Program / Appropriation Source	Total	GF	CF
Cash fund sources for this appropriation: <ul style="list-style-type: none"> <li>• \$8,000,000 from the Tobacco Education Programs Fund, which normally supports grants for tobacco education, prevention and cessation</li> <li>• \$12,000,000 from the Prevention, Early Detection and Treatment Fund, which normally supports grants for cancer, cardiovascular and pulmonary disease</li> <li>• \$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</li> </ul>			
Primary Care Fund Program, from the Primary Care Fund	(7,400,000)	0	(7,400,000)
Subtotal - Department of Health Care Policy and Financing	(\$7,400,000)	(\$27,400,000)	\$20,000,000
<b>Department of Public Health and Environment</b>			
Tobacco Education, Prevention, and Cessation Grants, from the Tobacco Education Programs Fund	(\$4,000,000)	\$0	(\$4,000,000)
<b>Total adjustments to FY 2009-10 Long Bill Appropriations</b>	<b>(\$11,400,000)</b>	<b>(\$27,400,000)</b>	<b>\$16,000,000</b>

**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 continuously 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.

## **2010 Session Bills**

**S.J.R. 10-010:** Declares a state fiscal emergency for FY 2010-11, which allows Amendment 35 tobacco-tax revenues to be used in FY 2010-11 for any health-related purpose. See the description of H.B. 10-1381 for a list of related adjustments to appropriations.

**S.B. 10-073:** Modifies and clarifies the duties of the Department of Public Health and Environment and the Anschutz Medical Campus health sciences facility related to the operation of the Nurse Home Visitor Program. Reduces the FY 2010-11 appropriation to the Department of Public Health and Environment by 1.0 FTE.

**S.B. 10-109:** Requires the Department of Public Health and Environment (DPHE) to promulgate rules regarding the operation and use of the medical marijuana registry, including (1) standards for ensuring that patients receive registry cards only if they have a bona fide physician-patient relationship with a Colorado-licensed physician in good standing to practice medicine, and (2) rules for waiving medical marijuana registry application fees for indigent patients. Establishes requirements for (1) physicians who advise patients that they may benefit from medical marijuana, (2) patients with a valid medical marijuana registry card who are

convicted of a drug offense, (3) parents who submit applications on behalf of their children. Allows the State Board of Medical Examiners within the Department of Regulatory Agencies (DORA) to investigate and sanction physicians who violate medical marijuana laws and rules. Requires DPHE to conduct a hearing on alleged violations by physicians and, upon finding a violation, to impose sanctions for making improper medical marijuana recommendations. The sanctions may include restrictions on or suspension of the physician's ability to recommend medical marijuana. Allows medical marijuana registry fees to be used to pay the expenses of the Board of Medical Examiners in carrying out its medical-marijuana duties. Makes the following appropriations:

- \$815,224 cash funds from the Medical Marijuana Program Cash Fund and 2.1 FTE to DPHE.
- \$593,333 reappropriated funds and 1.2 FTE to DORA for the Board of Medical Examiners out of the moneys appropriated to the DPHE.
- \$612,463 reappropriated funds and 5.2 FTE to the Department of Law for the provision of legal services to DPHE and DORA. Of this amount, \$99,879 is from the DPHE and \$512,584 is from DORA.

**H.B. 10-1018:** Consolidates authority over waste tire fees within the Department of Public Health and Environment and adds requirements for fire prevention, planning, registration, decals, and manifests for certain waste tire haulers and waste tire facilities. Transfers administration of the Waste Tire Cleanup Fund from the Department of Local Affairs to the Department of Public Health and Environment. Repeals the Advanced Technology Fund. Repeals and reenacts the allocation of waste tire fees, with the following allocation:

- Until July 1, 2014, 30.33 percent to the Processors and End Users Fund and 6.67 percent to the Innovative Higher Education Research Fund; after July 1, 2014, 37.0 percent to the Processors and End Users Fund with no transfers to the Innovative Higher Education Research fund;
- 39.66 percent to the Waste Tire Cleanup Fund;
- 6.67 percent to the Waste Tire Fire Prevention Fund until July 1, 2011, after which the allocation is increased to 8.0 percent;
- 16.67 percent to the Recycling Resources Economic Opportunity Fund until July 1, 2011, after which there are no transfers to the Recycling Resource Economic Opportunity Fund;
- After July 1, 2011, 6.67 percent to the Waste Tire Market Development Fund and 8.67 percent to the Law Enforcement Grant Fund.

For FY 2010-11, appropriates a total of \$3,945,855 cash funds from multiple waste tire-related cash funds and 3.1 FTE to the Department of Public Health and Environment and \$71,970 cash funds to the Department of Public Safety, Division of Fire Safety. Reduces the FY 2010-11 Long Bill appropriation to the Department of Local Affairs by \$4,200,000 cash funds and 0.7 FTE. For more information on H.B. 10-1018, see the "Recent Legislation" sections at the end of the Department of Local Affairs and the Department of Public Safety.

**H.B. 10-1125:** Empowers the Department of Public Health and Environment (Department) to regulate the collection, transportation, and disposal of trap grease and yellow grease. Requires persons, facilities, and vehicles engaged in the collection, transportation, storage, processing, or disposal of grease to register annually with the Department, including completing an application, paying a fee, and posting a surety bond or other method of financial assurance. Requires registered facilities and vehicles to display Department-issued decals and requires registrants to complete manifests created by the Department. Requires the Solid and Hazardous Waste Commission to promulgate rules to implement the bill by December 31, 2011. Appropriates \$61,964 cash funds from the Solid Waste Management Cash Fund and 0.7 FTE to the Department of Public Health and

Environment and \$7,538 reappropriated funds to the Department of Law in FY 2010-11. For more information, see the corresponding bill description for the Department of Law.

**H.B. 10-1260:** Continues the regulation of medical doctors by the Colorado Medical Board, which is located within the Department of Regulatory Agencies (DORA). On January 1, 2011 transfers the regulation of emergency medical technicians from the Board to a newly-created, Type 2, Emergency Medical Practice Advisory Council within the Department of Public Health and Environment (DPHE). Appropriates \$68,657 cash funds from the Emergency Medical Services Account within the Highway Users Tax Fund and 0.9 FTE to DPHE and reappropriates \$678 to the Department of Law for the provision of legal services to DPHE. For more information, see the corresponding bill description for DORA.

**H.B. 10-1284:** Creates, within the Department of Revenue (DOR), the Medical Marijuana State Licensing Authority, which licenses and regulates centers that sell medical marijuana. Establishes statutory provisions governing medical-marijuana care givers. Requires care givers to register with the Department of Public Health and Environment (DPHE). Limits care-givers to five medical-marijuana patients, except in exceptional circumstances. Requires DPHE to promulgate rules defining significant responsibility for a care-giver's management of the well-being of a patient. Requires medical-marijuana patients to have a registry identification card at all times when they possess medical marijuana. Allows DPHE to revoke a patient's medical marijuana registry card if it determines that the physician who diagnosed the patient's debilitating medical condition has been violating the state's medical marijuana laws. The costs of the bill related to care-givers are paid from the Medical Marijuana Program Cash Fund, which is supported by medical-marijuana registry application fees. These fees are subject to the uncommitted reserves limit of Section 24-75-402, C.R.S.

Appropriates \$59,747 cash funds and 1.2 FTE for FY 2010-11 from the Medical Marijuana Program Cash Fund to the DPHE. Appropriates \$10,317,583 cash funds and 110.0 FTE from the Medical Marijuana License Cash Fund for FY 2010-11 to DOR for the Medical Marijuana Licensing Authority. Included in this appropriation are appropriations of \$271,368 reappropriated funds and 2.0 FTE to the Department of Law for legal services and \$260,700 reappropriated funds and 1.2 FTE to the Department of Public Safety for background checks. Costs of DOR's Medical Marijuana State Licensing Authority are paid from fees paid to the Medical Marijuana License Cash Fund by medical marijuana centers. However, DPHE may loan DOR up to \$1.0 million after July 1, 2010 to finance DOR's regulatory activities. The loan must be repaid by December 31, 2010.

Sales of medical marijuana are subject to the state's sales tax. The bill directs half of the first \$2 million of sales tax revenue to the Department of Human Services for mental health and alcohol and drug abuse services and directs the other half to the Screening, Brief Intervention and Referral to Treatment program (SBIRT), which is created by H.B. 10-1033. For FY 2010-11, this bill (H.B. 10-1284) appropriates \$334,227 General Fund to the Department of Human Services while, for SBIRT, H.B. 10-1033 appropriates \$870,155 to the Department of Health Care Policy and Financing, comprised of \$334,227 General Fund and \$535,928 federal funds.

For more information see the corresponding bill description for the Department of Revenue and the description of H.B. 10-1033 for the Department of Health Care Policy and Financing.

**H.B. 10-1311:** Supplemental appropriation to the Department of Public Health and Environment to adjust FY 2009-10 appropriations.

**H.B. 10-1320:** Reduces the FY 2009-10 appropriation to the Health Disparities Grant Program by \$1.0 million reappropriated funds. Appropriates the savings, along with \$42,693,900 from the Health Care Expansion Fund,

to the Department of Health Care Policy and Financing (HCPF) for Medical Services Premiums. Reduces General Fund appropriations for Medical Services Premiums by \$43,693,900. For more information see the corresponding bill description for HCPF.

**H.B. 10-1323:** Transfers the balance of the Short-term Innovative Health Program Grant Fund to the General Fund at the end of FY 2010-11 in order to augment FY 2010-11 General Fund revenues. The transfer is estimated to equal \$1.6 million. Allows moneys in the AIDS and HIV Prevention Fund to be appropriated to the AIDS Drug Assistance Program for FY 2010-11. Reduces appropriations to the Department of Health Care Policy and Financing (HCPF) for FY 2009-10 by \$5.6 million. For more information, see the corresponding bill description for HCPF.

**H.B. 10-1329:** Extends the repeal date of the solid waste user fee from July 1, 2010 to July 1, 2017, delegates fee setting authority to the Solid and Hazardous Waste Commission (Commission), and requires the Commission to promulgate regulations setting such fees. Transfers \$400,000 from the Hazardous Substance Response Fund to the Solid Waste Management Fund for FY 2010-11 to avoid anticipated insolvency of the Solid Waste Management Fund, and to allow for continued operation of the solid waste management program. Specifies criteria for the determination of the fee and the destinations to which portions of the fee shall be sent. Specifies that if the balance of the Hazardous Substance Response Fund exceeds \$10.0 million and is not expected to decrease below \$10.0 million for at least two years then the Department shall evaluate the need to reduce fees to maintain a balance that is less than \$10.0 million and present the analysis to the Commission. Appropriates \$511,159 from the Hazardous Substance Response Fund to the Colorado Department of Public Health and Environment for payments to the Department of Law for CERCLA-related services. Changes from General Fund to reappropriated funds \$511,159 of FY 2010-11 appropriations to the Department of Law that are contained in the FY 2010-11 Long Bill.

**H.B. 10-1376:** General appropriations act for FY 2010-11. Contains supplemental adjustments to FY 2009-10 and FY 2008-09 appropriations.

**H.B. 10-1381:** This bill is a companion to Senate Joint Resolution 10-010, which declares a state fiscal emergency and thus allows Amendment 35 tobacco-tax revenues to be appropriated for any health related purpose. For FY 2010-11, the bill appropriates \$25,691,418 of Amendment 35 revenue to the Department of Health Care Policy and Financing to support Medical Services Premiums and reduces the General Fund appropriation for Medical Services Premiums by an equal amount. The following table details the sources of the appropriation.

Sources of appropriations to the Department of Health Care Policy and Financing	Amount
Tobacco Education Programs Fund (for Tobacco Education, Prevention, and Cessation Grants) - CF	\$15,521,625
Prevention, Early Detection and Treatment Fund (for Cancer, Cardiovascular, and Pulmonary Disease Grants) - CF	5,679,358
Health Disparities Grant Program Fund - RF	4,490,435
<b>Total</b>	<b>\$25,691,418</b>
Cash Funds (CF)	21,200,983
Reappropriated Funds (RF)	4,490,435

The bill also reduces FY 2010-11 appropriations to the Department of Public Health and Environment by the amounts shown in the following table. For line items with multiple fund sources, only the reappropriated or cash fund portion of the reduction is included.

<b>Adjustments to appropriations to the Department of Public Health and Environment</b>	<b>Approp. in FY 2010-11 Long Bill</b>	<b>Change</b>	<b>New Approp.</b>
<i>Division, Subdivisions and Line Item</i>			
(1) Administration and Support Division			
(B) Special Health Programs			
(1) Health Disparities Program			
Operating Expenses - RF portion	\$58,907	(\$30,000)	\$28,907
Health Disparities Grants - RF	5,163,148	(4,450,435)	712,713
(2) Center for Health and Environmental Information			
(A) Health Statistics and Vital Records			
Operating Expenses - CF portion	298,341	(40,000)	258,341
(9) Prevention Services Division			
(A) Prevention Programs			
(1) Programs and Administration			
Personal Services - CF portion	673,403	(30,000)	643,403
Operating Expenses - CF portion	118,440	(60,000)	58,440
Cancer, Cardiovascular Disease, and Pulmonary Disease Grants - CF	12,482,157	(5,524,358)	6,957,799
(5) Tobacco Education, Prevention, and Cessation			
Personal Services - CF	737,970	(35,000)	702,970
Operating Expenses - CF	175,000	(75,000)	100,000
Tobacco Education, Prevention, and Cessation Grants - CF	22,354,436	(15,346,625)	7,007,811
<b>Total</b>	<b><u>\$42,061,802</u></b>	<b><u>(\$25,591,418)</u></b>	<b><u>\$16,470,384</u></b>
Cash Funds (CF)	36,839,747	(21,110,983)	15,728,764
Reappropriated Funds (RF)	5,222,055	(4,480,435)	741,620

For more information see the corresponding bill description for the Department of Health Care Policy and Financing.

**H.B. 10-1388:** Transfers the following amounts from cash funds to the General Fund in FY 2010-11 to augment FY 2010-11 General Fund revenue.

<b>Cash Fund Transfers in H.B. 10-1388</b>		
<b>Cash Fund</b>	<b>Department</b>	<b>Amount</b>
Perpetual Base Account of the Severance Tax Trust Fund	Natural Resources	\$11,000,000
Local Government Severance Tax Fund	Local Affairs	10,000,000
Medical Marijuana Program Cash Fund	Public Health and Environment	3,000,000
Alternative Fuels Rebate Fund	Revenue	1,500,000
<b>Total</b>		<b>\$25,500,000</b>

# 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 also administers the Colorado Integrated Criminal Justice Information System, which is budgeted in the Executive Director's Office.

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 toll free hotline for motorists to report aggressive drivers, drunk drivers, and other hazards. The State Patrol budget also includes funding for the Patrol's Law Enforcement Training Academy.

The Office of Preparedness, Security and Fire Safety coordinates the State's response to the threat of terrorism (the Department of Local Affairs administers federal homeland security funds and manages emergency preparedness and response.); 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 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 2.3 million fingerprint records and over 117,000 DNA profiles; operates the statewide crime reporting program; and arranges for scientific laboratory services and facilities.

## Department Budget: Recent Appropriations

Funding Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$73,311,297	\$79,735,441	\$81,989,417	\$82,654,286
Cash Funds/1	13,869,163	117,842,353	119,897,125	126,160,853
Cash Funds Exempt/1	113,814,201	n/a	n/a	n/a
Reappropriated Funds/1	n/a	21,669,859	21,337,368	21,699,460
Federal Funds	<u>23,571,050</u>	<u>26,487,831</u>	<u>26,566,433</u>	<u>27,917,989</u>
<b>Total Funds</b>	<b>\$224,565,711</b>	<b>\$245,735,484</b>	<b>\$249,790,343</b>	<b>\$258,432,588</b>
Full Time Equiv. Staff	1,319.6	1,350.9	1,358.5	1,349.0

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 FY 2010-11 budget is composed of 32.0 percent General Fund; 48.8 percent cash funds from various sources, primarily from the Highway Users Tax Fund; 8.4 percent reappropriated funds, primarily from indirect cost recoveries; and 10.8 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. It also operates special safety programs for hazardous materials transport and for commercial vehicles.

The Highway Users Tax Fund (HUTF) provides 37.6 percent of the Department budget and 73.9 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. 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 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp.	FY 2010-11 Approp.
Residential Diversion Beds Funded	1,231	1,297	1,475	1,631	1,631
Residential Transition Beds Funded	1,523	1,597	1,559	1,563	1,563
Residential Daily Rates per Bed	\$36.63	\$37.18	\$37.74	\$37.74	\$37.74
<i>Percent Change in Reimbursement Rate</i>	n/a	1.5%	1.5%	0.0%	0.0%
Total General Fund Expenditures (residential and non-residential programs)	\$43,877,386	\$46,731,879	\$49,969,056	\$52,154,575	\$52,154,575
<i>Growth of General Fund Expenditures</i>	n/a	6.5%	6.9%	4.4%	0.0%

## 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 and the regulation of sprinkler fitters.

## Colorado Bureau of Investigation (CBI)

The Colorado Bureau of Investigation 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 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 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 CBI field investigators investigate crime scenes, upon the request of local, state, and federal law enforcement agencies. The CBI also maintains the statewide criminal history and fingerprint repositories and facilitates the sharing of criminal history information with all Colorado law enforcement agencies.

## 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 2009-10 and FY 2010-11 Appropriations

Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$249,790,343</b>	<b>\$81,989,417</b>	<b>\$119,897,125</b>	<b>\$21,337,368</b>	<b>\$26,566,433</b>	<b>1,358.5</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	25,516,528	5,145,787	10,133,541	9,271,031	966,169	44.7
Colorado State Patrol	113,628,177	4,635,980	97,238,246	7,523,587	4,230,364	995.0
Office of Preparedness, Security and Fire Safety	2,773,461	343,323	1,776,120	195,451	458,567	28.0

<b>Department of Public Safety</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Division of Criminal Justice	80,086,023	55,330,887	3,894,411	785,425	20,075,300	62.4
Colorado Bureau of Investigation	27,786,154	16,533,440	6,854,807	3,561,874	836,033	228.4
<u>Breakdown of Total Appropriation by Bill</u>						
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
HB 10-1312	(140,030)	(1,223,435)	1,035,621	120,452	(72,668)	(4.9)
<b>FY 2010-11 Total Appropriation:</b>	<b>\$258,432,588</b>	<b>\$82,654,286</b>	<b>\$126,160,853</b>	<b>\$21,699,460</b>	<b>\$27,917,989</b>	<b>1,349.0</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	26,891,176	5,715,521	11,484,910	8,896,525	794,220	42.7
Colorado State Patrol	117,204,424	4,555,909	99,789,440	7,995,625	4,863,450	995.8
Office of Preparedness, Security and Fire Safety	3,532,095	246,560	2,647,993	192,874	444,668	35.0
Division of Criminal Justice	82,695,678	57,037,575	3,892,717	787,291	20,978,095	60.9
Colorado Bureau of Investigation	28,109,215	15,098,721	8,345,793	3,827,145	837,556	214.6
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	255,142,865	80,878,068	125,648,993	21,365,396	27,250,408	1,336.7
HB 10-1018	71,970	0	71,970	0	0	0.0
HB 10-1106	56,308	0	56,308	0	0	0.3
HB 10-1113	1,065,527	0	324,582	73,364	667,581	8.8
HB 10-1241	15,000	0	15,000	0	0	0.0
HB 10-1284	260,700	0	0	260,700	0	1.2
HB 10-1336	44,000	0	44,000	0	0	0.0
HB 10-1352	36,528	36,528	0	0	0	0.5
HB 10-1360	1,545,409	1,545,409	0	0	0	0.8
HB 10-1374	194,281	194,281	0	0	0	0.7
<b>Increase/(Decrease)</b>	<b>\$8,642,245</b>	<b>\$664,869</b>	<b>\$6,263,728</b>	<b>\$362,092</b>	<b>\$1,351,556</b>	<b>(9.5)</b>
Percentage Change	3.5%	0.8%	5.2%	1.7%	5.1%	(0.7)%

### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations provide an increase of \$586,000 total funds to reflect the actual impact of the FY 2009-10 furloughs.
2. Supplemental appropriations reduce \$346,000 total funds to reflect various budget balancing reductions, changes to central services provided by the Department of Personnel and Administration and the Governor's Office of Information Technology, and other mid-year adjustments.
3. Supplemental appropriations reduce \$160,000 and 1.8 FTE associated with eliminating community corrections discharge planners; reduce \$134,000 and 1.5 FTE CBI laboratory agents; reduce \$67,000 and 0.4 FTE CBI criminal investigator position; and reduce \$19,000 and 0.2 FTE for the Division of Criminal Justice, Office of Research and Statistics.

### **FY 2010-11 Appropriation Highlights:**

1. The appropriation provides \$2.0 million cash funds (HUTF "Off-the-Top" funds) for the State Patrol to establish an IT asset maintenance budget for the replacement and on-going maintenance of the Patrol's communications systems.
2. House Bill 10-1360 appropriates \$1,285,409 General Fund and 0.8 FTE to the Division of Criminal Justice for community corrections residential treatment beds and \$260,000 General Fund for ten transition community corrections beds.
3. The appropriation provides 3.8 FTE and \$1.5 million cash funds to annualize S.B. 09-241 (DNA Testing of Adults Arrested for a Felony).
4. The appropriation provides \$1.1 million cash funds (HUTF "Off-the-Top" funds) for DUI enforcement grants.
5. The appropriation provides 8.0 FTE and \$635,000 cash funds to annualize H.B. 09-1151 (School Building Inspections).
6. The appropriation provides 4.0 FTE and \$476,519 reappropriated funds for additional state troopers to patrol highways leading to gaming communities.
7. The appropriation reduces \$2.1 million including \$379,000 General Fund for a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.
8. The appropriation transfers 33.0 FTE to the Office of Information Technology within the Governor's Office.
9. The appropriation transfers the Safe 2 Tell Program to the Department of Law, totaling 1.0 FTE and \$98,351 General Fund in personal services costs.
10. The appropriation reflects the reduction of 2.2 FTE and 989,245 in federal grant funding.

11. The appropriation reflects the reduction of 1.4 FTE for the annualization of prior year budget actions.

## 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1312	<u>(537,963)</u>	<u>(553,092)</u>	<u>(25,947)</u>	<u>43,779</u>	<u>(2,703)</u>	<u>(1.0)</u>
<b>TOTAL</b>	<b>\$25,516,528</b>	<b>\$5,145,787</b>	<b>\$10,133,541</b>	<b>\$9,271,031</b>	<b>\$966,169</b>	<b>44.7</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$25,516,528	\$5,145,787	\$10,133,541	\$9,271,031	\$966,169	44.7
Statewide IT staff consolidation	2,207,140	1,142,030	1,081,277	(16,167)	0	(2.0)
Restore FY 2009-10 furlough reductions	142,571	21,628	15,131	103,109	2,703	0.0
Additional fleet vehicles	28,538	3,240	16,538	0	8,760	0.0
Annualize prior year funding	552	0	552	0	0	0.0
Postage adjustment	67	0	0	67	0	0.0
Centrally-appropriated line items	(1,034,710)	(573,045)	184,246	(462,499)	(183,412)	0.0
State PERA contribution reduction	(76,940)	(4,560)	0	(72,380)	0	0.0
Operating adjustments	(15,579)	(15,579)	0	0	0	0.0
Transfer Safe 2 Tell Program	(3,980)	(3,980)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$26,764,187</b>	<b>\$5,715,521</b>	<b>\$11,431,285</b>	<b>\$8,823,161</b>	<b>\$794,220</b>	<b>42.7</b>
HB 10-1113	82,989	0	9,625	73,364	0	0.0
HB 10-1336	<u>44,000</u>	<u>0</u>	<u>44,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$26,891,176</b>	<b>\$5,715,521</b>	<b>\$11,484,910</b>	<b>\$8,896,525</b>	<b>\$794,220</b>	<b>42.7</b>

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$1,374,648	\$569,734	\$1,351,369	(\$374,506)	(\$171,949)	(2.0)
Percentage Change	5.4%	11.1%	13.3%	(4.0)%	(17.8)%	(4.5)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1312 reduced various centrally appropriated line items, reduced program funding for the School Resource Center Services, and reflected the actual impact of the FY 2009-10 furloughs, among other changes.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Additional fleet vehicles:** The appropriation includes funding for four additional state fleet vehicles for Colorado State Patrol troopers and six additional state fleet vehicles for Division of Fire Safety fire inspectors.

**Annualize prior year funding:** The appropriation includes an increase of \$552 cash funds for H.B. 09-1151 School Building Inspections.

**Postage adjustment:** The appropriation provides funding associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; purchase of services from computer center; multiuse network payments; management and administration of OIT; payment to risk management and property funds; capitol complex leased space; communication services; and vehicle lease payments.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating adjustments:** The appropriation includes a budget balancing decrease of \$15,579 General Fund to the Executive Director's Office operating expenses line item.

**Transfer Safe 2 Tell Program:** The appropriation reflects a reduction in centrally appropriated items for a transfer of the Safe 2 Tell Program from the Office of Preparedness, Security, and Fire Safety to the Department of Law.

**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 2009, the State Patrol reported a 9.9 percent decrease from the previous year in fatal and injury crashes on patrol-supervised roads, while the total number of crashes on patrol-supervised roads decreased by 4.5 percent from 2008 to 2009. 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 42 have died in car accidents. Based on national traffic fatality rates, students who complete the "Alive at 25" class are 66 percent less likely to be killed in an auto accident. In further support of the highway safety plan, the Communications Program operates the \*CSP toll free hotline for motorists to report aggressive drivers, drunk drivers, and other hazards.

Starting in FY 2010-11, H.B. 10-1113 transferred responsibility for the Motor Carrier Safety Assistance Program from the Department of Revenue, Motor Carrier Services Division, to the Colorado State Patrol.

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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$112,552,490	\$4,518,267	\$96,360,834	\$7,429,730	\$4,243,659	995.0
HB 10-1312	<u>1,075,687</u>	<u>117,713</u>	<u>877,412</u>	<u>93,857</u>	<u>(13,295)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$113,628,177</b>	<b>\$4,635,980</b>	<b>\$97,238,246</b>	<b>\$7,523,587</b>	<b>\$4,230,364</b>	<b>995.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$113,628,177	\$4,635,980	\$97,238,246	\$7,523,587	\$4,230,364	995.0
Replace CAD, RMS, and MDC IT Systems	2,000,000	0	2,000,000	0	0	0.0
Vehicle lease adjustments	1,721,797	0	1,694,043	5,148	22,606	0.0

Colorado State Patrol						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
DUI enforcement grants	1,082,980	0	1,082,980	0	0	0.0
Gaming troopers	476,519	0	0	476,519	0	4.0
Restore FY 2009-10 furlough reductions	378,680	606	356,366	8,227	13,481	0.0
Officer safety equipment package	278,420	0	278,420	0	0	0.0
E-470 patrol funding increase	78,511	0	78,511	0	0	0.0
Annualize prior year funding	47,429	0	47,429	0	0	0.0
Postage adjustment	268	0	268	0	0	0.0
State PERA contribution reduction	(1,583,305)	(57,551)	(1,394,275)	(71,504)	(59,975)	0.0
Statewide IT staff consolidation	(1,136,693)	0	(1,136,693)	0	0	(12.0)
Indirect cost assessment	(726,810)	0	(731,216)	16,240	(11,834)	0.0
Operating adjustments	(23,126)	(23,126)	0	0	0	0.0
Fund source adjustment	(961)	0	(39,596)	37,408	1,227	0.0
<b>HB 10-1376</b>	<b>\$116,221,886</b>	<b>\$4,555,909</b>	<b>\$99,474,483</b>	<b>\$7,995,625</b>	<b>\$4,195,869</b>	<b>987.0</b>
HB 10-1113	<u>982,538</u>	<u>0</u>	<u>314,957</u>	<u>0</u>	<u>667,581</u>	<u>8.8</u>
<b>TOTAL</b>	<b>\$117,204,424</b>	<b>\$4,555,909</b>	<b>\$99,789,440</b>	<b>\$7,995,625</b>	<b>\$4,863,450</b>	<b>995.8</b>
<b>Increase/(Decrease)</b>	\$3,576,247	(\$80,071)	\$2,551,194	\$472,038	\$633,086	0.8
Percentage Change	3.1%	(1.7)%	2.6%	6.3%	15.0%	0.1%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1312 reflected the actual impact of the FY 2009-10 furloughs, among other changes.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Replace CAD, RMS, and MDC IT Systems:** The appropriation includes \$2,000,000 HUTF "Off-the-Top" in order to establish an IT asset maintenance budget for the replacement and on-going maintenance of the Colorado State Patrol (CSP) communications systems which consist of a Computer-aided Dispatch (CAD) system, Records Management System (RMS), and Mobile Data Computer (MDC) system.

**Vehicle lease adjustments:** The appropriation includes increases associated with vehicle lease payments.

**DUI enforcement grants:** The appropriation includes funding for programs previously supported by the Law Enforcement Assistance Fund (LEAF) within the Department of Transportation.

**Gaming troopers:** The appropriation includes funding for troopers to patrol roads leading to gaming communities.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Officer safety equipment package:** The appropriation includes funding for on-going replacement of ballistic vests as well as an increase to mobile data air time rates.

**E-470 patrol funding increase:** The appropriation includes an increase in funding from the E-470 toll road authority to account for actual trooper expenditures associated with patrolling E-470.

**Annualize prior year funding:** The appropriation includes an adjustment for a one-time prior balancing action.

**Postage adjustment:** The appropriation includes changes associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

**Operating adjustments:** The appropriation includes a budget balancing decrease of \$23,126 General Fund.

**Fund source adjustment:** The appropriation includes funding split adjustments to the communications program due to an update to the billing methodology.

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

---

## **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, regulates sprinkler fitters, and oversees fireworks

regulation. The primary sources of cash funds and reappropriated funds for this Division include: the Public School Construction and Inspection Cash Fund, 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.

<b>Office of Preparedness, Security, and Fire Safety</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$2,120,776	\$352,738	\$1,106,890	\$200,494	\$460,654	20.0
HB 09-1151	634,649	0	634,649	0	0	8.0
HB 09-1199	50,000	0	50,000	0	0	0.0
HB 10-1312	<u>(31,964)</u>	<u>(9,415)</u>	<u>(15,419)</u>	<u>(5,043)</u>	<u>(2,087)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,773,461</b>	<b>\$343,323</b>	<b>\$1,776,120</b>	<b>\$195,451</b>	<b>\$458,567</b>	<b>28.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$2,773,461	\$343,323	\$1,776,120	\$195,451	\$458,567	28.0
Annualize H.B. 09-1151 school building inspections	634,649	0	634,649	0	0	8.0
Indirect cost assessment	171,783	0	175,050	(3,948)	681	0.0
Restore FY 2009-10 furlough reductions	30,678	9,181	14,601	5,043	1,853	0.0
Postage adjustment	59	(25)	42	0	42	0.0
Transfer Safe 2 Tell Program	(98,351)	(98,351)	0	0	0	(1.0)
State PERA contribution reduction	(37,461)	(6,684)	(10,630)	(3,672)	(16,475)	0.0
Additional fleet vehicles	(28,809)	0	(28,809)	0	0	0.0
Operating adjustments	(884)	(884)	0	0	0	0.0
<b>HB 10-1376</b>	<b>\$3,445,125</b>	<b>\$246,560</b>	<b>\$2,561,023</b>	<b>\$192,874</b>	<b>\$444,668</b>	<b>35.0</b>
HB 10-1018	71,970	0	71,970	0	0	0.0
HB 10-1241	<u>15,000</u>	<u>0</u>	<u>15,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,532,095</b>	<b>\$246,560</b>	<b>\$2,647,993</b>	<b>\$192,874</b>	<b>\$444,668</b>	<b>35.0</b>
<b>Increase/(Decrease)</b>	<b>\$758,634</b>	<b>(\$96,763)</b>	<b>\$871,873</b>	<b>(\$2,577)</b>	<b>(\$13,899)</b>	<b>7.0</b>
Percentage Change	27.4%	(28.2)%	49.1%	(1.3)%	(3.0)%	25.0%

## **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1312 reflected the actual impact of the FY 2009-10 furloughs, among other changes.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Annualize H.B. 09-1151 school building inspections:** The appropriation annualizes funding for H.B. 09-1151 which created the Public School Construction and Inspection Section within the Division of Fire Safety and transferred responsibilities previously held by the Division of Oil and Public Safety in the Department of Labor and Employment.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Postage adjustment:** The appropriation includes changes associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Transfer Safe 2 Tell Program:** The appropriation reflects a transfer of the Safe 2 Tell Program from the Office of Preparedness, Security, and Fire Safety to the Department of Law.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Additional fleet vehicles:** The appropriation reflects savings from providing fire inspectors state fleet vehicles and not reimbursing them for the use of personal vehicles.

**Operating adjustments:** The appropriation includes a budget balancing decrease of \$884 General Fund.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1018, see also the "Recent Legislation" section at the end of the Department of the Public Health and Environment.

---

## **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.

<b>Division of Criminal Justice</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$80,351,493	\$55,613,335	\$3,824,668	\$789,036	\$20,124,454	64.4
HB 10-1312	<u>(265,470)</u>	<u>(282,448)</u>	<u>69,743</u>	<u>(3,611)</u>	<u>(49,154)</u>	<u>(2.0)</u>
<b>TOTAL</b>	<b>\$80,086,023</b>	<b>\$55,330,887</b>	<b>\$3,894,411</b>	<b>\$785,425</b>	<b>\$20,075,300</b>	<b>62.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$80,086,023	\$55,330,887	\$3,894,411	\$785,425	\$20,075,300	62.4
Grant funding	989,245	0	0	0	989,245	(2.2)
Restore FY 2009-10 furlough reductions	72,016	51,555	8,485	10,585	1,391	0.0
State PERA contribution reduction	(87,775)	(37,534)	(6,178)	(8,719)	(35,344)	0.0
Statewide IT staff consolidation	(48,333)	(48,333)	0	0	0	(1.0)
Indirect cost assessment	(44,843)	0	(4,001)	0	(40,842)	0.0
Annualize prior year funding	(19,578)	(18,636)	0	0	(942)	(0.3)
Fleet vehicles	(14,736)	(3,974)	0	0	(10,762)	0.0
Operating reduction	(12,315)	(12,315)	0	0	0	0.0
Postage adjustment	(244)	(293)	0	0	49	0.0
<b>HB 10-1376</b>	<b>\$80,919,460</b>	<b>\$55,261,357</b>	<b>\$3,892,717</b>	<b>\$787,291</b>	<b>\$20,978,095</b>	<b>58.9</b>
HB 10-1352	36,528	36,528	0	0	0	0.5
HB 10-1360	1,545,409	1,545,409	0	0	0	0.8
HB 10-1374	<u>194,281</u>	<u>194,281</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.7</u>
<b>TOTAL</b>	<b>\$82,695,678</b>	<b>\$57,037,575</b>	<b>\$3,892,717</b>	<b>\$787,291</b>	<b>\$20,978,095</b>	<b>60.9</b>
<b>Increase/(Decrease)</b>	<b>\$2,609,655</b>	<b>\$1,706,688</b>	<b>(\$1,694)</b>	<b>\$1,866</b>	<b>\$902,795</b>	<b>(1.5)</b>
Percentage Change	3.3%	3.1%	0.0%	0.2%	4.5%	(2.4)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1312 reduced \$160,381 General Fund and 1.8 FTE to eliminate the funding for community corrections discharge planners, reduced \$69,260 General Fund and 0.2

FTE for the Office of Research and Statistics, and reduced \$25,000 General Fund for community corrections boards administration costs, among other changes.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Grant funding:** The appropriation reflects anticipated changes in grant funding and federal funding.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Fleet vehicles:** The appropriation includes reductions to internally fund the addition of two fleet vehicles.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction for operating expenses.

**Postage adjustment:** The appropriation includes changes associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1352, H.B. 10-1360, and H.B. 10-1374, see also the "Recent Legislation" section at the end of the Department of Corrections.

---

### **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. The CBI maintains more than 2.3 million fingerprint records and over 117,000 DNA profiles. In 2009 the CBI conducted 208,025 firearms background checks. 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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1312	<u>(380,320)</u>	<u>(496,193)</u>	<u>129,832</u>	<u>(8,530)</u>	<u>(5,429)</u>	<u>(1.9)</u>
<b>TOTAL</b>	<b>\$27,786,154</b>	<b>\$16,533,440</b>	<b>\$6,854,807</b>	<b>\$3,561,874</b>	<b>\$836,033</b>	<b>228.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$27,786,154	\$16,533,440	\$6,854,807	\$3,561,874	\$836,033	228.4
Annualize S.B. 09-241 DNA Testing of Adults Arrested for a Felony	1,504,580	0	1,504,580	0	0	3.8
Restore FY 2009-10 furlough reductions	372,488	331,046	11,113	24,900	5,429	0.0
InstaCheck spending authority increase	13,325	0	13,325	0	0	0.0
Vehicle lease adjustments	9,728	9,728	0	0	0	0.0
Postage adjustment	196	85	111	0	0	0.0
Statewide IT staff consolidation	(1,262,039)	(1,234,790)	(27,249)	0	0	(18.0)
State PERA contribution reduction	(326,970)	(272,253)	(36,459)	(14,352)	(3,906)	0.0
Operating adjustments	(188,451)	(188,451)	0	0	0	0.0
Annualize FTE reductions	(80,084)	(80,084)	0	0	0	(1.1)
Indirect cost assessment	(36,720)	0	(30,743)	(5,977)	0	0.0
<b>HB 10-1376</b>	<b>\$27,792,207</b>	<b>\$15,098,721</b>	<b>\$8,289,485</b>	<b>\$3,566,445</b>	<b>\$837,556</b>	<b>213.1</b>
HB 10-1106	56,308	0	56,308	0	0	0.3
HB 10-1284	<u>260,700</u>	<u>0</u>	<u>0</u>	<u>260,700</u>	<u>0</u>	<u>1.2</u>
<b>TOTAL</b>	<b>\$28,109,215</b>	<b>\$15,098,721</b>	<b>\$8,345,793</b>	<b>\$3,827,145</b>	<b>\$837,556</b>	<b>214.6</b>
<b>Increase/(Decrease)</b>	<b>\$323,061</b>	<b>(\$1,434,719)</b>	<b>\$1,490,986</b>	<b>\$265,271</b>	<b>\$1,523</b>	<b>(13.8)</b>
Percentage Change	1.2%	(8.7)%	21.8%	7.4%	0.2%	(6.0)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations in H.B. 10-1312 include increases of \$62,000 to reflect an increase in CBI InstaCheck volume and \$23,000 due to S.B. 09-241, and the following reductions: \$140,000 associated with savings from department-wide reductions to operating expenses; \$135,000 and 1.5 FTE associated with the elimination of laboratory agents, \$133,000 to reflect the actual impact of the FY 2009-10 furlough, and \$70,000 and 0.4 FTE criminal investigator position, among other changes.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Annualize S.B. 09-241 DNA Testing of Adults Arrested for a Felony:** The appropriation annualizes funding for S.B. 09-241, which requires testing of DNA samples from every individual arrested for or charged with a felony after September 30, 2010.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**InstaCheck spending authority increase:** The appropriation reflects an increase in spending authority for the InstaCheck program due to an increase in the number of firearm transactions requiring a background check.

**Vehicle lease adjustments:** The appropriation includes increases associated with vehicle lease payments.

**Postage adjustment:** The appropriation includes changes associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Operating adjustments:** The appropriation includes an operating reduction totaling \$188,451 General Fund.

**Annualize FTE reductions:** The appropriation reflects annualization of a prior year budget action to reduce 2.0 laboratory agent positions and 1.0 criminal investigator position mid-year.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1106, see also the "Recent Legislation" section at the end of the Department of Human Services. For information on H.B. 10-1284, see also the "Recent Legislation" section at the end of the Department of Revenue.

## **Recent Legislation**

### **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. 09-231:** 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 2009-10. 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.

## **2010 Session Bills**

**S.B. 10-159:** Requires community corrections boards to allow offenders who are under consideration for transitional placement into a community corrections facility to submit a written statement concerning the offender's transition plan, community support, and the appropriateness of placement in a community corrections program. Permits the board to allow an offender to designate a person to submit a written statement or give an oral statement on the offender's behalf at a hearing concerning the placement of the offender. Requires community corrections boards to develop written policies and procedures that will be made available to the public concerning the parameters for written and oral statements by victims, as well as the permissibility and parameters for a written or oral statement by a person designated by an offender.

**H.B. 10-1018:** Consolidates authority over waste tire fees within the Department of Public Health and Environment and adds requirements for fire prevention, planning, registration, decals, and manifests for certain waste tire haulers and waste tire facilities. For FY 2010-11, appropriates \$71,970 cash funds to the Department of Public Safety, Division of Fire Safety. For additional information on H.B. 10-1018, see also the "Recent Legislation" section at the end of the Department of Public Health and Environment.

**H.B. 10-1106:** Brings several aspects of Colorado law concerning child welfare into compliance with federal law. Includes changes for finger-print requirements for group home parents and staff. Provides an appropriation of \$56,308 from the Colorado Bureau of Investigation Identification Unit Cash Fund and 0.3 FTE in FY 2010-11 to the Department of Public Safety, Colorado Bureau of Investigation. This amount annualizes to \$23,336 cash funds and 0.1 FTE for FY 2011-12. For additional information on H.B. 10-1106, see also the "Recent Legislation" section at the end of the Department of Human Services.

**H.B. 10-1113:** Transfers responsibility for the Motor Carrier Safety Assistance Program (MSCAP) from the Department of Revenue, Motor Carrier Services Division, to the Department of Public Safety, Colorado State Patrol, effective August 15, 2010. The transfer moves on August 15, 2010, 8.8 FTE, of which 7.8 FTE are federally funded and 1.0 FTE is cash funded from the Nuclear Materials Transportation Fund. For FY 2011-12, the FTE transfer will annualize to 10.0 FTE. The bill delineates the responsibilities of the Ports of Entry and Colorado State Patrol with regard to commercial vehicles. Authorizes the Department of Public Safety, the Department of Revenue and the Department of Transportation to solicit a vendor to conduct a performance study of the Ports of Entry to assess the operations, potential cost savings and efficiencies, and which department is best suited to operate the Ports of Entry. Transfers \$810,516 total funds and 8.8 FTE from the Department of Revenue to the Department of Public Safety for the implementation of the program. In addition to the transfer of funds, appropriates \$255,011 cash funds, from the Highway Users Tax Fund "off-the-top" moneys to the Department of Public Safety to provide matching efforts to the federal funds. For additional information on H.B. 10-1113, see also the "Recent Legislation" section at the end of the Department of Revenue.

**H.B. 10-1241:** Creates a registration program for sprinkler fitters in the Department of Public Safety, Division of Fire Safety. A sprinkler fitter is a person authorized to work on fire suppression systems. Beginning July 1, 2011, sprinkler fitters are required to register with the division, or with a municipality that has an approved certification program. Registered persons are extended title protection. In order to register with the state, a

person must pay a fee, provide evidence of successful completion of a sprinkler fitter apprenticeship program, and pass an examination. Appropriates \$15,000 cash funds from the Fire Suppression Cash Fund to the Division of Fire Safety in FY 2010-11.

**H.B. 10-1277:** Extends the prohibition on an employee, contractor, or volunteer of a correctional facility from engaging in sexual conduct with an individual in custody of the facility to employees, contractors, or volunteers of juvenile detention or commitment centers and community corrections facilities. Sexual conduct in a correctional institution can be a class 1 misdemeanor, a class 6 felony, or a class 5 felony, depending on the circumstances of the crime. As required by Section 2-2-703, C.R.S., makes a five-year statutory appropriation as follows:

- For FY 2010-11, transfers \$83,861 from the General Fund to the Capital Construction Fund, and appropriates \$83,861 from the Capital Construction Fund to the Corrections Expansion Reserve Fund; and
- for fiscal years 2011-12 through 2012-13, appropriates a total of \$32,496 General Fund to the Department of Corrections for operating expenses.

Specifies that the act shall only take effect if H.B. 10-1338 is enacted and has a net reduction in General Fund appropriations for FY 2010-11 that is equal to or greater than the \$83,861 General Fund transfer required in H.B. 10-1277.

**H.B. 10-1284:** Creates the Medical Marijuana State Licensing Authority (SLA) in the Department of Revenue. Appropriates \$10,317,583 cash funds and 110.0 FTE from the Medical Marijuana License Cash Fund to the Department of Revenue for FY 2010-11 to staff the Medical Marijuana Licensing Authority, which will enforce the provision of the act. Included in this appropriation is an appropriation of \$260,700 reappropriated funds and 1.2 FTE to the Department of Public Safety, Colorado Bureau of Investigation, for background checks. For additional information on H.B. 10-1284, see also the "Recent Legislation" section at the end of the Department of Revenue.

**H.B. 10-1312:** Supplemental appropriation to the Department of Public Safety to modify FY 2009-10 appropriations included in the FY 2009-10 Long Bill (S.B. 09-259).

**H.B. 10-1336:** Creates the School Safety Resource Center Cash Fund and allows the Department of Public Safety to solicit gifts, grants, and donations to pay for the costs to operate the School Safety Resource Center. The Department also is authorized to charge a fee on attendees to offset the costs of any training programs or conferences that the center provides. Appropriates \$44,000 cash funds in FY 2010-11 to the School Safety Resource Center.

**H.B. 10-1352:** Makes a number of changes to offenses related to controlled substances. Directs the General Assembly to annually appropriate the General Fund savings generated by the bill to the Drug Offender Surcharge Fund, and requires that such moneys be allocated to cover the costs associated with the treatment of substance abuse or co-occurring disorders of adult offenders who are assessed to be in need of treatment and who are on diversion, on probation, on parole, in community corrections, or in jail. Appropriates \$36,528 General Fund and 0.5 FTE in FY 2010-11 to the Department of Public Safety, Division of Criminal Justice, for analyzing and reporting on the annual fiscal savings generated by H.B. 10-1352. For additional information on H.B. 10-1352, see also the "Recent Legislation" section at the end of the Department of Corrections.

**H.B. 10-1360:** Allows certain parolees to be placed in a community return-to-custody facility rather than a state correctional facility, including those who:

- commit a technical violation that does not involve the commission of a crime;
- have no active felony warrants, felony detainers, or pending felony criminal charges; and
- are on parole for a class 4 nonviolent felony (except menacing, stalking, any unlawful sexual behavior, or a crime against an at-risk adult or at-risk juvenile).

Appropriates \$1,285,409 General Fund and 0.8 FTE to the Department of Public Safety, Division of Criminal Justice, for community corrections residential treatment beds. Appropriates \$260,000 General Fund to the Department of Public Safety, Division of Criminal Justice, for ten transition community corrections beds specifically for sex offenders, which beds may not be transferred for diversion. For additional information on H.B. 10-1360, see also the "Recent Legislation" section at the end of the Department of Corrections.

**H.B. 10-1373:** Provides a court with the discretion to order that the mandatory sentence for an escape crime run either consecutively or concurrently with any other sentence being served by the offender who escapes, attempts to escape, or aids the escape of another while serving a direct sentence to community corrections or after being placed in an intensive supervision parole program. Under current law, if an offender knowingly commits an escape crime while in custody or confinement following a felony conviction, the court is required to impose a sentence for the escape crime that runs consecutively with any other sentences being served by the offender.

**H.B. 10-1374:** Directs the Sex Offender Management Board (in consultation with the Department of Corrections, the Judicial Branch, the Division of Criminal Justice in the Department of Public Safety, and the Parole Board) to develop specific sex offender release guidelines for use by the Parole Board in determining when to release a sex offender on parole. Directs the Division of Criminal Justice and the Parole Board to develop an administrative release guideline for use by the Board in evaluating all applications for parole. Requires the Department of Corrections and the Parole Board to develop administrative revocation guidelines for use by the Board in making decisions about parole revocation. Repeals the statutory provision that requires a parole officer to arrest a parolee if he or she does not have lawful permission to be in a particular place (*e.g.*, a county other than the one to which the individual was paroled). Allows up to 12 days of earned time each month be deducted from an offender's sentence provided he or she:

- is serving a sentence for a class 4, class 5, or class 6 felony;
- has not incurred a class I code of penal discipline violation within the 24 months immediately preceding the time of crediting or during his or her entire period of incarceration if such period is less than 24 months;
- has not incurred a class II code of penal discipline violation within the 12 months immediately preceding the time of crediting or during his or her entire period of incarceration if such period is less than 12 months;
- is program compliant; and
- was not convicted of certain specified felony offenses (four new offenses have been added to the existing list of disqualifying crimes).

For FY 2010-11 appropriates the following amounts to the Department of Public Safety, Division of Criminal Justice: \$114,127 General Fund for costs associated with the Colorado Criminal and Juvenile Justice Commission and \$80,154 General Fund and 0.7 FTE for parole guideline duties and actuarial consultation. For additional information on H.B. 10-1374, see also the "Recent Legislation" section at the end of the Department of Corrections.

**H.B. 10-1376:** General appropriations act for FY 2010-11.

# DEPARTMENT OF REGULATORY AGENCIES

The Department of Regulatory Agencies consists of the following ten divisions:

1. The Executive Director's Office is responsible for department-wide administrative functions and houses the Office of Policy, Research and Regulatory Reform which conducts sunrise and sunset reviews.
2. The Division of Banking is responsible for enforcement and compliance with banking laws.
3. The Civil Rights Division is responsible for the enforcement of state and federal laws regarding the civil rights of individuals and resolving complaints of rights violations.
4. The Office of Consumer Counsel is responsible for representing the rights of businesses and consumers at hearings before the Public Utilities Commission.
5. The Division of Financial Services is responsible for the enforcement of state and federal laws relating to the regulation of credit unions and savings and loan associations.
6. The Division of Insurance is responsible for licensing insurance agents and companies.
7. The Public Utilities Commission is responsible for the regulation of utilities throughout the state.
8. The Division of Real Estate licenses real estate agents and mortgage brokers and investigates allegation of real estate and mortgage fraud.
9. The Division of Registrations licenses individuals in forty-eight professions and occupations.
10. The Division of Securities licenses securities agents and investigates allegations of securities misconduct.

## Department Budget: Recent Appropriations

Funding Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$1,416,831	\$1,465,862	\$1,457,251	\$1,510,435
Cash Funds/1	61,289,916	66,343,403	68,839,045	68,203,204
Cash Funds Exempt/1	8,486,488	n/a	n/a	n/a
Reappropriated Funds/1	n/a	8,595,150	8,382,793	6,825,033
Federal Funds	<u>1,154,822</u>	<u>1,318,334</u>	<u>1,214,685</u>	<u>1,231,398</u>
<b>Total Funds</b>	<b>\$72,348,057</b>	<b>\$77,722,749</b>	<b>\$79,893,774</b>	<b>\$77,770,070</b>
Full Time Equiv. Staff	556.7	576.1	595.4	578.4

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 2010-11, funding for the Department consists of 1.9 percent General Fund, 87.7 percent cash funds, 8.8 percent reappropriated funds, and 1.6 percent federal funds. Some of the most important factors driving the budget are reviewed below.

## Legal Services

Due to the financial and legal implications of many of the Department's regulatory decisions, legal services is a driving factor in the Department's budget. Legal services account for 10.3 percent of the Department's total FY 2010-11 appropriation. This is an increase of 0.6 percent from the FY 2009-10 appropriation. Legal services for the Department comprise 33.4 percent of the total legal service hours provided by the Department of Law to all departments.

<b>Legal Service Hours and Cost for the Department of Regulatory Agencies</b>					
	<b>FY 06-07 Actual</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Actual</b>	<b>FY 09-10 Approp.</b>	<b>FY 10-11 Approp.</b>
Legal Services	\$5,761,082	\$6,591,183	\$7,472,664	\$7,754,371	\$8,017,385
Equivalent Number of Hours	82,009	91,506	99,503	102,870	109,273
Percent of Total Department Appropriation	8.2%	8.8%	9.3%	9.7%	10.3%
Total State Legal Services Dollars	\$20,253,768	\$23,286,209	\$24,532,648	\$25,467,133	\$24,021,277
Total State Legal Services Hours	288,310	323,285	326,666	337,850	327,399
Department's Hours as a Percent of Total State Hours	28.4%	28.3%	30.5%	30.4%	33.4%

## Population Growth and Economic Trends

From 2005 to 2009, the population of Colorado is projected to grow by 5.7 percent, and the number of licenses issued by the Divisions of Insurance, Registrations, Real Estate and Securities is expected to grow by 2.1 percent. During times of economic growth, the increase in the number of licenses can be two or three times greater than the growth in the population over the same period, and the workload for new applications, registrations, and testing increases to account for the increase in demand. When the economy slows, the Department's enforcement and inspection workload increases because of the importance of ensuring a fair marketplace for both consumers and providers. The current economic downturn has directly impacted the real estate market leading to a decrease of 23.1 percent in the number of real estate licenses issued.

<b>5 Year History of Licenses Issue by Various Divisions in the Department of Regulatory Agencies</b>						
	<b>FY 2005-06 Actual</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Estimate</b>	<b>5 Year Growth</b>
Division of Insurance	110,911	109,705	115,229	118,783	117,000	5.5%
Division of Registrations	282,521	295,281	292,584	315,147	324,075	14.7%
Division of Real Estate	58,540	54,837	57,060	53,251	45,000	-23.1%
Division of Securities	177,519	145,772	156,586	158,623	156,620	-11.8%
<b>Total Number of Licenses</b>	<b>629,491</b>	<b>605,595</b>	<b>621,459</b>	<b>645,804</b>	<b>642,695</b>	<b>2.1%</b>
<b>Colorado Population</b>	<b>4,673,724</b>	<b>4,766,248</b>	<b>4,861,515</b>	<b>4,928,021</b>	<b>4,939,456</b>	<b>5.7%</b>

## Legislation

The last five legislative sessions (2006 through 2010) have produced a significant number of bills that impact the Department. The majority of these bills have expanded the current regulatory duties of the Department or added new duties through new regulatory programs. The following table outlines the number of non-budget bills and total appropriation for each of the last five session years. Non-budget bills include all bills passed during a session except the annual Long Bill, the supplemental bill and the budget balancing bill (H.B. 10-1385).

Session Year	Impact of Non-Budget Bills				
	Number of Non-Budget Bills	Total Appropriation in Bills	Percent of Department Total Approp.	FTE in Bills	Percent of Department FTE
2006	12	\$1,283,061	2.0%	7.2	1.3%
2007	22	2,779,350	3.8%	15.3	2.7%
2008	18	2,370,340	3.1%	17.3	3.0%
2009	11	959,586	1.2%	7.5	1.3%
2010	13	1,100,578	1.4%	6.4	1.1%

## Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$79,893,774</b>	<b>\$1,457,251</b>	<b>\$68,839,045</b>	<b>\$8,382,793</b>	<b>\$1,214,685</b>	<b>595.4</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	21,605,350	411,528	15,060,332	5,893,438	240,052	52.3
Division of Banking	4,227,168	0	4,227,168	0	0	44.0
Civil Rights Division	1,768,154	1,045,723	0	272,752	449,679	31.4
Office of Consumer Counsel	921,480	0	921,480	0	0	7.0
Division of Financial Services	1,465,087	0	1,465,087	0	0	15.0
Division of Insurance	8,850,352	0	8,331,890	0	518,462	86.7
Public Utilities Commission	15,893,696	0	15,893,696	0	0	100.5
Division of Real Estate	4,310,729	0	4,310,729	0	0	50.1
Division of Registrations	18,130,540	0	15,907,445	2,216,603	6,492	186.4
Division of Securities	2,721,218	0	2,721,218	0	0	22.0

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
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)
HB 10-1313	(880,822)	(209,478)	(465,737)	(70,613)	(134,994)	(1.0)
<b>FY 2010-11 Total Appropriation:</b>	<b>\$77,770,070</b>	<b>\$1,510,435</b>	<b>\$68,203,204</b>	<b>\$6,825,033</b>	<b>\$1,231,398</b>	<b>578.4</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office and Administrative Services	21,778,711	483,405	16,721,648	4,307,301	266,357	27.5
Division of Banking	4,048,470	0	4,048,470	0	0	44.5
Civil Rights Division	1,756,872	1,027,030	0	297,629	432,213	31.4
Office of Consumer Counsel	897,262	0	897,262	0	0	7.0
Division of Financial Services	1,399,470	0	1,399,470	0	0	15.0
Division of Insurance	7,679,510	0	7,153,506	0	526,004	86.7
Public Utilities Commission	15,883,144	0	15,883,144	0	0	101.6
Division of Real Estate	4,245,295	0	4,245,295	0	0	52.3
Division of Registrations	17,383,639	0	15,156,712	2,220,103	6,824	189.4
Division of Securities	2,697,697	0	2,697,697	0	0	23.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	77,529,678	1,510,435	68,556,145	6,231,700	1,231,398	572.0
SB 10-109	593,333	0	0	593,333	0	1.2
SB 10-124	98,873	0	98,873	0	0	1.0
HB 10-1001	51,440	0	51,440	0	0	0.5

Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1114	23,124	0	23,124	0	0	0.5
HB 10-1128	(35,887)	0	(35,887)	0	0	0.0
HB 10-1141	15,782	0	15,782	0	0	0.0
HB 10-1148	(11,307)	0	(11,307)	0	0	0.0
HB 10-1197	9,028	0	9,028	0	0	0.2
HB 10-1224	3,149	0	3,149	0	0	0.0
HB 10-1260	29,686	0	29,686	0	0	0.0
HB 10-1278	205,828	0	205,828	0	0	2.0
HB 10-1365	74,115	0	74,115	0	0	0.6
HB 10-1385	(860,186)	0	(860,186)	0	0	0.0
HB 10-1415	43,414	0	43,414	0	0	0.4
<b>Increase/(Decrease)</b>	(\$2,123,704)	\$53,184	(\$635,841)	(\$1,557,760)	\$16,713	(17.0)
Percentage Change	(2.7)%	3.7%	(0.9)%	(18.6)%	1.4%	(2.9)%

#### **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations add \$126,000 cash funds to the Executive Director's Office for a technical correction to the information technology asset maintenance line item.
2. Supplemental adjustments reduce the appropriation by a total of \$1.2 million (\$30,000 General Fund, \$1.0 million cash funds, \$166,000 reappropriated funds, and \$14,000 federal funds) to reflect the actual impact of the FY 2009-10 furloughs.
3. Supplemental adjustments reduce the appropriation by a total of \$130,000 General Fund and 1.0 FTE from the Civil Rights Division and \$60,000 General Fund from the Executive Director's Office to address the FY 2009-10 General Fund revenue shortfall.

#### **FY 2010-11 Appropriation Highlights:**

1. The appropriation adds \$1.2 million (\$30,000 General Fund, \$1.0 million cash funds, \$166,000 reappropriated funds and \$14,000 federal funds) to restore one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.
2. The appropriation adds \$240,000 cash funds and 6.2 FTE for the fourteen pieces of legislation passed during the 2010 session.

3. The appropriation provides \$68,000 cash funds and 1.0 FTE to the Division of Securities for an additional investigator who will investigate alleged violations of securities laws.
4. The appropriation is reduced \$1.9 million reappropriated funds and 24.8 FTE for the transfer of information technology staff resources to the Governor's Office of Information Technology.
5. The appropriation is reduced \$850,000, including \$27,000 General Fund, to reflect the reduction to the State's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

## 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, purchasing, facilities planning, and management reporting. The Office of Policy, Research and Regulatory Reform is located within the Executive Director's Office and is responsible for conducting sunrise and sunset reviews of state divisions and programs. The majority of cash funds in this division are from various department cash funds for centrally appropriated lines. The reappropriated funds are primarily from indirect cost recoveries paid by the divisions for central services.

Executive Director's Office and Administrative Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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
HB 09-1085	162,000	0	162,000	0	0	0.0
HB 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
HB 10-1313	<u>(242,206)</u>	<u>(63,191)</u>	<u>19,380</u>	<u>(70,455)</u>	<u>(127,940)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$21,605,350</b>	<b>\$411,528</b>	<b>\$15,060,332</b>	<b>\$5,893,438</b>	<b>\$240,052</b>	<b>52.3</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$21,605,350	\$411,528	\$15,060,332	\$5,893,438	\$240,052	52.3
Statewide IT common policy adjustments	1,870,138	70,146	1,664,118	108,371	27,503	0.0

<b>Executive Director's Office and Administrative Services</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Restore FY 2009-10 furlough reductions	119,712	453	659	118,600	0	0.0
Fund source adjustment	0	(8,072)	(13,159)	21,231	0	0.0
Statewide IT staff consolidation	(1,870,248)	0	0	(1,870,248)	0	(24.8)
Centrally-appropriated line items	(246,429)	13,054	151,011	(410,815)	321	0.0
Annualize prior year funding	(169,710)	0	(169,825)	115	0	0.0
Leased space adjustments	(112,790)	(3,704)	(90,661)	(16,906)	(1,519)	0.0
State PERA contribution reduction	(49,069)	0	0	(49,069)	0	0.0
<b>HB 10-1376</b>	<b>\$21,146,954</b>	<b>\$483,405</b>	<b>\$16,602,475</b>	<b>\$3,794,717</b>	<b>\$266,357</b>	<b>27.5</b>
SB 10-109	512,584	0	0	512,584	0	0.0
SB 10-124	7,538	0	7,538	0	0	0.0
HB 10-1128	(9,799)	0	(9,799)	0	0	0.0
HB 10-1141	6,407	0	6,407	0	0	0.0
HB 10-1148	(11,307)	0	(11,307)	0	0	0.0
HB 10-1224	2,261	0	2,261	0	0	0.0
HB 10-1260	16,584	0	16,584	0	0	0.0
HB 10-1278	90,679	0	90,679	0	0	0.0
HB 10-1365	13,041	0	13,041	0	0	0.0
HB 10-1415	<u>3,769</u>	<u>0</u>	<u>3,769</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$21,778,711</b>	<b>\$483,405</b>	<b>\$16,721,648</b>	<b>\$4,307,301</b>	<b>\$266,357</b>	<b>27.5</b>
<b>Increase/(Decrease)</b>	\$173,361	\$71,877	\$1,661,316	(\$1,586,137)	\$26,305	(24.8)
Percentage Change	0.8%	17.5%	11.0%	(26.9)%	11.0%	(47.4)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B.10-1313 reduced funding by: \$88,831 (\$1,278 General Fund) to reflect the actual impact of the FY 2009-10 furloughs, \$70,345 (\$2,310 General Fund) due to a decrease in leased space expenses, and \$57,124 General Fund for a reduction in legal services provided to the Civil Rights Division, among other changes.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Statewide IT common policy adjustments:** The appropriation includes adjustments to line items appropriated for: purchase of services from the computer center; multiuse network payments; management and administration of the Governor's Office of Information Technology (OIT); and information technology asset maintenance.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Fund source adjustment:** The appropriation includes an increase in reappropriated funds offset by a decrease in General Fund and cash funds to reflect the funding sources for the sunset reviews conducted by the Office of Policy, Research and Regulatory Reform.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources in OIT results in a ten percent cost savings statewide.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life and dental benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; payment to risk management and property funds; vehicle lease payments; and capitol complex leased space.

**Annualize prior year funding:** The appropriation includes adjustments related to: one-time moneys appropriated for hardware/software maintenance in 2009 legislation (a net reduction of \$171,840 cash funds for S.B. 09-026, H.B. 09-1085, H.B. 09-1086, H.B. 09-1136, H.B. 09-1202); an increase of \$2,015 cash funds for increased hardware/software maintenance expenses due to an increase in division staffing approved in FY 2009-10; and an increase of \$115 reappropriated funds for mail expenses paid to the Department of Personnel and Administration.

**Leased space adjustments:** The appropriation includes a decrease in leased space expenses due to a decrease in leased space operating expenses.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on S.B. 10-109, see also the "Recent Legislation" section at the end of the Department of Public Health and Environment.

---

## Division of Banking

The Division of Banking regulates state-chartered commercial and industrial banks, trust companies, debt adjusters, and money order companies. Division staff conduct examinations of banking institutions and ensure compliance with the Public Deposit Protection Act. This Division is entirely cash funded 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$4,319,279	\$0	\$4,319,279	\$0	\$0	44.5

Division of Banking						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 09-1053	(55,728)	0	(55,728)	0	0	(0.5)
HB 10-1313	<u>(36,383)</u>	<u>0</u>	<u>(36,383)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,227,168</b>	<b>\$0</b>	<b>\$4,227,168</b>	<b>\$0</b>	<b>\$0</b>	<b>44.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$4,227,168	\$0	\$4,227,168	\$0	\$0	44.0
Restore FY 2009-10 furlough reductions	82,221	0	82,221	0	0	0.0
Indirect cost assessment	(192,591)	0	(192,591)	0	0	0.0
State PERA contribution reduction	(60,303)	0	(60,303)	0	0	0.0
Annualize prior year funding	(31,149)	0	(31,149)	0	0	0.0
<b>HB 10-1376</b>	<b>\$4,025,346</b>	<b>\$0</b>	<b>\$4,025,346</b>	<b>\$0</b>	<b>\$0</b>	<b>44.0</b>
HB 10-1114	<u>23,124</u>	<u>0</u>	<u>23,124</u>	<u>0</u>	<u>0</u>	<u>0.5</u>
<b>TOTAL</b>	<b>\$4,048,470</b>	<b>\$0</b>	<b>\$4,048,470</b>	<b>\$0</b>	<b>\$0</b>	<b>44.5</b>
<b>Increase/(Decrease)</b>	<b>(\$178,698)</b>	<b>\$0</b>	<b>(\$178,698)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.5</b>
<b>Percentage Change</b>	<b>(4.2)%</b>	<b>n/a</b>	<b>(4.2)%</b>	<b>n/a</b>	<b>n/a</b>	<b>1.1%</b>

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1313 reduced funding \$32,961 cash funds to reflect the actual impact of the FY 2009-10 furloughs and \$3,422 cash funds for changes to the mail procurement plan.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes: a reduction of \$31,368 cash funds for one-time moneys appropriated for 2.0 FTE added in FY 2009-10; and an increase of \$219 cash funds for mail expenses paid to the Department of Personnel and Administration.

**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 and federal funds from the Equal Employment Opportunity Commission and the U.S. Department of Housing and Urban Development.

Civil Rights Division						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$1,921,613	\$1,192,010	\$0	\$272,752	\$456,851	32.4
HB 10-1313	<u>(153,459)</u>	<u>(146,287)</u>	<u>0</u>	<u>0</u>	<u>(7,172)</u>	<u>(1.0)</u>
<b>TOTAL</b>	<b>\$1,768,154</b>	<b>\$1,045,723</b>	<b>\$0</b>	<b>\$272,752</b>	<b>\$449,679</b>	<b>31.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,768,154	\$1,045,723	\$0	\$272,752	\$449,679	31.4
Restore FY 2009-10 furlough reductions	51,209	29,909	0	7,609	13,691	0.0
Fund source adjustment	0	(17,268)	0	17,268	0	0.0
State PERA contribution reduction	(38,249)	(27,316)	0	0	(10,933)	0.0
Indirect cost assessment	(20,224)	0	0	0	(20,224)	0.0
Operating reduction	(3,081)	(3,081)	0	0	0	0.0
Postage adjustment	(937)	(937)	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$1,756,872</u></b>	<b><u>\$1,027,030</u></b>	<b><u>\$0</u></b>	<b><u>\$297,629</u></b>	<b><u>\$432,213</u></b>	<b><u>31.4</u></b>
<b>TOTAL</b>	<b>\$1,756,872</b>	<b>\$1,027,030</b>	<b>\$0</b>	<b>\$297,629</b>	<b>\$432,213</b>	<b>31.4</b>
<b>Increase/(Decrease)</b>	<b>(\$11,282)</b>	<b>(\$18,693)</b>	<b>\$0</b>	<b>\$24,877</b>	<b>(\$17,466)</b>	<b>0.0</b>
Percentage Change	(0.6)%	(1.8)%	n/a	9.1%	(3.9)%	0.0%

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1313 reduced funding by \$129,946 General Fund and 1.0 FTE due to the FY 2009-10 General Fund shortfall, \$22,785 (\$15,613 General Fund) to reflect the actual impact of the FY 2009-10 furloughs, and \$728 cash funds for changes to the mail procurement plan.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Fund source adjustment:** The appropriation includes an increase in reappropriated funds offset by a decrease in General Fund due to a change in indirect cost recoveries.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Indirect cost assessment:** The appropriation includes a decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

**Operating reduction:** The appropriation reflects a 5.0 percent reduction to eligible operating expenditures funded with General Fund.

**Postage adjustment:** The appropriation eliminates a one-time increase associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

---

### 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 Utilities Commission. This Division is entirely cash funded 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$942,153	\$0	\$942,153	\$0	\$0	7.0
HB 10-1313	<u>(20,673)</u>	<u>0</u>	<u>(20,673)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$921,480</b>	<b>\$0</b>	<b>\$921,480</b>	<b>\$0</b>	<b>\$0</b>	<b>7.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$921,480	\$0	\$921,480	\$0	\$0	7.0
Restore FY 2009-10 furlough reductions	20,101	0	20,101	0	0	0.0
Annualize prior year funding	37	0	37	0	0	0.0
Indirect cost assessment	(29,721)	0	(29,721)	0	0	0.0
State PERA contribution reduction	(14,635)	0	(14,635)	0	0	0.0

Office of Consumer Counsel						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1376	<u>\$897,262</u>	<u>\$0</u>	<u>\$897,262</u>	<u>\$0</u>	<u>\$0</u>	<u>7.0</u>
TOTAL	\$897,262	\$0	\$897,262	\$0	\$0	7.0
Increase/(Decrease)	(\$24,218)	\$0	(\$24,218)	\$0	\$0	0.0
Percentage Change	(2.6)%	n/a	(2.6)%	n/a	n/a	0.0%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1313 reduced funding by \$20,101 cash funds to reflect the actual impact of the FY 2009-10 furloughs and \$572 cash funds for changes to the mail procurement plan.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Annualize prior year funding:** The appropriation includes an increase of \$37 cash funds for mail expenses paid to the Department of Personnel and Administration.

**Indirect cost assessment:** The appropriation includes a decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

### Division of Financial Services

This Division regulates state-chartered credit unions, life care institutions, and savings and loan associations. Division staff conduct examinations of financial service institutions to ensure compliance with regulatory standards. This Division is entirely cash funded 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$1,497,894	\$0	\$1,497,894	\$0	\$0	15.0
HB 10-1313	<u>(32,807)</u>	<u>0</u>	<u>(32,807)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

Division of Financial Services						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>TOTAL</b>	<b>\$1,465,087</b>	<b>\$0</b>	<b>\$1,465,087</b>	<b>\$0</b>	<b>\$0</b>	<b>15.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,465,087	\$0	\$1,465,087	\$0	\$0	15.0
Restore FY 2009-10 furlough reductions	31,760	0	31,760	0	0	0.0
Indirect cost assessment	(63,689)	0	(63,689)	0	0	0.0
State PERA contribution reduction	(23,299)	0	(23,299)	0	0	0.0
Annualize prior year funding	(10,389)	0	(10,389)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$1,399,470</u></b>	<b><u>\$0</u></b>	<b><u>\$1,399,470</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>15.0</u></b>
<b>TOTAL</b>	<b>\$1,399,470</b>	<b>\$0</b>	<b>\$1,399,470</b>	<b>\$0</b>	<b>\$0</b>	<b>15.0</b>
<b>Increase/(Decrease)</b>	(\$65,617)	\$0	(\$65,617)	\$0	\$0	0.0
Percentage Change	(4.5)%	n/a	(4.5)%	n/a	n/a	0.0%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1313 reduced \$31,760 cash funds to reflect the actual impact of the FY 2009-10 furloughs and reduced \$1,047 cash funds for changes to the mail procurement plan.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes: a reduction of \$10,456 cash funds for one-time moneys appropriated for 1.0 FTE added in FY 2009-10; and an increase of \$67 cash funds for mail expenses paid to the Department of Personnel and Administration.

## Division of Insurance

This Division is responsible for the licensing of insurance agents and adjusters and regulation of: 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.

Division of Insurance						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$8,930,279	\$0	\$8,411,817	\$0	\$518,462	86.7
HB 10-1313	<u>(79,927)</u>	<u>0</u>	<u>(79,927)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$8,850,352</b>	<b>\$0</b>	<b>\$8,331,890</b>	<b>\$0</b>	<b>\$518,462</b>	<b>86.7</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$8,850,352	\$0	\$8,331,890	\$0	\$518,462	86.7
Restore FY 2009-10 furlough reductions	181,731	0	181,731	0	0	0.0
Adjustments to CAPCO Administration	397	0	397	0	0	0.0
Annualize prior year funding	219	0	219	0	0	0.0
Indirect cost assessment	(348,616)	0	(357,320)	0	8,704	0.0
State PERA contribution reduction	(132,311)	0	(131,149)	0	(1,162)	0.0
Adjustments to Insurance Fraud Prosecution	(12,076)	0	(12,076)	0	0	0.0
<b>HB 10-1376</b>	<b>\$8,539,696</b>	<b>\$0</b>	<b>\$8,013,692</b>	<b>\$0</b>	<b>\$526,004</b>	<b>86.7</b>
HB 10-1385	<u>(860,186)</u>	<u>0</u>	<u>(860,186)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$7,679,510</b>	<b>\$0</b>	<b>\$7,153,506</b>	<b>\$0</b>	<b>\$526,004</b>	<b>86.7</b>
<b>Increase/(Decrease)</b>	<b>(\$1,170,842)</b>	<b>\$0</b>	<b>(\$1,178,384)</b>	<b>\$0</b>	<b>\$7,542</b>	<b>0.0</b>
Percentage Change	(13.2)%	n/a	(14.1)%	n/a	1.5%	0.0%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1313 reduced funding by \$76,508 cash funds to reflect the actual impact of the FY 2009-10 furloughs and \$3,419 cash funds for changes to the mail procurement plan.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Adjustments to CAPCO Administration:** The appropriation in this line item is reappropriated to the CAPCO Administration line item in the Governor's Office and includes an increase of \$397 cash funds for adjustments to personal services.

**Annualize prior year funding:** The appropriation includes an increase of \$219 cash funds for mail expenses paid to the Department of Personnel and Administration.

**Indirect cost assessment:** The appropriation includes a decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Adjustments to Insurance Fraud Prosecution:** The appropriation in this line item is reappropriated to the Special Prosecutions Unit line item in the Department of Law and includes a decrease of \$12,076 cash funds.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1385, see also the "Recent Legislation" section at the end of the Department of Law.

## Public Utilities Commission

The Public Utilities Commission regulates the rates and services of fixed utilities and transportation utilities located in the state and administers the following programs: the Colorado Telecommunications High Cost Program, the Low-Income Telephone Assistance Program, the Highway Crossing Protection Program, and the Disabled Telephone Users Program. This Division is entirely cash funded, primarily from the Public Utilities Commission Fixed Utility Fund, the Disabled Telephone Users Fund, the Low-Income Telephone Assistance Fund, and the Public Utilities Commission Motor Carrier Fund.

Public Utilities Commission						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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)
HB 10-1313	<u>(114,246)</u>	<u>0</u>	<u>(114,246)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$15,893,696</b>	<b>\$0</b>	<b>\$15,893,696</b>	<b>\$0</b>	<b>\$0</b>	<b>100.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$15,893,696	\$0	\$15,893,696	\$0	\$0	100.5
Adjustments to the Commission for the Deaf and Hard of Hearing	254,048	0	254,048	0	0	0.0

<b>Public Utilities Commission</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Restore FY 2009-10 furlough reductions	249,204	0	249,204	0	0	0.0
Indirect cost assessment	(431,331)	0	(431,331)	0	0	0.0
State PERA contribution reduction	(184,833)	0	(184,833)	0	0	0.0
Annualize prior year funding	(10,154)	0	(10,154)	0	0	0.0
<b>HB 10-1376</b>	<b>\$15,770,630</b>	<b>\$0</b>	<b>\$15,770,630</b>	<b>\$0</b>	<b>\$0</b>	<b>100.5</b>
HB 10-1001	51,440	0	51,440	0	0	0.5
HB 10-1365	<u>61,074</u>	<u>0</u>	<u>61,074</u>	<u>0</u>	<u>0</u>	<u>0.6</u>
<b>TOTAL</b>	<b>\$15,883,144</b>	<b>\$0</b>	<b>\$15,883,144</b>	<b>\$0</b>	<b>\$0</b>	<b>101.6</b>
<b>Increase/(Decrease)</b>	(\$10,552)	\$0	(\$10,552)	\$0	\$0	1.1
Percentage Change	(0.1)%	n/a	(0.1)%	n/a	n/a	1.1%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1313 reduced funding by \$108,466 cash funds to reflect the actual impact of the FY 2009-10 furloughs, \$4,718 cash funds for changes to the mail procurement plan, and \$1,062 cash funds for a technical correction.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Adjustments to Commission for the Deaf and Hard of Hearing:** The appropriation in this line item is reappropriated to the Commission for the Deaf and Hard of Hearing line item in the Department of Human Services and includes an increase of \$254,048 cash funds to accommodate changes to personal services and operating expenses.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes: a reduction of \$10,456 cash funds for one-time moneys appropriated for 2.0 FTE added in FY 2009-10; and an increase of \$302 cash funds for mail expenses paid to the Department of Personnel and Administration.

**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 works to be 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 entirely cash funded primarily from the Division of Real Estate Cash Fund and the Mortgage Broker Licensing Cash Fund.

Division of Real Estate						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$4,303,396	\$0	\$4,303,396	\$0	\$0	49.1
HB 09-1085	40,636	0	40,636	0	0	1.0
HB 10-1313	<u>(33,303)</u>	<u>0</u>	<u>(33,303)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,310,729</b>	<b>\$0</b>	<b>\$4,310,729</b>	<b>\$0</b>	<b>\$0</b>	<b>50.1</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$4,310,729	\$0	\$4,310,729	\$0	\$0	50.1
Restore FY 2009-10 furlough reductions	85,946	0	85,946	0	0	0.0
Indirect cost assessment	(201,177)	0	(201,177)	0	0	0.0
State PERA contribution reduction	(63,288)	0	(63,288)	0	0	0.0
Mortgage broker consumer protection	(6,026)	0	(6,026)	0	0	0.0
Annualize prior year funding	(5,066)	0	(5,066)	0	0	0.0
<b>HB 10-1376</b>	<b>\$4,121,118</b>	<b>\$0</b>	<b>\$4,121,118</b>	<b>\$0</b>	<b>\$0</b>	<b>50.1</b>
HB 10-1197	9,028	0	9,028	0	0	0.2
HB 10-1278	<u>115,149</u>	<u>0</u>	<u>115,149</u>	<u>0</u>	<u>0</u>	<u>2.0</u>
<b>TOTAL</b>	<b>\$4,245,295</b>	<b>\$0</b>	<b>\$4,245,295</b>	<b>\$0</b>	<b>\$0</b>	<b>52.3</b>
<b>Increase/(Decrease)</b>	<b>(\$65,434)</b>	<b>\$0</b>	<b>(\$65,434)</b>	<b>\$0</b>	<b>\$0</b>	<b>2.2</b>
Percentage Change	(1.5)%	n/a	(1.5)%	n/a	n/a	4.4%

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1313 reduced funding by \$30,367 cash funds to reflect the actual impact of the FY 2009-10 furloughs, \$2,547 cash funds for changes to the mail procurement plan, and \$389 cash funds for a technical correction.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Mortgage broker consumer protection:** The appropriation includes an increase for the mortgage broker consumer protection unit in the Department of Law.

**Annualize prior year funding:** The appropriation includes: a reduction of \$5,228 cash funds for one-time moneys appropriated in H.B. 09-1085; and an increase of \$162 cash funds for mail expenses paid to the Department of Personnel and Administration.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1197, see also the "Recent Legislation" section at the end of the Department of Revenue.

---

## Division of Registrations

This Division regulates over 324,000 licensees in forty-eight professions and occupations. Boards and Commissions establish regulatory standards to ensure a minimal level of licensee competency and rules to ensure a safe environment for professionals and customers. The Division is primarily funded with cash funds from the Division of Registrations Cash Fund. Reappropriated funds are primarily from departmental indirect cost recoveries.

Division of Registrations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
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
SB 09-167	9,175	0	9,175	0	0	0.0

Division of Registrations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
SB 09-239	219,086	0	219,086	0	0	2.7
HB 09-1086	104,123	0	104,123	0	0	1.0
HB 09-1136	59,629	0	59,629	0	0	1.0
HB 09-1202	121,911	0	121,911	0	0	1.4
HB 10-1313	<u>(145,075)</u>	<u>0</u>	<u>(145,035)</u>	<u>(158)</u>	<u>118</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$18,130,540</b>	<b>\$0</b>	<b>\$15,907,445</b>	<b>\$2,216,603</b>	<b>\$6,492</b>	<b>186.4</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$18,130,540	\$0	\$15,907,445	\$2,216,603	\$6,492	186.4
Restore FY 2009-10 furlough reductions	329,996	0	290,226	39,770	0	0.0
Fund source adjustment	0	0	88,064	(88,064)	0	0.0
Indirect cost assessment	(930,056)	0	(930,388)	0	332	0.0
State PERA contribution reduction	(245,019)	0	(216,064)	(28,955)	0	0.0
Annualize prior year funding	(96,038)	0	(96,038)	0	0	0.4
Postage adjustment	(14,790)	0	(14,790)	0	0	0.0
<b>HB 10-1376</b>	<b>\$17,174,633</b>	<b>\$0</b>	<b>\$15,028,455</b>	<b>\$2,139,354</b>	<b>\$6,824</b>	<b>186.8</b>
SB 10-109	80,749	0	0	80,749	0	1.2
SB 10-124	91,335	0	91,335	0	0	1.0
HB 10-1128	(26,088)	0	(26,088)	0	0	0.0
HB 10-1141	9,375	0	9,375	0	0	0.0
HB 10-1224	888	0	888	0	0	0.0
HB 10-1260	13,102	0	13,102	0	0	0.0
HB 10-1415	<u>39,645</u>	<u>0</u>	<u>39,645</u>	<u>0</u>	<u>0</u>	<u>0.4</u>
<b>TOTAL</b>	<b>\$17,383,639</b>	<b>\$0</b>	<b>\$15,156,712</b>	<b>\$2,220,103</b>	<b>\$6,824</b>	<b>189.4</b>
<b>Increase/(Decrease)</b>	<b>(\$746,901)</b>	<b>\$0</b>	<b>(\$750,733)</b>	<b>\$3,500</b>	<b>\$332</b>	<b>3.0</b>
Percentage Change	(4.1)%	n/a	(4.7)%	0.2%	5.1%	1.6%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1313 reduced funding by \$127,846 (\$120,806 cash funds) to reflect the actual impact of the FY 2009-10 furloughs, \$15,800 cash funds for changes to the mail procurement plan, and \$1,429 cash funds for a technical correction.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Fund source adjustment:** The appropriation includes an increase in cash funds offset by a decrease in reappropriated funds due to the amount of departmental indirect costs collected.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes adjustments related to: a net reduction of \$101,382 cash funds and 0.4 FTE for moneys appropriated in 2008 and 2009 legislation (S.B. 08-219, S.B. 09-026, S.B. 09-138, S.B. 09-167, S.B. 09-239, H.B. 09-1086, H.B. 09-1136, H.B. 09-1202); a reduction of \$10,456 cash funds for one-time moneys appropriated for 2.0 FTE added in FY 2009-10; and an increase of \$15,800 cash funds for mail expenses paid to the Department of Personnel and Administration.

**Postage adjustment:** The appropriation eliminates a one-time increase associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on S.B. 10-109, see also the "Recent Legislation" section at the end of the Department of Public Health and Environment.

---

## Division of Securities

This Division monitors the conduct of state-licensed securities broker-dealers and sales representatives, and investigates complaints and other indications of securities fraud. Division staff perform examinations of dealer offices and investment advisory firms to ensure compliance with regulatory laws. The Division is entirely funded with cash funds from the Division of Securities Cash Fund.

Division of Securities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$2,743,961	\$0	\$2,743,961	\$0	\$0	22.0
HB 10-1313	<u>(22,743)</u>	<u>0</u>	<u>(22,743)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,721,218</b>	<b>\$0</b>	<b>\$2,721,218</b>	<b>\$0</b>	<b>\$0</b>	<b>22.0</b>

Division of Securities						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$2,721,218	\$0	\$2,721,218	\$0	\$0	22.0
Additional investigator	67,848	0	67,848	0	0	1.0
Restore FY 2009-10 furlough reductions	53,271	0	53,271	0	0	0.0
Indirect cost assessment	(86,113)	0	(86,113)	0	0	0.0
State PERA contribution reduction	(40,167)	0	(40,167)	0	0	0.0
Annualize prior year funding	(9,777)	0	(9,777)	0	0	0.0
Adjustments to Securities Fraud Prosecution	(7,947)	0	(7,947)	0	0	0.0
Postage adjustment	(636)	0	(636)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$2,697,697</u></b>	<b><u>\$0</u></b>	<b><u>\$2,697,697</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>23.0</u></b>
<b>TOTAL</b>	<b><u>\$2,697,697</u></b>	<b><u>\$0</u></b>	<b><u>\$2,697,697</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>23.0</u></b>
<hr/>						
<b>Increase/(Decrease)</b>	(\$23,521)	\$0	(\$23,521)	\$0	\$0	1.0
Percentage Change	(0.9)%	n/a	(0.9)%	n/a	n/a	4.5%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1313 reduced funding by \$21,838 cash funds to reflect the actual impact of the FY 2009-10 furloughs, \$679 cash funds for changes to the mail procurement plan, and \$226 cash funds for a technical correction.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Additional investigator:** The appropriation includes an increase of \$67,848 cash funds and 1.0 FTE to maintain regulatory standards through investigations of violations of securities laws.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net decrease in indirect cost assessments due to decreased appropriations to centrally-appropriated line items in the Executive Director's Office.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes: a reduction of \$10,456 cash funds for one-time moneys appropriated for 2.0 FTE added in FY 2009-10; and an increase of \$679 cash funds for one-time FY 2009-10 mail equipment expenses paid to the Department of Personnel and Administration

**Adjustments to Securities Fraud Prosecution:** The appropriation in this line item is reappropriated to the Special Prosecutions Unit line item in the Department of Law and includes a decrease of \$7,947 cash funds.

**Postage adjustment:** The appropriation eliminates a one-time increase associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

## Recent Legislation

### 2009 Session Bills

**S.B. 09-026:** Requires athletic trainers to be registered and establishes a registration program in the Division of Registrations. Appropriates \$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:** Continues the regulation of certified nurse aides (CNAs) through September 1, 2020, and makes adjustments to the regulation program and advisory committees. Appropriates \$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 Registrations until July 1, 2020, and implements the recommendations made in the 2008 sunset review. Appropriates \$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. 09-239:** Continues the state board of nursing through July 1, 2020, and implements changes recommended in the 2008 sunset review. Establishes the requirements an advance practice nurse must satisfy in order to receive provisional prescriptive authority. Appropriates of \$259,881 cash funds and 2.7 FTE to the Division of Registrations and 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 in FY 2009-10. 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 in FY 2009-10. 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 the membership of the

Banking Board by replacing the executive officer of an industrial bank with the executive officer of a licensed money transmitter. 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 requires that on and after July 31, 2010, mortgage loan originators must be registered with the Nationwide Mortgage Licensing System and Registry. Appropriates \$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. Appropriates \$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 the requirements for the renewal of a license by a professional electrician. Requires the State Electrical Board to establish standards to ensure the continued competency of licensed electricians. Appropriates \$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. 09-1202:** Creates a registrations program in the Division of Registrations for funeral establishments and crematories. Appropriates \$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 motor vehicle property carriers 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. Reduces the FY 2009-10 appropriation to the Public Utilities Commission by \$13,967 cash funds and 0.4 FTE.

## **2010 Session Bills**

**S.B. 10-109:** Requires the Department of Public Health and Environment (DPHE) to promulgate new rules for medical marijuana identification cards and prescribing physicians. Establishes requirements for physicians who prescribe medical marijuana and allows the State Board of Medical Examiners in the Department of Regulatory Agencies to investigate and sanction physicians guilty of violations. Also allows DPHE to impose sanctions on physicians guilty of violating these requirements. Establishes reporting requirements for patients with a valid identification card who are convicted of a drug offense and requirements for patients with legal guardians. Makes the following appropriations:

- Appropriates \$815,224 cash funds from the Medical Marijuana Program Cash Fund and 2.1 FTE to the Department of Public Health and Environment (DPHE).
- Reappropriates \$593,333 along with 1.2 FTE to the Department of Regulatory Agencies (DORA) from the moneys appropriated to the DPHE.
- Reappropriates \$612,463 along with 5.2 FTE to the Department of Law for the provision of legal services to DPHE and DORA. Of this amount, \$99,879 is from the DPHE and \$512,584 is from DORA.

For additional information on S.B. 10-109, see the "Recent Legislation" section at the end of the Department of Public Health and Environment.

**S.B. 10-124:** Extends the Michael Skolnik Medical Transparency Act to certain health care professionals applying for a new, reinstated, reactivated or renewal license or certification to submit information to the State Board of Medical Examiners. Appropriates \$98,873 cash funds from the Division of Registrations Cash Fund and 1.0 FTE to the Division of Registrations in the Department of Regulatory Agencies and reappropriates \$7,538 to the Department of Law for the provision of legal services.

**H.B. 10-1001:** Requires a utility to have a renewable energy portfolio standard (RPS) equal to 30 percent by 2020 and requires a portion of the RPS to be met through "distributed generation" (DG). Allows the Public Utilities Commission (PUC) to reduce the DG percentage after 2014 and incrementally reduce the existing standard rebate offer if the market can support the change. Directs the PUC to require registration with a regional system for tracking renewable energy generation for large DG facilities. The act also:

- Allows a utility to advance funds that do not exceed the 2 percent rate cap from year to year for the acquisition of renewable energy resources with PUC approval;
- Directs the PUC to ensure that a utility allocates its expenditures according to the proportion of its revenues derived from residential and nonresidential customers;
- Increases the threshold at which a utility may negotiate purchases of renewable energy credits from individual customers from 100 kW to 500 kW; and
- Allows the PUC to determine a reasonable retail rate that solar program participants pay into the renewable energy standard adjustment.

Requires new photovoltaic (PV) installations occurring on and after January 1, 2012 to be funded through ratepayer incentives and rebates and to be installed by licensed electricians or apprentices. Authorizes any committee formed by executive order for the purpose of studying the desirability of regulating solar installers to request a sunrise review. Appropriates \$51,440 cash funds from the PUC Fixed Utility Fund and 0.5 FTE to the Public Utilities Commission in the Department of Regulatory Agencies.

**H.B. 10-1114:** Authorizes the Banking Board (Board) to share information about money transmitters with the United States Attorney General. Requires money transmitter agents to provide certain business information to the Board, sign a statement containing a notice of the money laundering laws, and/or receive training on money laundering laws. Prohibits a money transmitter from employing an agent who has committed certain crimes related to banking or property. Makes the initial violation a class 2 misdemeanor and subsequent violations a class 1 misdemeanor. Appropriates \$23,124 cash funds from the Division of Banking Cash Fund and 0.5 FTE to the Division of Banking in the Department of Regulatory Agencies.

**H.B. 10-1128:** Clarifies that moneys collected on behalf of administering entities of professional peer review programs do not constitute state fiscal year spending for purposes of Section 20 of Article X of the State Constitution (TABOR). Clarifies that exemptions from the dental practice act apply to dental students and residents. Deletes duplicative requirements for foreign-trained dentists teaching at dental schools and duplicative requirements for X-ray technicians. Authorizes the Director of the Division of Registrations to take disciplinary action against massage therapists convicted of unlawful sexual behavior or prostitution-related offenses. Exempts out-of-state chiropractors and medical doctors working at United States Olympic Committee sanctioned events, and out-of-state medical doctors working at Shriners hospitals from the requirement to obtain special temporary licenses. Repeals the regulation of athlete agents by the Division of Registrations.

Reduces the FY 2010-11 appropriation to the Division of Registrations in the Department of Regulatory Agencies by \$25,887 cash funds, and reduces the appropriation to the Department of Law by \$9,799 reappropriated funds.

**H.B. 10-1141:** Creates the five member Board of Mortgage Loan Originators (Board) in the Division of Real Estate as a Type 1 board and requires the Board to regulate mortgage companies, loan originators, and brokers. Requires mortgage companies and loan originators to have a state license and be registered with the Nationwide Mortgage Licensing System and Registry effective January 1, 2011. Requires mortgage companies and loan originators to obtain a unique identifying number that must appear on all residential loan application forms. Appropriates \$15,782 cash funds from the Mortgage Company Loan Originator Licensing Fund to the Division of Real Estate in the Department of Regulatory Agencies and reappropriates \$6,407 to the Department of Law for the provision of legal services.

**H.B. 10-1148:** Repeals the continuing professional competency requirement for an architect. Reduces the FY 2010-11 appropriation to the Division of Registrations by \$11,307 cash funds, and reduces the appropriation to the Department of Law by the same amount of reappropriated funds.

**H.B. 10-1197:** Limits aggregate credits for donating conservation easements to \$26 million each year for the 2011, 2012, and 2013 income tax years. Taxpayers are first required to submit a claim for a tax credit to the Division of Real Estate, which will issue a certificate in the order the claims were received. If more than \$26 million in credits are claimed, the claims not issued certificates will be placed on a waiting list and certificates will be issued in a subsequent year. Appropriates \$9,028 cash funds from the Conservation Easement Holder Certification Fund and 0.2 FTE to the Division of Real Estate in the Department of Regulatory Agencies. For additional information on H.B. 10-1197, see the "Recent Legislation" section at the end of the Department of Revenue.

**H.B. 10-1224:** Continues the regulation of podiatrists by the Colorado Board of Podiatry until July 1, 2020 and implements the recommended changes in the 2009 sunset review. Appropriates \$3,149 cash funds from the Division of Registrations Cash Fund to the Division of Registrations and reappropriates \$2,261 to the Department of Law for the provision of legal services.

**H.B. 10-1260:** Continues the regulation of medical doctors by the Colorado Medical Board through July 1, 2019, and implements the recommendations made in the 2009 sunset review. On January 1, 2011 transfers the regulation of emergency medical technicians from the Board to the newly-created, eleven member, Emergency Medical Practice Advisory Council within the Department of Public Health and Environment. Appropriates \$29,686 cash funds from the Division of Registrations Cash Fund to the Division of Registrations and reappropriates \$16,584 to the Department of Law for the provision of legal services. For additional information on H.B. 10-1260, see the "Recent Legislation" section at the end of the Department of Public Health and Environment.

**H.B. 10-1278:** Creates the Home Owners Association (HOA) Information and Resource Center (Center) which is under the direction of the HOA Information Officer. Requires the Center to advocate on behalf of unit owners, mediate disputes, and act as a clearing house for information on the governing law, to track inquiries and complaints, and to report annually on the number and type of inquiries and complaints received. Requires HOAs to register and pay the applicable fee and prohibits an HOA from pursuing lien for assessments or otherwise enforce its rights and remedies under the "Colorado Common Interest Ownership Act" if the HOA fails to register and/or pay the fee. Caps the registration fee at \$50 and exempts HOAs from the fee if they do

not charge a fee or cap their fee at \$400. Creates the HOA Information and Resource Center Cash Fund (Fund). Makes an appropriation of \$205,828 cash funds from the Fund and 2.0 FTE to the Division of Real Estate in the Department of Regulatory Agencies and reappropriates \$15,679 along with 0.1 FTE to the Department of Law for the provision of legal services.

**H.B. 10-1313:** Supplemental appropriation to the Department of Regulatory Agencies for FY 2009-10.

**H.B. 10-1365:** Requires all rate-regulated utilities that own or operate coal-fired electric generating units to submit to the Public Utilities Commission (PUC) a plan to reduce emissions from those units covering the lesser of 900 megawatts or 50 percent of the utility's coal-fired electric generating units in Colorado. Allows the Department of Public Health and Environment the opportunity to comment on the utilities' plans and to determine whether the new or repowered electric generating units proposed under the plans will achieve certain emission rates. Requires the PUC to accept, reject or modify plans by December 15, 2010 and requires utilities to implement plans by December 31, 2017. Allows the PUC on and after January 1, 2012 to approve interim rates and requires a utility to rebate the excess if a final rate is lower than an interim rate. Appropriates \$74,115 cash funds and 0.6 FTE to the Public Utilities Commission in the Department of Regulatory Agencies and reappropriates \$13,041 along with 0.1 FTE to the Department of Law for the provision of legal services.

**H.B. 10-1376:** General appropriations act for FY 2010-11.

**H.B. 10-1385:** Requires the insurance fraud fee be credited to the newly created Insurance Fraud Cash Fund, and caps the fee at \$561. Requires the fee be used to offset the direct and indirect costs of insurance fraud investigations and prosecutions by the Department of Law. Reduces the FY 2010-11 appropriation to the Division of Insurance by \$860,186 cash funds. For additional information on H.B. 10-1385, see the "Recent Legislation" section at the end of the Department of Law.

**H.B. 10-1415:** Effective April 1, 2011 creates a registration program in the Division of Registrations for surgical assistants and surgical technologists. Requires the Division to create a database of registered surgical assistants and surgical technologists, and requires employers to check the database before employing a surgical assistant or surgical technologist. Appropriates \$43,414 cash funds from the Division of Registrations Cash Fund and 0.4 FTE to the Division of Registrations in the Department of Regulatory Agencies and reappropriates \$3,769 to the Department of Law for the provision of legal services.

# DEPARTMENT OF REVENUE

The Department of Revenue is organized into three functional groups: Taxation, Motor Vehicles, and Enforcement. The Taxation Business Group collects revenues for state government and for local governments. 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, operates the hearings division, and new for FY 2010-11, regulates medical marijuana dispensaries, cultivation facilities and infused products manufacturing facilities. 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 to collect 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 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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund /1	\$95,291,960	\$100,649,490	\$73,749,339	\$70,714,586
Cash Funds	53,730,841	583,661,442	615,399,703	630,786,977
Cash Funds Exempt /2	453,907,053	n/a	n/a	n/a
Reappropriated Funds /2	n/a	1,392,448	1,398,939	1,537,481
Federal Funds	<u>1,546,214</u>	<u>1,471,598</u>	<u>1,525,374</u>	<u>815,619</u>
<b>Total Funds</b>	<b>\$604,476,068</b>	<b>\$687,174,978</b>	<b>\$692,073,355</b>	<b>\$703,854,663</b>
Full Time Equiv. Staff	1,480.0	1,496.8	1,490.7	1,521.5

/1 Includes moneys (\$20,800,000 in FY 2009-10 and \$19,500,000 in FY 2010-11) that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S.

/2 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 drivers 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 2010-11 consists of 10.0 percent General Fund, 89.6 percent cash funds, 0.2 percent reappropriated funds, and 0.1 percent federal funds. More than 72 percent of the Department's budget is for the State Lottery, and almost 95 percent of the Lottery expenditures are for prizes, commissions and other expenses that vary directly with sales.

### Taxation Business Group

Last year, the Department collected \$9.0 billion in state taxes consisting primarily of income taxes and sales, use and excise taxes. In addition, another \$1.1 billion in sales taxes were collected on behalf of local governments. The complexity of 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. 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.

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.

The cost of administering the tax code relative to tax collections has been declining since FY 2002-03, though it increased slightly in FY 2008-09. The costs of collecting taxes has declined from a ten-year high of 1.38 percent in FY 2002-03 to 1.01 percent in FY 2008-09. The primary reason that the cost of collecting taxes as a percentage of tax revenue increased from FY 2007-08 to FY 2008-09 is that tax revenues fell by 7.4 percent, while the administrative costs fell by 3.8 percent. A similar increase occurred during the last economic downturn. The administrative costs of collecting state taxes for the last ten years is shown in the table below.

Costs of Tax Administration vs Tax Collections			
Fiscal Year	Gross Collections	Administrative Costs	Costs as Percentage of Collections
1999-00	\$8,149,688,523	\$102,687,504	1.26%
2000-01	8,653,902,089	108,855,606	1.26%
2001-02	8,012,213,761	107,136,494	1.34%
2002-03	7,981,969,628	110,484,770	1.38%
2003-04	8,335,854,177	104,393,751	1.25%
2004-05	9,027,369,791	107,948,818	1.20%
2005-06	10,197,697,020	109,003,382	1.07%
2006-07	10,919,575,395	108,895,307	1.00%
2007-08	11,529,208,182	112,484,115	0.98%
2008-09	10,670,993,094	108,186,172	1.01%

## Division of Motor Vehicles

The Division of Motor Vehicles issues driver's licenses and identification cards, maintains driver records and administers administrative sanctions, suspensions, and reinstatements of drivers licenses, regulates commercial driving schools, oversees the State's vehicle emissions program, provides support for the statewide vehicle titling and registration system (CSTARS), oversees the motorist insurance identification database program, and administers the ignition interlock subsidy program.

### *Driver and Vehicle Services*

There are more than 3.6 million licensed drivers in Colorado. Drivers 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. In FY 2001-02, the term of a driver's license was increased from five to ten years. 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. As a result of subsequent legislation passed in order to comply with federal law, the State returned to five-year renewals beginning in 2005. Starting January 2010, the first driver's licenses that were issued with the five year expiration dates are due for renewal, as well as ten-year licences that are due for renewal, resulting in an expected increase in the number of documents issued.

Number of Documents Issued by Driver's License Offices						
FY 2003-04 Actual	FY 2005-06 Actual	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Projected	FY 2010-11 Projected
Documents Issued	1,056,727	629,888	899,194	866,332	895,796	1,085,583
Percentage Change	(20.1)%	(40.4)%	42.8%	(2.8)%	3.4%	21.2%

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.

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 added 53.0 FTE to staff the new offices and increase staff at other offices. Senate Bill 09-274 refinanced, for FY 2009-10, \$17 million of General Fund with cash funds from the Licensing Services Cash Fund (to which all driver's license fees were diverted) and with Highway Users Tax Fund (HUTF) "Off-the-top" moneys. House Bill 10-1387 extended that refinance for FY 2010-11 and FY 2011-12, refinancing \$20.0 million General Fund with \$20.0 million cash funds each year, including \$2.7 million in HUTF "Off-the-Top" moneys for FY 2010-11.

In addition to issuing drivers licenses, the Driver and Vehicle Services section is responsible for managing drivers licensing records; verifying documents presented for identification, including proof of the applicant's legal presence in the United States, identifying and administering administrative sanctions, including all restraints for alcohol related driving offenses, investigating fraud related to drivers licenses and identification cards, providing support and coordination for the motor vehicle registration process, and supervising license plate ordering and distribution.

#### *Vehicle Emissions Program*

The program licenses vehicle emissions testing site operators, inspectors, and mechanics; conducts inspections of vehicle emissions testing facilities to insure compliance with statutory requirements; and validates inspector and mechanic performance standards.

#### *Titles Program*

The Titles program is responsible for the issuance of legal, negotiable certificates of title to protect the public when purchasing motor vehicles. Program staff review all high-risk title applications to verify that the assignment of ownership has been properly made.

#### *Motorist Insurance Identification Database (MIIDB) Program*

The Motorist Insurance Identification Database program helps law enforcement officers verify driver compliance with the State's motor vehicle insurance requirements. The program is authorized to suspend driving privileges for uninsured motorists.

### *Ignition Interlock Subsidy Program*

The ignition interlock subsidy program was created to assist first-time drunk driving offenders obtain an ignition interlock device that prevents driving while intoxicated. The subsidy assists those who cannot afford the devices.

## **Motor Carrier Services Division**

The Motor Carrier Services Division (Ports of Entry) receives a portion of Highway Users Tax Fund (HUTF) revenues for supervision of the highways. The distributions to the Ports of Entry and to the State Patrol are taken "off-the-top" before the formula allocations of HUTF to the State Highway Fund, counties, and cities. State law permits the off-the-top HUTF appropriations for highway supervision to grow by six percent annually 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 percentage or monetary cap.

The table below shows Ports of Entry and safety inspection activity for the last five fiscal years.

	<b>Motor Carrier Services Activity</b>				
	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>
Number of trucks cleared	5,777,134	5,969,603	6,348,808	6,484,733	5,893,170
Trucks weighed	4,930,889	5,016,784	5,423,400	5,525,622	4,968,423
Special fuel permits	6,197	5,986	6,806	6,571	6,162
Hazardous material permits	1,234	1,299	1,426	1,372	1,253
Safety Inspections	32,442	30,228	24,579	20,608	24,476
Safety citations issued	11,925	13,779	12,810	11,507	11,430
Trucks/Drivers placed out of service	14,503	12,938	10,719	9,295	9,920
Out-of-service safety violations	29,510	19,955	22,886	19,796	17,678

## **Enforcement Business Group**

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 in FY 2007-08, a reduction of \$400,000 from FY 2006-07. State pari-mutuel tax collections have fallen from \$4.5 million in FY 2002-03 to \$471,000 in FY 2008-09.

### *Limited Gaming Division*

The Limited Gaming Division licenses and regulates the limited gaming industry, including gaming devices, facilities, personnel, and activities. The division also enforces the laws contained in the Limited Gaming Act as well as the rules and regulations promulgated by the Colorado Limited Gaming Control Commission (Commission). The Commission has constitutional authority to allocate moneys to the Division. Moneys remaining in the Limited Gaming Fund after the payment of the Division's expenses are distributed according to the Constitution as follows:

- 28 percent to the State Historical Society
- 12 percent to the gaming counties (Gilpin and Teller) in amounts proportional to gaming revenues collected in each county
- 10 percent to the gaming cities (Black Hawk, Central City, and Cripple Creek) in amounts proportional to gaming revenues collected in each city
- 50 percent to the General Fund or such other uses or funds as the General Assembly may provide.

With the voters' approval of Amendment 50 in 2008, limited gaming was expanded to include higher limits on bets, extended hours, and new games. The proceeds of expanded gaming, after expenses and distributions to limited gaming cities and counties, are to benefit the state's community colleges.

State limited gaming revenues, expenses and distributions are detailed in the following table.

<b>Limited Gaming Revenues, Actual Expenses, and Distributions</b>					
	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>
<b>Limited Gaming revenue</b>	\$100,571,614	\$108,017,575	\$116,034,393	\$112,074,885	\$97,445,021
Commission/Division expenses	<u>8,379,344</u>	<u>8,701,436</u>	<u>9,012,969</u>	<u>10,318,448</u>	<u>11,251,725</u>
Available for Distribution	\$92,192,270	\$99,316,139	\$107,021,424	\$101,756,437	\$86,193,296
<b>Distributions</b>					
State Historical Society	\$26,020,457	\$28,041,290	\$29,779,880	\$28,165,675	\$23,878,704
<u>Limited Gaming Counties</u>					
Gilpin County	8,893,755	9,616,921	10,317,452	9,773,892	8,196,195
Teller County	2,257,869	2,400,775	2,445,354	2,297,112	2,037,536
<u>Limited Gaming Cities</u>					
City of Black Hawk	6,587,172	7,110,170	7,530,055	7,172,188	6,056,663
Central City	824,291	903,931	1,067,821	972,722	773,499
City of Cripple Creek	1,881,558	2,000,646	2,037,795	1,914,260	1,697,946
General Fund	40,238,779	17,464,148	6,547,293	0	2,811,210
Local Government Gaming Impact Fund	6,040,463	6,509,585	6,913,186	6,538,460	5,543,271
Department of Transportation	0	0	5,259,411	14,292,757	10,127,274
Tourism Promotion Fund	185,860	19,000,000	19,676,799	20,107,662	15,578,699
State Council on the Arts Cash Fund	0	1,500,000	1,553,432	1,587,447	1,200,026
Film Incentives Cash Fund	0	600,000	621,373	634,979	180,011
New Jobs Incentives Cash Fund	0	3,000,000	3,106,863	3,174,894	1,400,052
Bioscience Discovery Evaluation Grant Program	0	2,000,000	2,500,000	0	4,500,000
Clean Energy Fund	0	0	7,000,000	3,959,650	0
Office of Economic Development Film Commission	0	0	0	0	300,000
Innovative Higher Ed Research Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000,000</u>
<b>Total Distributions</b>	\$92,930,204	\$100,147,466	\$106,356,714	\$100,591,698	\$85,281,086

### *Liquor Enforcement Division*

The Liquor Enforcement Division licenses persons who manufacture, import, distribute or sell alcoholic beverages, and regulates the sale and distribution of liquor within the State. The Division enforces the provisions of the Liquor, Beer, and Special Events Codes. The following table details the enforcement actions the Division has undertaken in the last five fiscal years.

<b>Liquor Enforcement Division - Violations</b>					
	<b>FY 2004-05</b>	<b>FY 2005-06</b>	<b>FY 2006-07</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>
State administrative actions	64	173	191	248	320
State revocations	1	0	0	3	1
State suspensions	61	93	71	78	115
State denials	0	2	1	1	3
Division-filed court cases	456	270	292	340	512
Division-assisted local hearings	2	11	9	11	13

### *Tobacco Enforcement Program*

The Tobacco Enforcement Program enforces laws that prohibit the sale of tobacco products to minors.

### *Division of Racing Events*

The Division of Racing Events licenses and regulates horse racing events, enforcing all laws, rules, and regulations related to racing activities. The Division is responsible for ensuring the health and welfare of horses racing in Colorado. As live greyhound racing in Colorado is no longer active, the Division has ceased activities related to greyhound racing and reduced staff by 6.8 FTE in FY 2009-10. The table below shows live racing days, pari-mutuel sales and State tax collections since 2004.

<b>State Racing Events, Pari-mutuel sales and Pari-mutuel tax collections</b>					
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<u>Live Racing Days</u>					
Horse racing	37	39	35	36	36
Greyhound racing	263	276	259	126	0
Pari-mutuel sales /a	\$159,457,155	\$149,213,562	\$127,108,766	\$90,238,986	\$64,216,527
Pari-mutuel tax collections	\$3,550,926	\$3,235,268	\$2,792,776	\$1,568,600	\$470,859

/a Includes off-track betting figures.

### *Hearings Division*

The Hearings Division conducts administrative hearings regarding various licenses issued by the Department, including driver's licenses, liquor licenses, horse and dog racing licenses, and motor vehicle dealer's licenses.

### *Motor Vehicle Dealer Licensing Division*

The Motor Vehicle Dealer Licensing Board is responsible for licensing and regulating the sale and distribution of motor vehicles, and promulgating consumer protection regulations. Responsibilities include licensing all salespersons and those with ownership interests in new and used auto dealerships.

## Lottery

The State Lottery recorded sales of \$493.4 million in FY 2008-09 and net proceeds of \$119.6 million. The total sales and distributions of net proceeds from the lottery for the last five fiscal years are shown in the table below:

Lottery Sales and Distributions (\$millions)					
	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Total Sales	\$417.0	\$468.0	\$455.7	\$505.8	\$493.4
<u>Distributions</u>					
Conservation Trust Fund	\$41.5	\$50.2	\$47.6	\$48.9	\$47.8
Great Outdoors Colorado	50.1	50.2	51.3	53.1	54.3
Parks and Outdoor Recreation	10.4	12.6	11.9	12.2	12.0
State Public School Fund /a	1.7	12.6	8.2	N/A	N/A
Lottery Contingency Reserve Fund /b	N/A	N/A	N/A	1.5	N/A
Public School Capital Construction Fund /c	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>5.5</u>
Total Distributions	\$103.7	\$125.6	\$119.0	\$115.7	\$119.6

/a State Public School Fund existed from FY 2001-02 to FY 2006-07.

/b Lottery Contingency Reserve Fund replaced the State Public School Fund in FY 2007-08.

/c The Public School Capital Construction Fund replaced the Lottery Contingency Reserve Fund in FY 2008-09.

## Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of Revenue						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$692,073,355</b>	<b>\$73,749,339</b>	<b>\$615,399,703</b>	<b>\$1,398,939</b>	<b>\$1,525,374</b>	<b>1,490.7</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	28,732,444	13,041,688	15,137,497	553,259	0	47.9
Central Department Operations Division	11,706,300	10,918,955	720,091	67,254	0	103.6
Information Technology Division	12,860,925	4,960,011	7,504,670	396,244	0	108.8
Taxation Business Group	46,282,225	42,985,194	2,366,013	168,594	762,424	334.5
Division of Motor Vehicles	33,703,539	1,028,020	32,653,970	21,549	0	447.2
Motor Carrier Services Division	8,888,915	632,896	7,409,225	83,844	762,950	143.5
Enforcement Business Group	42,611,695	182,575	42,320,925	108,195	0	179.2
State Lottery Division	507,287,312	0	507,287,312	0	0	126.0

Department of Revenue						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<u>Breakdown of Total Appropriation by Bill</u>						
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
HB 10-1189	94,322	94,322	0	0	0	0.9
HB 10-1190	94,322	94,322	0	0	0	0.9
HB 10-1191	94,322	94,322	0	0	0	0.9
HB 10-1192	94,322	94,322	0	0	0	0.9
HB 10-1194	94,322	94,322	0	0	0	0.9
HB 10-1195	94,322	94,322	0	0	0	0.9
HB 10-1314	6,280,593	(2,064,903)	8,356,523	(11,027)	0	(22.9)
HB 10-1376	(633,610)	(471,610)	(162,000)	0	0	(4.5)
<b>FY 2010-11 Total Appropriation:</b>	<b>\$703,854,663</b>	<b>\$70,714,586</b>	<b>\$630,786,977</b>	<b>\$1,537,481</b>	<b>\$815,619</b>	<b>1,521.5</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Executive Director's Office	38,633,409	14,617,740	22,876,647	1,139,022	0	47.8
Central Department Operations Division	11,990,682	10,925,865	982,012	82,805	0	102.2
Information Technology Division	5,665,348	838,331	4,814,244	12,773	0	5.4

Department of Revenue						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Taxation Business Group	46,749,053	43,557,306	2,303,314	168,183	720,250	352.0
Division of Motor Vehicles	33,097,567	0	33,097,567	0	0	449.7
Motor Carrier Services Division	7,936,806	593,570	7,237,387	10,480	95,369	134.4
Enforcement Business Group	52,454,046	181,774	52,148,054	124,218	0	304.0
State Lottery Division	507,327,752	0	507,327,752	0	0	126.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	692,910,944	90,178,072	599,754,847	1,494,825	1,483,200	1,416.9
SB 10-103	17,760	0	17,760	0	0	0.0
SB 10-120	476,195	0	476,195	0	0	1.4
SB 10-141	116,020	0	0	116,020	0	0.0
HB 10-1019	30,341	0	30,341	0	0	0.2
HB 10-1045	63,538	0	63,538	0	0	0.0
HB 10-1058	1,400	0	1,400	0	0	0.0
HB 10-1073	107	0	107	0	0	0.0
HB 10-1113	(810,516)	0	(69,571)	(73,364)	(667,581)	(8.8)
HB 10-1139	35,520	0	35,520	0	0	0.0
HB 10-1161	10,064	0	10,064	0	0	0.0
HB 10-1172	560	0	560	0	0	0.0
HB 10-1193	161,584	161,584	0	0	0	1.0
HB 10-1209	83,088	0	83,088	0	0	0.0
HB 10-1214	17,760	0	17,760	0	0	0.0
HB 10-1284	10,317,583	0	10,317,583	0	0	110.0
HB 10-1285	86,658	0	86,658	0	0	0.8
HB 10-1338	336,057	336,057	0	0	0	0.0
HB 10-1387	0	(19,961,127)	19,961,127	0	0	0.0
<b>Increase/(Decrease)</b>	\$11,781,308	(\$3,034,753)	\$15,387,274	\$138,542	(\$709,755)	30.8
Percentage Change	1.7%	(4.1)%	2.5%	9.9%	(46.5)%	2.1%

/1 Includes amounts (\$20,800,000 in FY 2009-10 and \$19,500,000 in FY 2010-11) that are not subject to the statutory limitation on General Fund appropriations set forth in Section 24-75-201.1, C.R.S.

**FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations add \$8.2 million for Lottery line items that vary directly with sales. The increase reflects mid-year adjustments in projected Lottery sales.
2. Supplemental appropriations refinance an additional \$293,000 of General Fund with cash funds from the Licensing Services Cash Fund (in addition to the refinancing in S.B. 09-274).
3. Supplemental appropriations reduce General Fund by \$1.1 million and 16.1 FTE throughout the Department by eliminating FTE and reducing operating expenses to address the FY 2009-10 revenue shortfall.
4. Supplemental appropriations decrease \$440,000 total funds to reflect the actual impact of the FY 2009-10 furloughs.
5. Supplemental appropriations reflect a decrease of \$162,000 cash funds for the Amendment 35 distribution to local governments to account for a lower forecast of sales of cigarettes contained in the March 2010 Legislative Council economic forecast.

**FY 2010-11 Appropriation Highlights:**

1. The appropriation provides \$1.6 million total funds to restore reductions in funding associated with furloughs in FY 2009-10.
2. The appropriation reflects an increase of \$1.5 million cash funds and 16.0 FTE authorized by the Limited Gaming Control Commission to implement and enforce expanded limited gaming authorized by the voters in the November 2008 election.
3. The appropriation provides \$1.1 million General Fund and 3.7 FTE to address a backlog of conservation easement appraisals.
4. The appropriation provides \$810,000 General Fund and 9.9 FTE to annualize a FY 2009-10 decision item increasing out-of-state audit staff.
5. The appropriation provides \$650,000 General Fund for several programs and initiatives to increase compliance with Colorado tax laws.
6. The appropriation refinances \$20.0 million of General Fund in the Division of Motor Vehicles with \$17.3 million from the Licensing Services Cash Fund and \$2.7 million from the Highway Users Tax Fund "Off-the-Top" appropriation.
7. The appropriation reduces funding by \$1.8 million total funds, including \$623,000 General Fund, to reflect reduced employer contributions to the State Public Employees Retirement Association required by S.B. 10-146.
8. The appropriation reflects a \$1.5 million decrease in funding for: (1) Cigarette tax rebate; (2) the Old Age Heat & Fuel & Property Tax assistance grant; and (3) the Amendment 35 distribution to local governments. These reductions reflect the March 2010 Legislative Council economic forecast.

9. The appropriation reduced total expenditures in information technology by \$700,000 as a result of the consolidation of information technology staff resources in the Governor's Office of Information Technology.

## 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 Automobile Inspection and Readjustment (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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$29,195,241	\$17,686,948	\$10,950,507	\$557,786	\$0	48.8
SB 09-003	2,614	0	2,614	0	0	0.0
SB 09-006	23,742	0	23,742	0	0	0.0
SB 09-274	0	(3,980,851)	3,980,851	0	0	0.0
HB 09-1173	17,670	0	17,670	0	0	0.0
HB 09-1246	2,614	0	2,614	0	0	0.0
HB 10-1314	<u>(509,437)</u>	<u>(664,409)</u>	<u>159,499</u>	<u>(4,527)</u>	<u>0</u>	<u>(0.9)</u>
<b>TOTAL</b>	<b>\$28,732,444</b>	<b>\$13,041,688</b>	<b>\$15,137,497</b>	<b>\$553,259</b>	<b>\$0</b>	<b>47.9</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$28,732,444	\$13,041,688	\$15,137,497	\$553,259	\$0	47.9
Statewide information technology staff consolidation	6,910,842	3,610,310	2,855,193	445,339	0	0.0
Conservation easement backlog	389,371	389,371	0	0	0	0.0
Statewide information technology common policy adjustments	272,137	144,201	140,920	(12,984)	0	0.0
Restore FY 2009-10 furlough reductions	77,160	41,301	25,066	10,793	0	0.0

Executive Director's Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Tax code compliance initiatives	20,400	20,400	0	0	0	0.0
Indirect costs adjustments	0	(17,873)	(14,547)	32,420	0	0.0
Annualize prior year funding	(326,620)	3,698,637	(4,019,058)	(6,199)	0	(0.1)
Centrally-appropriated line items	(136,647)	143,670	(294,043)	13,726	0	0.0
State PERA contribution reduction	(87,099)	(22,329)	(51,418)	(13,352)	0	0.0
<b>HB 10-1376</b>	<b>\$35,851,988</b>	<b>\$21,049,376</b>	<b>\$13,779,610</b>	<b>\$1,023,002</b>	<b>\$0</b>	<b>47.8</b>
SB 10-141	116,020	0	0	116,020	0	0.0
HB 10-1113	(9,625)	0	(9,625)	0	0	0.0
HB 10-1193	30,000	30,000	0	0	0	0.0
HB 10-1284	2,308,969	0	2,308,969	0	0	0.0
HB 10-1338	336,057	336,057	0	0	0	0.0
HB 10-1387	<u>0</u>	<u>(6,797,693)</u>	<u>6,797,693</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$38,633,409</b>	<b>\$14,617,740</b>	<b>\$22,876,647</b>	<b>\$1,139,022</b>	<b>\$0</b>	<b>47.8</b>
<b>Increase/(Decrease)</b>	\$9,900,965	\$1,576,052	\$7,739,150	\$585,763	\$0	(0.1)
Percentage Change	34.5%	12.1%	51.1%	105.9%	n/a	(0.2)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1314 reduced General Fund by cash funding an internal auditor position, reflected the actual impact of the FY 2009-10 furloughs, eliminated a security contract for the Capitol Annex, and reduced maintenance, among other changes.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Statewide information technology staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide. The increase in this Division is offset by decreases in other divisions, primarily the Information Technology Division.

**Conservation easement backlog:** The appropriation includes funding to address a backlog in appraisals of gross conservation easements. The Department estimates that this funding will increase General Fund revenues by approximately \$4.1 million per year for five years.

**Statewide information technology common policy adjustments:** The appropriation includes adjustments to line item appropriations for the following: purchase of services from the computer center; multiuse network payments; management and administration of the Office of Information Technology; and communications services payments.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Tax code compliance initiatives:** The appropriation provides funding for several tax code compliance initiatives that the Department projects will increase General Fund revenue by \$15.4 million in FY 2010-11 and \$4.9 million in FY 2011-12.

**Indirect costs adjustments:** The appropriation includes an adjustment to indirect costs reimbursements to the Executive Director's Office. The appropriation decreases General Fund and cash funds which are offset by an increase in reappropriated funds.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line items for the following: health, life, and dental insurance benefits; short-term disability; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; legal services; administrative law judge services; payment to risk management and property funds; vehicle lease payments; and Capitol complex leased space.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on S.B. 10-141, see also the "Recent Legislation" section at the end of the Department of State.

---

## **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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$12,097,957	\$11,305,122	\$725,100	\$67,735	\$0	109.9
SB 09-275	47,011	47,011	0	0	0	0.0
HB 09-1266	(2,749)	0	(2,749)	0	0	0.0
HB 10-1314	<u>(435,919)</u>	<u>(433,178)</u>	<u>(2,260)</u>	<u>(481)</u>	<u>0</u>	<u>(6.3)</u>
<b>TOTAL</b>	<b>\$11,706,300</b>	<b>\$10,918,955</b>	<b>\$720,091</b>	<b>\$67,254</b>	<b>\$0</b>	<b>103.6</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$11,706,300	\$10,918,955	\$720,091	\$67,254	\$0	103.6
Delinquency billings program	163,849	163,849	0	0	0	0.0
Treasury offset program	152,230	152,230	0	0	0	0.0
Restore FY 2009-10 furlough reductions	107,168	99,693	6,164	1,311	0	0.0
Tax code compliance initiatives	21,145	21,145	0	0	0	0.0
Indirect costs adjustments	0	(18,684)	3,141	15,543	0	0.0
State PERA contribution reduction	(112,270)	(98,231)	(12,255)	(1,784)	0	0.0
Annualize prior year funding	(65,530)	(65,530)	0	0	0	(1.6)
Other	4,085	1,344	2,260	481	0	0.0
<b>HB 10-1376</b>	<b>\$11,976,977</b>	<b>\$11,174,771</b>	<b>\$719,401</b>	<b>\$82,805</b>	<b>\$0</b>	<b>102.0</b>
HB 10-1055	1,400	0	1,400	0	0	0.0
HB 10-1073	107	0	107	0	0	0.0
HB 10-1284	12,198	0	12,198	0	0	0.2
HB 10-1387	<u>0</u>	<u>(248,906)</u>	<u>248,906</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$11,990,682</b>	<b>\$10,925,865</b>	<b>\$982,012</b>	<b>\$82,805</b>	<b>\$0</b>	<b>102.2</b>
<b>Increase/(Decrease)</b>	<b>\$284,382</b>	<b>\$6,910</b>	<b>\$261,921</b>	<b>\$15,551</b>	<b>\$0</b>	<b>(1.4)</b>
Percentage Change	2.4%	0.1%	36.4%	23.1%	n/a	(1.4)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1314 reduced appropriations through the permanent elimination of FTE, elimination of cashiering services at the Annex, elimination of overtime, elimination of a security contract at the Annex, reflected the actual impact of the FY 2009-10 furloughs, included a rate reduction for services provided by the Department of Personnel and Administration, and a reduction in documents imaged, among other changes.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Delinquency billings program:** The appropriation provides funding for mailing additional notices to delinquent taxpayers, which the Department estimates will increase General Fund revenue by \$4.2 million in FY 2010-11.

**Treasury offset program:** The appropriation provides funding for a program to intercept federal tax refunds of Colorado taxpayers who owe money to the State. The Department estimates that the program will increase General Fund revenue by \$4.2 million in FY 2010-11.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Tax code compliance initiatives:** The appropriation provides funding for several tax code compliance initiative made possible by the Colorado Integrated Tax Architecture (CITA) project. In total, these initiatives are projected to increase General Fund revenue by \$15.4 million in FY 2010-11 and by \$4.9 million in FY 2011-12.

**Indirect costs adjustments:** The appropriation includes an adjustment to the indirect costs reimbursements to the Executive Director's Office. The appropriation reduces General Fund and increases cash funds and reappropriated funds.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Other:** The appropriation includes other minor adjustments.

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

---

### **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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$13,113,549	\$5,351,692	\$7,362,610	\$399,247	\$0	113.6
SB 09-006	89,228	0	89,228	0	0	0.0
HB 10-1314	<u>(341,852)</u>	<u>(391,681)</u>	<u>52,832</u>	<u>(3,003)</u>	<u>0</u>	<u>(4.8)</u>
<b>TOTAL</b>	<b>\$12,860,925</b>	<b>\$4,960,011</b>	<b>\$7,504,670</b>	<b>\$396,244</b>	<b>\$0</b>	<b>108.8</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$12,860,925	\$4,960,011	\$7,504,670	\$396,244	\$0	108.8
Restore FY 2009-10 furlough reductions	171,038	88,241	75,072	7,725	0	0.0
Programming costs for 2010 session legislation	17,392	6,242	11,150	0	0	0.0
Indirect costs adjustments	0	(58,597)	(42,025)	100,622	0	0.0
Statewide information technology staff consolidation	(7,614,091)	(3,998,607)	(3,131,286)	(484,198)	0	(106.6)
Annualize prior year funding	(498,676)	(71,235)	(430,444)	3,003	0	0.0
State PERA contribution reduction	(168,929)	(87,724)	(70,582)	(10,623)	0	0.0
<b>HB 10-1376</b>	<b>\$4,767,659</b>	<b>\$838,331</b>	<b>\$3,916,555</b>	<b>\$12,773</b>	<b>\$0</b>	<b>2.2</b>
SB 10-120	476,195	0	476,195	0	0	1.4
HB 10-1284	334,836	0	334,836	0	0	1.0
HB 10-1285	<u>86,658</u>	<u>0</u>	<u>86,658</u>	<u>0</u>	<u>0</u>	<u>0.8</u>
<b>TOTAL</b>	<b>\$5,665,348</b>	<b>\$838,331</b>	<b>\$4,814,244</b>	<b>\$12,773</b>	<b>\$0</b>	<b>5.4</b>
<b>Increase/(Decrease)</b>	<b>(\$7,195,577)</b>	<b>(\$4,121,680)</b>	<b>(\$2,690,426)</b>	<b>(\$383,471)</b>	<b>\$0</b>	<b>(103.4)</b>
Percentage Change	(55.9)%	(83.1)%	(35.9)%	(96.8)%	n/a	(95.0)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1314 reduced appropriations by eliminating FTE, reflected furlough adjustments, eliminated a security contract at the Annex, and reflected the actual impact of the FY 2009-10 furloughs, among other changes. The reductions were offset by increases to reflect the actual costs of programming required to implement 2009 session legislation.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Programming costs for 2010 session legislation:** The appropriation makes an adjustment to provide sufficient funding for known programming costs during FY 2010-11.

**Indirect costs adjustments:** The appropriation includes an adjustment to the indirect costs reimbursements to the Executive Director's Office. The appropriation decreases General Fund and cash funds and increases reappropriated funds.

**Statewide information technology staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Additional legislation:** For information on additional legislation, see the "Recent Legislation" section at the end of this department. For information on H.B. 10-1285, see also the "Recent Legislation" section at the end of the Judicial Department.

---

## **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
<b>FY 2009-10 Appropriation:</b>						
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	21,401	21,401	0	0	0	0.8
HB 09-1173	57,373	0	57,373	0	0	0.8
HB 09-1342	12,840	12,840	0	0	0	0.3
HB 10-1189	94,322	94,322	0	0	0	0.9
HB 10-1190	94,322	94,322	0	0	0	0.9
HB 10-1191	94,322	94,322	0	0	0	0.9
HB 10-1192	94,322	94,322	0	0	0	0.9
HB 10-1194	94,322	94,322	0	0	0	0.9
HB 10-1195	94,322	94,322	0	0	0	0.9
HB 10-1314	(408,745)	(471,676)	62,931	0	0	(3.4)
HB 10-1376	<u>(633,610)</u>	<u>(471,610)</u>	<u>(162,000)</u>	<u>0</u>	<u>0</u>	<u>(4.5)</u>
<b>TOTAL</b>	<b>\$46,282,225</b>	<b>\$42,985,194</b>	<b>\$2,366,013</b>	<b>\$168,594</b>	<b>\$762,424</b>	<b>334.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$46,282,225	\$42,985,194	\$2,366,013	\$168,594	\$762,424	334.5
Annualize prior year funding	821,184	747,284	111,530	0	(37,630)	7.3
Conservation easement backlog	739,909	739,909	0	0	0	3.7
Restore FY 2009-10 furlough reductions	362,014	360,237	1,777	0	0	0.0
Tax code compliance initiatives	284,605	284,605	0	0	0	5.5
Treasury offset program	6,450	6,450	0	0	0	0.0
Program adjustments /1	(1,471,000)	(1,300,000)	(171,000)	0	0	0.0
State PERA contribution adjustment	(402,963)	(398,821)	(4,142)	0	0	0.0
Federal funding adjustment	(4,544)	0	0	0	(4,544)	0.0
Indirect cost adjustments	(411)	864	(864)	(411)	0	0.0
<b>HB 10-1376</b>	<b>\$46,617,469</b>	<b>\$43,425,722</b>	<b>\$2,303,314</b>	<b>\$168,183</b>	<b>\$720,250</b>	<b>351.0</b>
HB 10-1193	<u>131,584</u>	<u>131,584</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$46,749,053</b>	<b>\$43,557,306</b>	<b>\$2,303,314</b>	<b>\$168,183</b>	<b>\$720,250</b>	<b>352.0</b>

Taxation Business Group						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Increase/(Decrease)</b>	\$466,828	\$572,112	(\$62,699)	(\$411)	(\$42,174)	17.5
Percentage Change	1.0%	1.3%	(2.7)%	(0.2)%	(5.5)%	5.2%

/1 Includes amounts (\$20,800,000 in FY 2009-10 and \$19,500,000 in FY 2010-11) 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 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. For FY 2010-11, this amount includes \$11,300,000 for the Cigarette Tax Rebate and \$8,200,000 for the Old Age Heat and Fuel and Property Tax Assistance Grant.

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1314 reduced appropriations by eliminating FTE, eliminating a security contract at the Annex, eliminating contract conservation easement appraisals, and reflecting the actual impact of the FY 2009-10 furloughs, among other changes. These reductions were offset by an increase in funding for the alternative fuels rebate program. Supplemental appropriations included in H.B. 10-1376 (the FY 2010-11 Long Bill) reduced appropriations on six sales tax bills that included duplicate appropriations for implementation and adjusted the appropriation for the Amendment 35 distribution to local governments to reflect updated tax collection information. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Conservation easement backlog:** The appropriation includes funding to address a backlog in appraisals of gross conservation easements. The Department projects that this funding will result in increased General Fund revenues of \$4.1 million for each of the next five fiscal years.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Tax code compliance initiatives:** The appropriation provides funding for several tax code compliance initiatives that were made possible by the implementation of the Colorado Integrated Tax Architecture (CITA) project. The first initiative will compare and bill for over-claimed estimated tax payments or unbilled balance due accounts. The second will allow the state to compare "1099" forms (non-wage income reports) that are filed with the State with filed tax returns to determine if taxpayers are claiming the income from the "1099" forms. The third is a voluntary compliance program to reach the estimated 100,000 taxpayers who have received low dollar "1099" income forms and inform them of the requirement to pay taxes on those amounts. These Department estimates that these initiatives will increase General Fund revenue by \$15.4 million in FY 2010-11 and by \$4.9 million in FY 2011-12.

**Treasury offset program:** The appropriation provides funding for a treasury offset program which will allow the State to intercept the federal tax refunds of Colorado taxpayers who owe State taxes. The Department estimates that the program will increase General Fund revenue by \$4.2 million each year.

**Program adjustments:** The appropriation reflects reduction in three programs administered by the Department of Revenue. The reductions are based on the March 2010 Legislative Council economic forecast for the following programs: the cigarette tax rebate program (a reduction of \$800,000 General Fund); the Old Age Heat & Fuel & Property Tax Assistance grants (a reduction of \$400,000 General Fund); and the Amendment 35 distribution to local governments (a reduction of \$171,000 cash funds). These programs are informational appropriations.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Indirect costs adjustments:** The appropriation includes an adjustment to the indirect costs reimbursements to the Executive Director's Office. The appropriation increases General Fund and decreases cash funds and reappropriated funds.

**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 drivers 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$32,008,446	\$13,579,259	\$18,429,187	\$0	\$0	445.2
SB 09-003	103,717	0	103,717	0	0	0.5
SB 09-006	73,190	0	73,190	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

Division of Motor Vehicles						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 09-1160	21,549	0	0	21,549	0	0.0
HB 09-1246	26,556	0	26,556	0	0	0.5
HB 09-1266	(5,137)	0	(5,137)	0	0	(0.2)
HB 09-1347	16,080	0	16,080	0	0	0.0
HB 10-1314	<u>90,259</u>	<u>(62,025)</u>	<u>152,284</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$33,703,539</b>	<b>\$1,028,020</b>	<b>\$32,653,970</b>	<b>\$21,549</b>	<b>\$0</b>	<b>447.2</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$33,703,539	\$1,028,020	\$32,653,970	\$21,549	\$0	447.2
Restore FY 2009-10 furlough reductions	355,299	0	355,299	0	0	0.0
Emission testing program enhancement	119,020	0	119,020	0	0	2.0
Indirect costs funding adjustment	0	(7,110)	7,110	0	0	0.0
Program section for ignition interlock subsidy program	0	0	0	0	0	0.0
Annualize prior year funding	(918,479)	11,893,618	(12,790,548)	(21,549)	0	0.3
State PERA contribution reduction	(420,443)	0	(420,443)	0	0	0.0
<b>HB 10-1376</b>	<b>\$32,838,936</b>	<b>\$12,914,528</b>	<b>\$19,924,408</b>	<b>\$0</b>	<b>\$0</b>	<b>449.5</b>
SB 10-103	17,760	0	17,760	0	0	0.0
HB 10-1019	30,341	0	30,341	0	0	0.2
HB 10-1045	63,538	0	63,538	0	0	0.0
HB 10-1139	35,520	0	35,520	0	0	0.0
HB 10-1161	10,064	0	10,064	0	0	0.0
HB 10-1172	560	0	560	0	0	0.0
HB 10-1209	83,088	0	83,088	0	0	0.0
HB 10-1214	17,760	0	17,760	0	0	0.0
HB 10-1387	<u>0</u>	<u>(12,914,528)</u>	<u>12,914,528</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$33,097,567</b>	<b>\$0</b>	<b>\$33,097,567</b>	<b>\$0</b>	<b>\$0</b>	<b>449.7</b>
<b>Increase/(Decrease)</b>	<b>(\$605,972)</b>	<b>(\$1,028,020)</b>	<b>\$443,597</b>	<b>(\$21,549)</b>	<b>\$0</b>	<b>2.5</b>
Percentage Change	(1.8)%	(100.0)%	1.4%	(100.0)%	n/a	0.6%

## **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1314 refinanced General Fund with cash funds, made a technical correction, and reflected the actual impact of the FY 2009-10 furloughs, among other changes. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Emissions testing program enhancement:** The appropriation provides funding for the expansion of enhanced vehicles emission testing in Larimer and Weld counties.

**Indirect costs funding adjustments:** The appropriation includes an adjustment to the indirect costs reimbursements to the Executive Director's Office. The appropriation decreases General Fund and increases cash funds.

**Program section for the ignition interlock subsidy program:** The appropriation creates a new program section for the ignition interlock subsidy program, which assists first-time drunk driving offenders with obtaining an interlock system for their vehicles to allow for commuting to work and other essential driving. The funding and FTE are transferred from the Driver and Vehicle Services program section.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Additional legislation:** 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 at ten locations and ten mobile port scales. Please note 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.

House Bill 10-1113 transfers the Motor Carrier Safety Assistance Program to the Department of Public Safety, Colorado State Patrol, effective August 15, 2010 and also commissions a study to determine possible improvements to the operations of the Ports of Entry section, including what department is best suited to operate the program.

<b>Motor Carrier Services Division</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$8,760,909	\$670,670	\$7,243,445	\$83,844	\$762,950	144.2
SB 10-1314	<u>128,006</u>	<u>(37,774)</u>	<u>165,780</u>	<u>0</u>	<u>0</u>	<u>(0.7)</u>
<b>TOTAL</b>	<b>\$8,888,915</b>	<b>\$632,896</b>	<b>\$7,409,225</b>	<b>\$83,844</b>	<b>\$762,950</b>	<b>143.5</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$8,888,915	\$632,896	\$7,409,225	\$83,844	\$762,950	143.5
Restore FY 2009-10 furlough reductions	136,382	12,241	124,141	0	0	0.0
Increase for dispatch services	81,494	0	81,494	0	0	0.0
Annualize prior year funding	(205,302)	(39,522)	(165,780)	0	0	(0.3)
State PERA contribution reduction	(163,792)	(12,045)	(151,747)	0	0	0.0
<b>HB 10-1376</b>	<b>\$8,737,697</b>	<b>\$593,570</b>	<b>\$7,297,333</b>	<b>\$83,844</b>	<b>\$762,950</b>	<b>143.2</b>
HB 10-1113	<u>(800,891)</u>	<u>0</u>	<u>(59,946)</u>	<u>(73,364)</u>	<u>(667,581)</u>	<u>(8.8)</u>
<b>TOTAL</b>	<b>\$7,936,806</b>	<b>\$593,570</b>	<b>\$7,237,387</b>	<b>\$10,480</b>	<b>\$95,369</b>	<b>134.4</b>
<b>Increase/(Decrease)</b>	<b>(\$952,109)</b>	<b>(\$39,326)</b>	<b>(\$171,838)</b>	<b>(\$73,364)</b>	<b>(\$667,581)</b>	<b>(9.1)</b>
Percentage Change	(10.7)%	(6.2)%	(2.3)%	(87.5)%	(87.5)%	(6.3)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1314 reduced the appropriation by eliminating FTE and temporary staffing and reflected the actual impact of the FY 2009-10 furloughs, among other changes. These reductions were offset by an increase in the appropriation for dispatch services provided by the Department of Public Safety.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Increase for dispatch services:** The appropriation provides increased funding for the dispatch services provided by the Colorado State Patrol to the Motor Carrier Services Division.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

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

## 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$43,076,702	\$186,735	\$42,778,756	\$111,211	\$0	186.2
HB 09-1266	(9,539)	0	(9,539)	0	0	(0.2)
SB 09-1314	<u>(455,468)</u>	<u>(4,160)</u>	<u>(448,292)</u>	<u>(3,016)</u>	<u>0</u>	<u>(6.8)</u>
<b>TOTAL</b>	<b>\$42,611,695</b>	<b>\$182,575</b>	<b>\$42,320,925</b>	<b>\$108,195</b>	<b>\$0</b>	<b>179.2</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$42,611,695	\$182,575	\$42,320,925	\$108,195	\$0	179.2
Gaming Commission increase	1,467,468	0	1,467,468	0	0	16.0
Annualize prior year funding	640,154	0	640,154	0	0	0.0
Restore FY 2009-10 furlough reductions	222,818	0	222,818	0	0	0.0
Indirect cost assessment	138,490	(1,610)	124,293	15,807	0	0.0
State PERA contribution reduction	(270,160)	(3,351)	(264,009)	(2,800)	0	0.0
Statewide information technology staff consolidation	(30,029)	0	(30,029)	0	0	0.0
Interactive voice response system	(4,840)	0	(4,840)	0	0	0.0
Other	16,870	4,160	9,694	3,016	0	0.0

<b>Enforcement Business Group</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>HB 10-1376</b>	<b>\$44,792,466</b>	<b>\$181,774</b>	<b>\$44,486,474</b>	<b>\$124,218</b>	<b>\$0</b>	<b>195.2</b>
HB 10-1284	<u>7,661,580</u>	<u>0</u>	<u>7,661,580</u>	<u>0</u>	<u>0</u>	108.8
<b>TOTAL</b>	<b>\$52,454,046</b>	<b>\$181,774</b>	<b>\$52,148,054</b>	<b>\$124,218</b>	<b>\$0</b>	<b>304.0</b>
<b>Increase/(Decrease)</b>	\$9,842,351	(\$801)	\$9,827,129	\$16,023	\$0	124.8
Percentage Change	23.1%	(0.4)%	23.2%	14.8%	n/a	69.6%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1314 eliminated FTE associated with regulating greyhound racing and reflected the actual impact of the FY 2009-10 furloughs, among other changes. For information on additional legislation, see the "Recent Legislation" section at the end of this department.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Gaming Commission increase:** The appropriation reflects the increased funding and FTE for the Limited Gaming Division for the costs associated with implementing Amendment 50, which expanded the number of games available, increased the betting limits, and expanded the hours of operations for casinos. The proceeds of the increased gaming are dedicated to the State's community colleges.

**Annualize prior year funding:** The appropriation includes adjustments related to prior year legislation and budget actions.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect costs assessments:** The appropriation includes a net increase in indirect cost assessments, primarily to the Limited Gaming Division.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Statewide information technology staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**Interactive voice response system:** The appropriation includes funding for an interactive voice response system that will allow the hearings division to conduct more hearings by telephone, saving time and expenses as well as allowing hearing participants to save travel and time to attend the hearings.

**Other:** The appropriation includes other minor adjustments.

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

## 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$499,073,563	\$0	\$499,073,563	\$0	\$0	126.0
SB 10-1314	<u>8,213,749</u>	<u>0</u>	<u>8,213,749</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$507,287,312</b>	<b>\$0</b>	<b>\$507,287,312</b>	<b>\$0</b>	<b>\$0</b>	<b>126.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$507,287,312	\$0	\$507,287,312	\$0	\$0	126.0
Restore FY 2009-10 furlough reductions	172,688	0	172,688	0	0	0.0
Indirect cost assessment	45,353	0	45,353	0	0	0.0
State PERA contribution reduction	(166,428)	0	(166,428)	0	0	0.0
Statewide information technology staff consolidation	(19,453)	0	(19,453)	0	0	0.0
Other	8,280	0	8,280	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$507,327,752</u></b>	<b><u>\$0</u></b>	<b><u>\$507,327,752</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>126.0</u></b>
<b>TOTAL</b>	<b>\$507,327,752</b>	<b>\$0</b>	<b>\$507,327,752</b>	<b>\$0</b>	<b>\$0</b>	<b>126.0</b>
<b>Increase/(Decrease)</b>	\$40,440	\$0	\$40,440	\$0	\$0	0.0
Percentage Change	0.0%	n/a	0.0%	n/a	n/a	0.0%

## **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1314 reflected the actual impact of the FY 2009-10 furloughs and made mid-year adjustments to line items that vary directly with sales to reflect mid-year projections of sales.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect costs assessments:** The appropriation includes a net increase in indirect cost assessments.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Statewide information technology staff consolidation:** The appropriation includes the impact of transferring information technology staff resources to the Governor's Office of Information Technology (OIT). The consolidation of information technology staff resources in OIT results in a ten percent cost savings statewide.

**Other:** The appropriation includes other minor adjustments.

## **Recent Legislation**

### **2009 Session Bills**

**S.B. 09-003:** Expands the areas of the state that are subject to the enhanced emissions testing 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. 09-098:** 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. 09-126:** 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. 09-212:** 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 that 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.

**H.B. 09-1001:** Provides an income tax credit equal to one-half of a firm's 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. Provides 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. 09-1093:** 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. 09-1100:** 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 add outstanding court required restitution payments to the list of other payments (such as child support) that casinos already intercept.

**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 drivers 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 for 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 resulting from 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 expands the annual Colorado source capital gains subtraction.

## **2010 Session Bills**

**S.B. 10-103:** Creates the "Colorado State Parks" special license plate for persons who pay the regular renewal fees, a one-time fee of \$50 split between the Highway Users Tax Fund and the Licensing Services Cash Fund, and who donate \$44 to the Foundation for Colorado State Parks. Makes an appropriation of \$17,760 cash funds from the License Plate Cash Fund for the purchase of special license plates from Correctional Industries.

**S.B. 10-120:** Imposes a charge of 1.4 percent on the retail sale of prepaid wireless telephone service to fund local enhanced 9-1-1 services (E911). The collected charges will be remitted to local 911 authority boards by formula established by the Public Utilities Commission. The Department of Revenue is authorized to retain up to \$450,000 of the E911 charges to cover the initial startup costs and up to 3.0 percent per year for ongoing administration. Allows retailers to retain 2.0 percent of the total charges collected until July 1, 2011, after which the retailer may retain 3.3 percent of the total charges collected. Makes an appropriation of \$476,195 cash funds and 1.4 FTE to fund the startup costs of implementing the bill.

**S.B. 10-139:** Establishes an income tax form checkoff for voluntary donations to the unwanted horse fund. The income checkoff will be established in the first year in which the Executive Director of the Department of Revenue files a certificate stating that there are no more than fourteen other income tax checkoffs for the next income tax year.

**S.B. 10-141:** Transfers, subject to voter approval, responsibility for the regulation of games of chance (bingo/raffle) to the Department of Revenue from the Secretary of State (effective July 1, 2011). Makes an appropriation of \$116,020 reappropriated funds to the Department of Revenue to implement the act during FY 2010-11. For more information, see the "Recent Legislation" section at the end of the Department of State.

**S.B. 10-198:** Reduces the amount of the late fee for the registration of a vehicle without motive power weighing less than 16,000 pounds or a camper or multipurpose trailer regardless of weight to \$10.

**H.B. 10-1019:** Regarding the reserved parking and enforcement program for persons with disabilities:

- Requires applications for handicapped parking placards or decals to include documentation from a physician or other authorized professional certifying the disability under penalty of perjury.

- Placards must have a "punch-out" system to identify expiration dates and have a sticker applied to it, like license plates currently have.
- Changes the fines for illegal use of a placard or use of a parking space reserved for persons who are disabled.
- Current law is expanded to make it illegal to make or use a device that mimics a placard.
- Authorizes a peace officer to confiscate placards that are used in violation of the law.
- Authorizes a peace officer or property owner to have a vehicle towed if it is parked illegally in a reserved space, with the vehicle's owner to pay towing costs.
- If a person witnesses misuse of a placard, the person can notify law enforcement without fear of disciplinary action by his or her employer.
- Prohibits a pay parking provider that does not have an accessible payment system from ticketing or towing a vehicle.
- Creates the Disabled Parking Education and Enforcement Fund, into which one-half of the fine revenue from reserved parking program enforcement is deposited. The Fund will be used to provide moneys for an education program about the eligibility standards, appropriate use of parking privileges, violations, and the advantages of a volunteer enforcement program; create or make available a training program to assist professionals in determining the standards required to obtain a placard or license plate that permits parking in the reserved parking program; and for administration of the reserved parking program.

For FY 2010-11, the bill appropriates \$30,341 cash funds and 0.2 FTE to the Department of Revenue for administration of the reserved parking program and \$17,918 cash funds to the Governor's Office for educational grants for the purposes outlined above. The cash funds source is the Disabled Parking Education and Enforcement Fund.

**H.B. 10-1045:** Requires the Department of Revenue and Secretary of State to provide a link on each departments' web site to allow individuals to make a change of address notification electronically for the purposes of voter registration, driver's licenses, identification cards, and state income tax. Appropriates \$63,538 cash funds from the Licensing Services Cash Fund to establish the link between the Department of Revenue's and Secretary of State's web sites.

**H.B. 10-1049:** Requires a manufacturer that has terminated a motor vehicle or powersports franchise, for any reason other than bad conduct, to reimburse the franchisee for any upgrades required by the manufacturer during the last five years and pay the franchisee for lost goodwill if the termination was due to the manufacturer's insolvency. If a franchise has been terminated due to the manufacturer's insolvency, the dealer is granted the first right of refusal when another franchise is granted in the area, or the dealer may choose to receive compensation for the value of the lost dealership.

**H.B. 10-1055:** Requires a debt collection agency or attorney to add fees for the services rendered in the third-party collection of delinquent taxes to the total amount collected. Such fees shall not exceed 20 percent of the total amount collected.

**H.B. 10-1058:** Extends the authority of the Department of Revenue to impose a civil penalty for the purchase or possession of unstamped cigarettes, regardless of whether the cigarettes have been confiscated. Clarifies the Department's authority to specify that the authority does not apply to cigarettes purchased from a military exchange or commissary, as long as the cigarettes are not for resale in the state. Appropriates \$1,400 cash funds from the Tobacco Tax Enforcement Cash Fund.

**H.B. 10-1060:** Requires a person who fails to withhold severance income for taxes due to pay, in addition to interest owed, a penalty of the greater of \$30 or 30 percent of the required payment. A person who withholds the taxes due but fails to file the required report shall pay a penalty of the lesser of 15 percent of the taxes due or \$1,500.

**H.B. 10-1073:** Creates a new income tax checkoff as a funding mechanism for the Colorado 2-1-1 First Call for Help fund.

**H.B. 10-1090:** Eliminates the mandatory 5-day jail sentence for a person who is convicted of driving a motor vehicle or off-highway vehicle upon any highway of the state with the knowledge that his or her license or privilege to drive is under restraint for any reason other than conviction of driving under the influence (DUI), DUI per se (driving with a blood alcohol level above the legal limit, even if driving is not impaired), driving while ability impaired, habitual user, or underage drinking and driving. Eliminates the requirement that a court require an offender to immediately surrender his or her driver's license or instruction permit upon entry of a plea of guilty or nolo contendere to a driving-under restraint violation.

**H.B. 10-1113:** Transfers responsibility for the Motor Carrier Safety Assistance Program (MSCAP) to the Department of Public Safety, Colorado State Patrol, effective August 15, 2010. The transfer includes 10.0 FTE (prorated to 8.8 FTE for FY 2010-11), of which 9.0 FTE are federally funded and 1.0 FTE is cash funded from the Nuclear Materials Transportation Fund and the Highway Users Tax Fund (HUTF) "Off-the-Top" moneys. Delineates the responsibilities of the Ports of Entry and Colorado State Patrol with regard to commercial vehicles. Authorizes the Department of Public Safety, the Department of Revenue and the Department of Transportation to solicit a vendor to conduct a performance study of the Ports of Entry to assess the operations, potential cost savings and efficiencies, and which department is best suited to operate the Ports of Entry. In addition to the transfer of funds, the Department of Public Safety requires an appropriation of \$255,011 cash funds from the HUTF "off-the-top" moneys to provide matching efforts for the federal grant, which the Department of Revenue had been providing with "in-kind" services.

**H.B. 10-1139:** Creates the Veteran of Iraq and Veteran of Afghanistan special license plates, available to veterans who served in the armed forces during those conflicts. Appropriates \$17,760 cash funds from the License Plate Cash Fund in FY 2010-11.

**H.B. 10-1161:** Creates a new "Livery" license plate for vehicles classified by the Public Utilities Commission as luxury limousines, which currently bear standard license plates. The license plates will be issued to owners of such vehicles upon initial registration or renewal. Appropriates \$10,064 cash funds from the License Plate Cash Fund for FY 2010-11 for the purchase of livery license plates.

**H.B. 10-1172:** Changes and clarifies certain definitions pertaining to vehicle and equipment definitions; renames mobile machinery to special mobile machinery; requires rented or leased special mobile machinery to be registered annually to be operated legally; establishes demonstration plates for dealers or wholesalers when a piece of special mobile machinery is used for demonstration purposes; authorizes the use of individual temporary registration plates, tags or certificates; and specifies how mounted equipment will be registered. Appropriates \$560 cash funds from the License Plate Cash Fund for FY 2010-11 for the purchase of demonstration license plates.

**H.B. 10-1189:** Eliminates the sales and use tax exemption for materials used in direct mail advertising, which the Department estimates will increase General Fund revenues by \$160,000 in FY 2009-10 and \$800,000 in FY 2010-11. Appropriates \$94,322 and 0.9 FTE for the implementation of the bill. The appropriation in H.B. 10-1189 is sufficient to implement H.B. 10-1190, H.B. 10-1191, H.B. 10-1192, H.B. 10-1194, and H.B. 10-1195.

**H.B. 10-1190:** Temporarily eliminates the sales tax exemption for the storage, use, or consumption of energy used for industrial purposes. The Department estimates that the increased sales and use taxes will increase General Fund revenue by \$7.2 million in FY 2009-10 and by \$37.6 million in FY 2010-11. Sales and use tax will apply to electricity, coal, coke, fuel oil, steam, nuclear fuel or natural gas for use in processing, manufacturing, mining, refining, irrigation, construction, telephone and radio communication, and street transportation services. Excludes the storage, use, or consumption of fuel purchased for railroad transportation services, or purchased for off-road or agricultural purposes. Requires the Department of Revenue to account for all revenue attributable to this bill, and to the extent information is available, make quarterly reports to the General Assembly regarding the net revenue gain and specifies that the General Assembly appropriate at least 40 percent of any estimated net revenue increase to fund preschool through twelfth grade education, and prohibits the use of any of this money to fund additional state FTE. Appropriates \$94,322 General Fund and 0.9 FTE for implementation of the bill. A provision in H.B. 10-1376 (the Long Bill) eliminated the appropriation in the bill.

**H.B. 10-1191:** Excludes the purchase of candy and soft drinks, including such purchases through vending machines, from the state sales tax exemption for purchases of food for off-premises consumption. The Department estimates that the increased sales and use taxes will increase General Fund revenue by \$1.4 million in FY 2009-10 and by \$18.0 million in FY 2010-11. The department is required to account for the revenue attributable to this bill, and to the extent information is available, make quarterly reports to the legislature about the revenue gain. The bill directs that none of the new revenue be used to fund additional state FTE. Appropriates \$94,322 General Fund and 0.9 FTE for implementation of the bill. A provision in H.B. 10-1376 (the Long Bill) eliminated the appropriation in the bill.

**H.B. 10-1192:** Repeals the Department of Revenue regulation on taxable computer software, which required sales and use tax only for prepackaged software in a tangible form. This bill applies sales tax to software that is downloaded to a computer or other electronic device over the internet and software that is manually installed on a computer or other electronic device by a vendor. The Department estimates that the increased sales and use taxes will increase General Fund revenue by \$4.6 million in FY 2009-10 and \$23.7 million in FY 2010-11. Appropriates \$94,322 General Fund and 0.9 FTE for implementation of the bill. A provision in H.B. 10-1376 (the Long Bill) eliminated the appropriation in the bill.

**H.B. 10-1193:** Creates a rebuttable presumption that a retailer that is part of a controlled group of corporations that has a component member with a physical presence in the State is doing business in the State. Requires an out-of-state retailer that does not collect Colorado sales tax to:

- notify each Colorado purchaser that Colorado requires the purchaser to file a sales or use tax return;
- send each purchaser a separate notification by January 31 of each year showing information on purchases made in the previous year. The notification must state that Colorado requires a sales or use tax return when tax is not paid by the retailer, and provides the date of purchase(s), the amount of each purchase, and the category of purchase, including, if known, whether the purchase is exempt or not exempt from taxation; and
- file an annual statement by March 1 of each year with the Department of Revenue showing the total amount paid for Colorado purchases for each purchaser during the preceding calendar year.

The Department estimates that the sales and use taxes collected will increase General Fund revenue by \$900,000 in FY 2009-10 and by \$4,700,000 in FY 2010-11. Appropriates \$161,584 General Fund and 1.0 FTE to the Department of Revenue for implementation. Of those moneys, reappropriates \$40,000 to the Department of Law.

**H.B. 10-1194:** Narrows the state sales and use tax exemptions for sales to retailers or vendors of food, meals, or beverages of articles, containers, and bags that are furnished to the consumer without a separate charge for those articles, containers, and bags that are essential (such as a soup container for soup). The Department estimates that the sales and use taxes collected will increase General Fund revenue by \$400,000 in FY 2009-10 and by \$2,000,000 in FY 2010-11. Appropriates \$94,322 General Fund and 0.9 FTE for implementation of the bill. A provision in H.B. 10-1376 (the Long Bill) eliminated the appropriation in the bill.

**H.B. 10-1195:** Suspends from March 1, 2010 to June 30, 2013, the sales and use tax exemption for agricultural compounds used in caring for livestock, semen for agricultural and ranching purposes, and pesticides for use in the production of agricultural and livestock products. The Department estimates that the sales and use taxes collected will increase General Fund revenue by \$900,000 in FY 2009-10 and by \$4,600,000 in FY 2010-11. Appropriates \$94,322 General Fund and 0.9 FTE for implementation of the bill. A provision in H.B. 10-1376 (the Long Bill) eliminated the appropriation in the bill.

**H.B. 10-1196:** Effective January 1, 2011, disqualifies a category of vehicle currently eligible for a state income tax credit. The disqualified vehicles are vehicles that get more than 30 but less than 40 miles per gallon. The Department estimates that this change will increase General Fund revenue by \$2,700,000 in FY 2010-11.

**H.B. 10-1197:** Limits aggregate credits for donating conservation easements to \$26 million each year for the 2011, 2012, and 2013 income tax years. Taxpayers are first required to submit a claim for a tax credit to the Division of Real Estate, which will issue a certificate in the order the claims were received. If more than \$26 million in credits are claimed, the claims not issued certificates will be placed on a waiting list and certificates will be issued in a subsequent year. Appropriates \$9,028 cash funds and 0.2 FTE from the Conservation Easement Holder Certification Fund to the Division of Real Estate in the Department of Regulatory Affairs. The Department estimates that this change will increase General Fund revenue by \$18,500,000 in FY 2010-11.

**H.B. 10-1199:** Limits, in each of the next three income tax years, the amount of net operating loss (NOL) that a corporation may carry forward to \$250,000 and extends the carry forward period for amounts in excess of \$250,000. The corporation may increase the NOL by 3.25 percent for interest on the portion of NOL that was not allowed to be carried forward during the three income tax years. The Department estimates that this change will increase General Fund revenue by \$8,200,000 in FY 2010-11.

**H.B. 10-1200:** Temporarily, for tax years 2011, 2012 and 2013, limits the amount of the investment tax credit for investing in enterprise zones to \$250,000, and defers the portion of the tax credit over \$250,000 to tax year 2014. Allows the taxpayer who defers excess credits to carry forward the excess credits for 12 income tax years after the credit was initially allowed, plus an additional year for each year the taxpayer defers claiming the credit in excess of \$250,000. The Department estimates that this change will increase General Fund revenue by \$11,800,000 in FY 2010-11.

**H.B. 10-1209:** Allows an eligible member of the U.S. military to have a special designation placed upon their driver's license signifying the branch of the military that the applicant serves with. Requires an additional fee of \$15 for the designation. Appropriates \$83,088 cash funds from the Highway Users Tax Fund to the Department of Revenue for implementation.

**H.B. 10-1211:** Reduces the late registration fee for a vehicle without motive power weighing less than 2,000 pounds (empty weight) to \$10.

**H.B. 10-1212:** Requires the Executive Director (Director) of the Department of Revenue to promulgate rules that establish circumstances in which a vehicle owner shall be exempted from paying the late fee for registration of a motor vehicle. Such rules shall apply uniformly throughout the state. Includes a list of circumstances that will exempt an owner from paying the late fee. The Director must also promulgate rules that allow a waiver or reduction of late fees for a commercial trailer or farm vehicle if the owner can establish the vehicle was idled and not operated on any public highway for at least a full registration period.

**H.B. 10-1214:** Creates the "Adopt a Shelter Pet" special license plate. There is a charge of \$75 in addition to the regular license plate and registration fees for the plate, which includes a \$25 donation to the Adopt a Shelter Pet account in the Pet Overpopulation Fund in the State Treasury. The \$25 donation is required upon annual renewal of the license plate. Permits the vehicle owner to apply for a personalized license plate upon payment of required fees for a personalized plate. Appropriates \$17,760 cash funds from the License Plate Cash Fund to implement the legislation.

**H.B. 10-1284:** Creates the Medical Marijuana State Licensing Authority (SLA) in the Department of Revenue. The provisions of H.B. 10-1284 include:

- The SLA grants, refuses or renews medical marijuana licenses after the potential licensee has received local approval.
- License may be issued to operate medical marijuana centers and associated off-premises cultivation and medical marijuana infused products manufacturers and associated cultivation operations.
- The SLA will operate in a similar fashion to the State Licensing Authority for alcohol sales.

- Permits a locality to ban the sale, distribution, cultivation, and dispensing of medical marijuana by a majority vote of its governing board or a majority vote of its citizens.
- A medical marijuana center may only sell products it cultivates itself or products purchased from another center in a quantity that does not exceed 30 percent of its inventory.
- Requires the Department of Public Health and Environment (DPHE) to promulgate rules allowing a homebound patient to have a primary caregiver transport the patient's medical marijuana to that patient.
- Provides a sales tax exemption to indigent patients.
- Requires DPHE to promulgate rules related to what constitutes significant responsibility for managing the well-being of a patient.
- Allows a primary caregiver to serve no more than five patients on the registry at one time, except in exceptional cases.
- Requires patients permitted to use medical marijuana have a registry identification card at all times when they are in possession of medical marijuana.
- Provides an exception to the adulterated food offenses for medical marijuana centers that manufacture or sell food that contains medical marijuana, as long as the food is labeled.

Appropriates \$10,317,583 cash funds from the Medical Marijuana License Cash Fund and 110.0 FTE for FY 2010-11 to the Department of Revenue, to staff the Medical Marijuana Licensing Authority, which will enforce the provisions of the act. Included in this appropriation are appropriations of \$271,368 reappropriated funds and 2.0 FTE to the Department of Law for legal services and \$260,700 reappropriated funds and 1.2 FTE to the Department of Public Safety for background checks. Appropriates \$59,747 cash funds and 1.2 FTE for FY 2010-11 from the Medical Marijuana Program Cash Fund to the Department of Public Health and Environment. Allows the Department of Revenue to borrow up to \$1.0 million from the Medical Marijuana Program cash fund in FY 2010-11 to get the program started.

Captures the first \$2 million in sales tax revenue from the sale of medical marijuana and allocates half to the Department of Human Services, for mental health and alcohol and drug abuse services. Allocates the other half to the Screening, Brief Intervention and Referral to Treatment (SBIRT) program. For FY 2010-11, appropriates \$334,227 General Fund to the Department of Human Services. House Bill 10-1033, which creates the SBIRT program and was contingent upon the passage of H.B. 10-1284, appropriates \$334,227 General Fund to SBIRT.

For more information, see the corresponding bill descriptions for the Department of Health Care Policy and Financing and the Department of Public Health and Environment.

**H.B. 10-1285:** Increases the penalties for overweight vehicles operating on Colorado's highways and, after subtracting the costs of administration of the fund, uses the increased penalties to offset the cost of an income tax credit and sales tax refund for commercial investment in Colorado. Establishes procedures for qualifying for the credit and refund. Clarifies that a motor vehicle registered in Colorado, subsequently registered in another state, then again registered in Colorado is not subject to taxes and fees for the time it was registered

in another state. Appropriates \$86,658 cash funds from the Commercial Vehicle Enterprise Tax Fund and 0.8 FTE to the Department of Revenue in FY 2010-11.

**H.B. 10-1314:** Supplemental appropriation to the Department of Revenue to modify FY 2009-10 appropriations included in the FY 2009-10 Long Bill (S.B. 09-259).

**H.B. 10-1338:** Allows a person who has two or more prior felony convictions to be eligible for probation, with certain exceptions. Makes an appropriation to the Department of Revenue of \$336,057 General Fund for the implementation of H.B. 09-1137, which was passed during the 2009 regular session and enacted into law. For more information on H.B. 10-1338, please see the "Recent Legislation" section in the Judicial Department section of this document. For more information on H.B. 09-1137, please see the "2009 Session Bills" subsection of this section.

**H.B. 10-1341:** Temporarily diverts those moneys remaining in the in the Motorist Insurance Identification Account at the end of a fiscal year that are currently transferred to the Highway Users Tax Fund to the Colorado State Titling and Registration Account. The diversion will be in effect for FY 2010-11 and FY 2011-12.

**H.B. 10-1376:** General appropriations act for FY 2010-11. Includes supplemental appropriations that modify the FY 2009-10 appropriations.

**H.B. 10-1387:** Extends the refinance of Driver's License offices in the Division of Motor Vehicles for two additional fiscal years. For FY 2010-11, refinances \$20.0 million General Fund with \$20.0 million cash funds from the Licensing Services Cash Fund (\$17.3 million) and the Highway Users Tax Fund (\$2.7 million "off-the-top" moneys). For FY 2011-12, the refinance is entirely from the Licensing Services Cash Fund (LSCF). Requires all funds in the LSCF at the end of the fiscal year, less a 16.5 percent reserve, be transferred to the Highway Users Tax Fund.

# 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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$0	\$0	\$0	\$0
Cash Funds/1	16,820,907	27,569,394	21,022,851	21,583,341
Cash Funds Exempt/1	3,851,101	n/a	n/a	n/a
Reappropriated Funds/1	n/a	0	0	0
Federal Funds	<u>110,594</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Funds</b>	<b>\$20,782,602</b>	<b>\$27,569,394</b>	<b>\$21,022,851</b>	<b>\$21,583,341</b>
Full Time Equiv. Staff	125.5	127.1	133.9	134.6

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 this fund source is 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.

<b>Elections Division</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Approp.</b>
Local Election Reimbursement	\$1,681,178	\$914	\$2,042,250	\$1,725,699	\$1,721,475
Initiative and Referendum	200,000	50,000	301,007	150,000	250,000

### 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. 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.

<b>Help America Vote Act</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Approp.</b>
Expenditure / Appropriation	\$18,628,609	\$3,940,330	\$6,637,556	\$2,356,286	\$2,912,003
FTE	9.0	9.5	9.5	10.0	6.0

### 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<sup>3</sup>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.

<b>Information Technology Services</b>	<b>FY 2006-07 Actual</b>	<b>FY 2007-08 Actual</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Approp.</b>	<b>FY 2010-11 Approp.</b>
Expenditure / Appropriation	\$7,641,717	\$6,193,958	\$6,938,138	\$7,481,402	\$7,318,851
FTE	32.0	26.2	27.1	33.1	33.1

## Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of State						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$21,022,851</b>	<b>\$0</b>	<b>\$21,022,851</b>	<b>\$0</b>	<b>\$0</b>	<b>133.9</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	9,209,464	0	9,209,464	0	0	90.8
Special Purpose	4,331,985	0	4,331,985	0	0	10.0
Information Technology Services	7,481,402	0	7,481,402	0	0	33.1
<u>Breakdown of Total Appropriation by Bill</u>						
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
HB 10-1315	92,817	0	92,817	0	0	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$21,583,341</b>	<b>\$0</b>	<b>\$21,583,341</b>	<b>\$0</b>	<b>\$0</b>	<b>134.6</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	9,376,788	0	9,376,788	0	0	95.5
Special Purpose	4,887,702	0	4,887,702	0	0	6.0
Information Technology Services	7,318,851	0	7,318,851	0	0	33.1
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	21,226,899	0	21,226,899	0	0	134.6
SB 10-087	32,560	0	32,560	0	0	0.0
SB 10-141	116,020	0	116,020	0	0	0.0
SB 10-143	1,000	0	1,000	0	0	0.0
SB 10-203	101,662	0	101,662	0	0	0.0
HB 10-1403	105,200	0	105,200	0	0	0.0
<b>Increase/(Decrease)</b>	<b>\$560,490</b>	<b>\$0</b>	<b>\$560,490</b>	<b>\$0</b>	<b>\$0</b>	<b>0.7</b>
Percentage Change	2.7%	n/a	2.7%	n/a	n/a	0.5%

## **FY 2009-10 Appropriation Adjustment Highlights:**

1. Supplemental appropriations increase the Department's spending authority by \$100,000 due to an increased number of initiative and referendum petitions that require signature verification.

## **FY 2010-11 Appropriation Highlights:**

1. The appropriation transfers a portion of the fund source for the Help America Vote Act from the Federal Elections Assistance Fund to the Department of State Cash Fund (\$402,400). The General Assembly appropriates the dollars from the Department of State Cash Fund, while the Federal Elections Assistance Fund is continuously appropriated. This increases funds for the Help America Vote Act by \$402,400.
2. The appropriation increases the Department's spending authority by \$100,000 because a greater number of initiative and referendum petitions are submitted during an even-year election.
3. The appropriation is reduced by \$323,000 to reflect a 2.5 percent reduction to the State's contribution to the Public Employees Retirement Association (PERA) pursuant to S.B. 10-146.

## **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). The business organizations section 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 2009-10, the Department processed over 612,000 business filings and over 98,500 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; and administers the Fair Campaign Practices Act. 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 2009-10, the Department processed 6,455 conflict of interest disclosures and 9,172 campaign finance disclosure reports.

**Licensing and Enforcement Section:** The licensing and enforcement section is responsible for administering six 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 victims of domestic violence, sexual offenses, and stalking to keep their addresses confidential after they have relocated. During FY 2009-10, the Department processed at least 6,220 documents relating to lobbyists' registrations and disclosures.

<b>Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
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	(17,343)	0	(17,343)	0	0	0.0
HB 09-1357	210,277	0	210,277	0	0	4.3
HB 10-1315	<u>(7,183)</u>	<u>0</u>	<u>(7,183)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$9,209,464</b>	<b>\$0</b>	<b>\$9,209,464</b>	<b>\$0</b>	<b>\$0</b>	<b>90.8</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$9,209,464	\$0	\$9,209,464	\$0	\$0	90.8
HAVA funding	307,030	0	307,030	0	0	4.0
Indirect cost assessment	58,196	0	58,196	0	0	0.0
Address Confidentiality Program	18,300	0	18,300	0	0	0.7
State PERA contribution reduction	(219,369)	0	(219,369)	0	0	0.0
Centrally-appropriated line items	(77,359)	0	(77,359)	0	0	0.0
Annualize prior-year legislation	(14,742)	0	(14,742)	0	0	0.0
Legal services	(14,307)	0	(14,307)	0	0	0.0
Other	(16,467)	0	(16,467)	0	0	0.0
<b>HB 10-1376</b>	<b>\$9,250,746</b>	<b>\$0</b>	<b>\$9,250,746</b>	<b>\$0</b>	<b>\$0</b>	<b>95.5</b>
SB 10-141	116,020	0	116,020	0	0	0.0
SB 10-143	1,000	0	1,000	0	0	0.0
SB 10-203	<u>9,022</u>	<u>0</u>	<u>9,022</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$9,376,788</b>	<b>\$0</b>	<b>\$9,376,788</b>	<b>\$0</b>	<b>\$0</b>	<b>95.5</b>
<b>Increase/(Decrease)</b>	<b>\$167,324</b>	<b>\$0</b>	<b>\$167,324</b>	<b>\$0</b>	<b>\$0</b>	<b>4.7</b>
Percentage Change	1.8%	n/a	1.8%	n/a	n/a	5.2%

## **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1315 reduced the appropriation by \$7,183 cash funds for centrally appropriated line items.

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**HAVA funding:** The appropriation provides cash funds from the Department of State Cash Fund for the Department's Help America Vote Act (HAVA) program. These funds were previously from the Federal Elections Assistance Fund, from which the Department has continuous spending authority.

**Indirect cost assessment:** The appropriation reflects an increase in the Department's statewide indirect cost recoveries assessment.

**Address Confidentiality Program:** The appropriation increases funds for the Address Confidentiality Program due to its growing enrollment.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**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.

**Legal services:** The appropriation reflects the Department of Law's reduced billing rate to the departments.

**Annualize prior-year legislation:** The appropriation reflects the impact of legislation that passed during the 2009 legislative session.

**Other:** The appropriation includes various small changes for items such as statewide common policies and legislation.

**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
<b>FY 2009-10 Appropriation:</b>						
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
HB 10-1315	<u>100,000</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,331,985</b>	<b>\$0</b>	<b>\$4,331,985</b>	<b>\$0</b>	<b>\$0</b>	<b>10.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$4,331,985	\$0	\$4,331,985	\$0	\$0	10.0
Help America Vote Act	555,717	0	555,717	0	0	(4.0)
Initiative and referendum	100,000	0	100,000	0	0	0.0
Eliminate one-time funding	(100,000)	0	(100,000)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$4,887,702</u></b>	<b><u>\$0</u></b>	<b><u>\$4,887,702</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>6.0</u></b>
<b>TOTAL</b>	<b>\$4,887,702</b>	<b>\$0</b>	<b>\$4,887,702</b>	<b>\$0</b>	<b>\$0</b>	<b>6.0</b>
<b>Increase/(Decrease)</b>	\$555,717	\$0	\$555,717	\$0	\$0	(4.0)
Percentage Change	12.8%	n/a	12.8%	n/a	n/a	(40.0)%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1315 increase funds for the verification of signatures on initiative and referendum petitions.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Help America Vote Act (HAVA):** The appropriation increases funds for the Department's activities related to the Help America Vote Act.

**Initiative and referendum:** The appropriation increases the Department's spending authority by \$100,000 because a greater number of initiative and referendum petitions are submitted during an even-year election.

**Eliminate one-time funding:** The appropriation eliminates one-time funding that was required in order for the State to receive additional HAVA dollars for FY 2009-10.

**Annualize prior year funding:** The appropriation reflects cost savings due to the implementation of the online campaign finance filing system.

## 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
<b>FY 2009-10 Appropriation:</b>						
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 09-1326	<u>104,400</u>	<u>0</u>	<u>104,400</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$7,481,402</b>	<b>\$0</b>	<b>\$7,481,402</b>	<b>\$0</b>	<b>\$0</b>	<b>33.1</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$7,481,402	\$0	\$7,481,402	\$0	\$0	33.1
Refinance HAVA funds	95,381	0	95,381	0	0	1.0
Increase leased space	55,728	0	55,728	0	0	0.0
Annualize prior year funding	(309,292)	0	(309,292)	0	0	(1.0)
Complete special projects	(135,244)	0	(135,244)	0	0	0.0
State PERA contribution reduction	(103,700)	0	(103,700)	0	0	0.0
Other	4,176	0	4,176	0	0	0.0
<b>HB 10-1376</b>	<b>\$7,088,451</b>	<b>\$0</b>	<b>\$7,088,451</b>	<b>\$0</b>	<b>\$0</b>	<b>33.1</b>
SB 10-087	32,560	0	32,560	0	0	0.0
SB 10-203	92,640	0	92,640	0	0	0.0
HB 10-1403	<u>105,200</u>	<u>0</u>	<u>105,200</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$7,318,851</b>	<b>\$0</b>	<b>\$7,318,851</b>	<b>\$0</b>	<b>\$0</b>	<b>33.1</b>
<b>Increase/(Decrease)</b>	<b>(\$162,551)</b>	<b>\$0</b>	<b>(\$162,551)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Percentage Change</b>	<b>(2.2)%</b>	<b>n/a</b>	<b>(2.2)%</b>	<b>n/a</b>	<b>n/a</b>	<b>0.0%</b>

## **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Refinance HAVA funds:** The appropriation provides cash funds from the Department of State Cash Fund for the Department's Help America Vote Act (HAVA) program. Previous appropriations for the HAVA program were from the Federal Elections Assistance Fund.

**Increase leased space:** The appropriation reflects a contractual increase in the cost of leased space for the data recovery center, which is located off-site from the Department.

**Annualize prior year funding:** The appropriation removes one-time funding that was made available due to legislation passed during the 2009 legislative session. The funds were primarily for programming related to the Department's campaign finance filing system.

**Complete special projects:** The appropriation reflects the completion of two special projects. The appropriation was reduced by \$75,000, which was last year's cost for a new internal accounting system, and by \$60,244, which was appropriated to allow the Department to become compliant with the Colorado Information Security Act.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Other:** The appropriation includes various small adjustments.

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

### **Recent Legislation**

#### **2009 Session Bills**

**S.B. 09-087:** Requires the Secretary of State to post certain certified election results on the Department's 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. 09-259:** 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.

## **2010 Session Bills**

**S.B. 10-087:** Expands the Secretary of State's authority to regulate and monitor lobbyists, and also increases the penalty fines for failing to submit certain filings by their deadlines.

**S.B. 10-141:** Transfers licensing and enforcement authority for games of chance, such as bingo and raffles, from the Department of State to the Department of Revenue. Specifies that the bill is conditional upon voter approval of H.C.R. 09-1003, which is a proposed constitutional amendment to give the General Assembly authority to determine which agency regulates bingo and raffles.

**S.B. 10-143:** Authorizes the State Controller to issue a refund for fees that were erroneously collected by the Secretary of State prior to July 1, 2006. Directs the State Controller to issue the refund upon receipt of a voucher from the Secretary indicating the person and the amount of the refund. Transfers \$1,000 from the Department of State to the Department of Personnel and Administration to fund related expenses within the Office of the State Controller.

**S.B. 10-148:** Transfers management responsibilities of the statewide disaster recovery center (E-Fort) from the Department of State to the Governor's Office of Information Technology (OIT) as of July 1, 2010. Transfers fiscal responsibility for the recovery center to the OIT in one-third increments beginning in FY 2011-12, until the OIT has assumed full fiscal responsibility by FY 2013-14.

**S.B. 10-203:** Changes state law to regulate independent expenditures made in connection with state elections. Requires persons and organizations that accept donations or make independent expenditures greater than \$1,000 to register with the Secretary of State, specifies the information to be collected from persons who register, and directs the Department of State to post certain information on its website within a certain time frame.

**H.B. 10-1315:** Supplemental appropriation to the Department of State to modify FY 2009-10 appropriations included in the FY 2009-10 Long Bill (S.B. 09-259). Increases the Department's appropriation by a total of \$92,817.

**H.B. 10-1376:** General appropriations act for FY 2010-11.

**H.B. 10-1403:** Allows the Secretary of State to designate whether it sends certain notifications by mail or electronically. Allows entities to file certain reports with the Secretary biennially, rather than annually, and permits the entities to select the anniversary month that the reports are submitted.

# DEPARTMENT OF TRANSPORTATION

The Department of Transportation is responsible for operating and maintaining Colorado's 9,156-mile state highway system, including more than 3,700 bridges, and maintaining the aviation system plan, under the policy direction of the eleven-member Transportation Commission. The Department's 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. Funds controlled by the Transportation Commission are 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 represent the "non-appropriated" side of the budget and are included in the Long Bill as estimates of the 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 or FY 2010-11; 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 the approval of the Governor's appointments to the Transportation Commission.

The Department's FY 2010-11 Long Bill includes five divisions: (1) Administration; (2) Construction, Maintenance, and Operations; (3) High Performance Transportation Enterprise; (4) First Time Drunk Driving Offenders Account; and (5) Statewide Bridge Enterprise.

## Department Budget: Recent Appropriations

Funding Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund	\$0	\$0	\$0	\$0
Cash Funds/1	84,007,659	512,824,049	614,161,434	658,329,628
Cash Funds Exempt/1	536,695,262	n/a	n/a	n/a
Reappropriated Funds/1	n/a	3,923,580	3,950,128	4,986,153
Federal Funds	<u>441,417,139</u>	<u>760,864,123</u>	<u>355,397,188</u>	<u>369,101,388</u>
<b>Total Funds</b>	<b>\$1,062,120,060</b>	<b>\$1,277,611,752</b>	<b>\$973,508,750</b>	<b>\$1,032,417,169</b>
Full Time Equiv. Staff	3,316.0	3,365.5	3,366.5	3,307.5

/1 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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.

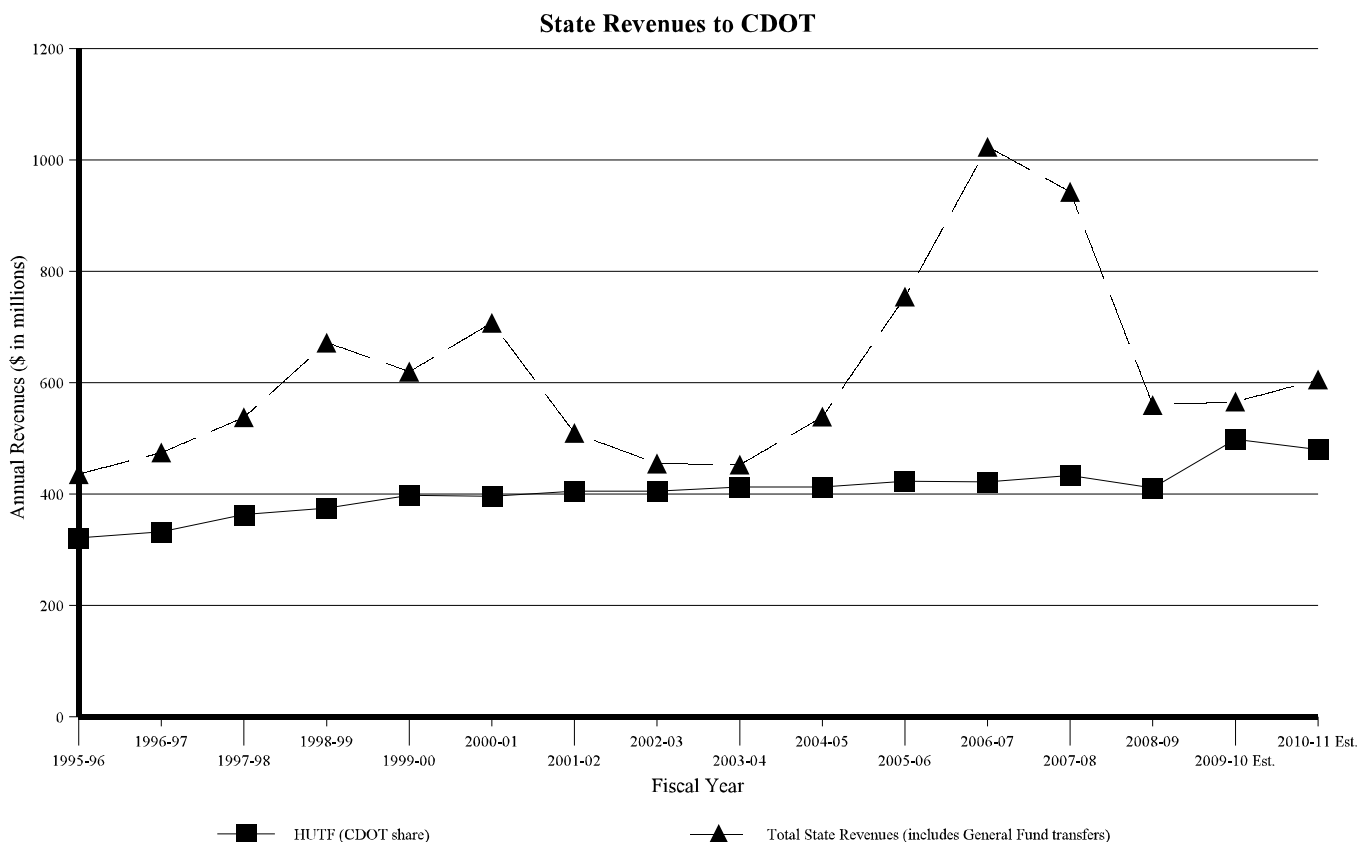
## General Factors Driving the Budget

Funding for this department in FY 2010-11 consists of 63.8 percent cash funds, 0.5 percent reappropriated funds, and 35.8 percent federal funds. Important factors driving the budget are reviewed below.

### Highway Users Tax Fund (HUTF) Revenues and S.B. 09-108

The primary 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 revenue collections for the HUTF, with the remainder coming 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 in the following section) since FY 1995-96. Total state funding for the Department has fluctuated substantially over that period, primarily as a result of changes in the amount of General Fund transferred to the HUTF. Non-General Fund HUTF revenues have been more consistent.



The Department estimates that fees, fines, and surcharges authorized in S.B. 09-108 (also known as FASTER) will provide a total of \$165.6 million in state revenues to the Department in FY 2010-11. The estimate represents an increase of approximately \$39.2 million above the estimate of FASTER-associated revenue assumed in the FY 2009-10 Long Bill, and the increase is a result of the phasing in of fees charged under the bill. The FY 2010-11 S.B. 09-108-associated revenues include \$78.9 million in the HUTF for highway

purposes, \$15.0 million in the HUTF for transit purposes (including \$5.0 million for local entities), and \$71.8 million in the State Bridge Enterprise Fund (collected through bridge safety surcharges authorized in the bill and provided to the Statewide Bridge Enterprise). The enactment of S.B. 09-108 also drove changes in the Department's Long Bill format, including the creation of the Statewide Bridge Enterprise as a new division 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 funds to the State Highway Fund from General Fund sources, including: (1) Capital Construction Fund appropriations (which originate in the General Fund); (2) diversions of sales and use taxes from the General Fund to the Highway Users Tax Fund (S.B. 97-001); (3) Limited Gaming Fund appropriations (which use cash funds that would otherwise be credited to the Clean Energy Fund); and (4) two-thirds of the year-end General Fund surplus (H.B. 02-1310). 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 from the 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) but declined to \$88.0 million in FY 2008-09.

### General Fund Diversions to the HUTF Pursuant to S.B. 97-001 and H.B. 02-1310

**Historical Data**  
(in millions of dollars)

Fiscal Year	02	03	04	05	06	07	08	09	Totals
<b>S.B. 97-001</b>	\$35	\$0	\$0	\$0	\$220	\$229	\$241	\$59	\$785
<b>H.B. 02- 1310</b>	n/a	n/a	5.6	81.2	65.3	291.2	166.2	29.0	638.5
<b>Totals</b>	\$35.2	\$0.0	\$5.6	\$81.2	\$285.7	\$520.2	\$407.2	\$88.0	\$1,423.1

Senate Bill 09-228, enacted during the 2009 Regular 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 that 2.0 percent of General Fund revenues be transferred 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

The Department receives federal funding for four basic purposes, including (1) highways (Federal Highway Administration funds); (2) highway safety (National Highway Traffic Safety Administration funds); (3) transit (Federal Transit Administration funds); and (4) aviation (Federal Aviation Administration funds). Federal funds provide a significant share of the Department's resources (36.7 percent of the Department's actual expenditures for FY 2008-09), 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 federal authorization bills. The most recent authorization bill, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), expired in September 2009. The U.S. Department of Transportation is currently operating on short-term extensions of SAFETEA-LU: Congress has now extended the law through December 31, 2010 but will have to act again by that date to continue the provision of these federal funds to the states.

The Department's total share of federal funds has fluctuated in recent years, increasing from \$359.7 million in FY 2000-01 to \$552.5 million in FY 2007-08 but declining to an estimated \$362.7 million in FY 2009-10 (see table below). 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. In FY 2008-09, with an infusion of funds as a result of the American Recovery and Reinvestment Act (ARRA), the Department received a total of \$957.4 million in federal funds. Budgetary conditions, including the depletion of the surplus in the federal Highway Trust Fund, resulted in "obligation limits" that reduce each state's funding below the full amounts authorized in SAFETEA-LU.

**Federal Funding to CDOT**  
(\$ in millions)

Source	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10 Est	FY 10-11 Est
FHWA	\$333.6	\$396.0	\$434.2	\$527.6	\$533.8	\$536.9	\$330.4	\$349.3
FTA	8.3	9.2	9.1	10.9	10.2	13.9	13.5	13.2
FAA	0.3	0.2	0.3	0.2	0.3	0.3	0.3	0.3
NHTSA	4.7	4.7	5.0	3.4	8.1	2.1	6.0	6.3
ARRA	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>404.2</u>	<u>12.5</u>	<u>n/a</u>
<b>Total</b>	<b>\$346.9</b>	<b>\$410.2</b>	<b>\$448.6</b>	<b>\$542.1</b>	<b>\$552.5</b>	<b>\$957.4</b>	<b>\$362.7</b>	<b>\$369.1</b>

Because Congress has yet to pass another multi-year authorization bill and the U.S. Department of Transportation is currently operating under short-term extensions of SAFETEA-LU, the Department's expectations regarding future federal funds are highly uncertain. The FY 2010-11 budget assumes a total of \$369.1 million in federal funds, including \$349.3 million in highway funds, but these figures could change significantly based on Congressional action.

## Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of Transportation						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$973,508,750</b>	<b>\$0</b>	<b>\$614,161,434</b>	<b>\$3,950,128</b>	<b>\$355,397,188</b>	<b>3,366.5</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	26,152,680	0	24,116,892	2,035,788	0	223.2
Construction, Maintenance, and Operations	901,002,251	0	543,690,723	1,914,340	355,397,188	3,142.3
High Performance Transportation Enterprise	2,200,000	0	2,200,000	0	0	1.0
First Time Drunk Driving Offenders Account	1,705,276	0	1,705,276	0	0	0.0
Statewide Bridge Enterprise	42,448,543	0	42,448,543	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
SB 09-259	973,514,495	0	614,161,434	3,955,873	355,397,188	3,366.5
HB 10-1316	(5,745)	0	0	(5,745)	0	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$1,032,417,169</b>	<b>\$0</b>	<b>\$658,329,628</b>	<b>\$4,986,153</b>	<b>\$369,101,388</b>	<b>3,307.5</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	23,630,403	0	21,660,054	1,970,349	0	192.5
Construction, Maintenance, and Operations	933,454,899	0	561,337,707	3,015,804	369,101,388	3,114.0
High Performance Transportation Enterprise	2,500,000	0	2,500,000	0	0	1.0
First Time Drunk Driving Offenders Account	1,000,000	0	1,000,000	0	0	0.0
Statewide Bridge Enterprise	71,831,867	0	71,831,867	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	1,032,417,169	0	658,329,628	4,986,153	369,101,388	3,307.5
<b>Increase/(Decrease)</b>	<b>\$58,908,419</b>	<b>\$0</b>	<b>\$44,168,194</b>	<b>\$1,036,025</b>	<b>\$13,704,200</b>	<b>(59.0)</b>
Percentage Change	6.1%	n/a	7.2%	26.2%	3.9%	(1.8)%

### FY 2009-10 Appropriation Adjustment Highlights:

- Supplemental appropriations add \$705,276 cash funds to the First Time Drunk Driving Offenders Account to refinance high visibility drunk driving enforcement efforts previously funded from the Law Enforcement Assistance Fund (see below) and allow for a transfer of LEAF resources to the General

Fund (H.B. 10-1327 transfers approximately \$1.5 million from LEAF to the General Fund in FY 2009-10).

2. The informational appropriation to the Construction, Maintenance, and Operations line item is reduced by \$705,276 cash funds from the Law Enforcement Assistance Fund (LEAF) as part of refinancing high visibility drunk driving enforcement efforts with First Time Drunk Driving Offenders Account funds.
3. Supplemental appropriations reduce the Administration line item by \$421,123 cash funds and \$5,745 reappropriated funds to reflect changes associated with statewide common policies and to reflect the actual impact of the FY 2009-10 furloughs (cash funds reduced from Administration transfer to Construction, Maintenance, and Operations and partially offset the reduction discussed above).

#### **FY 2010-11 Appropriation Highlights:**

1. The appropriation reflects a \$44.2 million increase in the Department's estimated share of cash funds relative to the FY 2009-10 appropriation, including an additional \$29.4 million in revenues for the Statewide Bridge Enterprise created by S.B. 09-108.
2. The appropriation reflects a \$13.7 million increase in the Department's estimated allocation of federal funds.
3. The appropriation includes a refinance of drunk driving enforcement activities from Law Enforcement Assistance Fund (LEAF) revenues to Highway Users Tax Fund revenues reappropriated from the Department of Public Safety because the LEAF funds are diverted to the General Fund in FY 2010-11 as a budget balancing measure.
4. The appropriation includes a reduction of \$2.6 million from the Administration line item, largely as a result of reductions in centrally-appropriated line items. Savings from the Administration line item transfer to the Construction, Maintenance, and Operations line item.
5. The appropriation includes a reduction of 82.0 FTE (30.7 FTE in Administration and 51.3 FTE in Construction, Maintenance, and Operations) as a result of the statewide information technology staff consolidation. The reduction is partially offset by increases in FTE in the non-appropriated Construction, Maintenance, and Operations line item.

### **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; Motor Pool Operations for State Fleet Vehicles; 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 expenses 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 from the State Highway Fund, with a portion of administrative costs funded by reappropriated funds paid to the print shop and for the maintenance of other state agencies' vehicles.

<b>Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$26,579,548	\$0	\$24,538,015	\$2,041,533	\$0	223.2
HB 10-1316	<u>(426,868)</u>	<u>0</u>	<u>(421,123)</u>	<u>(5,745)</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$26,152,680</b>	<b>\$0</b>	<b>\$24,116,892</b>	<b>\$2,035,788</b>	<b>\$0</b>	<b>223.2</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$26,152,680	\$0	\$24,116,892	\$2,035,788	\$0	223.2
Restore FY 2009-10 furlough reductions	475,461	0	454,890	20,571	0	0.0
Indirect cost assessment	6,873	0	6,873	0	0	0.0
Fund mix adjustment	0	0	71,596	(71,596)	0	0.0
Centrally-appropriated line items	(2,335,719)	0	(2,335,719)	0	0	0.0
State PERA contribution reduction	(332,891)	0	(318,477)	(14,414)	0	0.0
Statewide IT staff consolidation	(299,521)	0	(299,521)	0	0	(30.7)
Transportation base adjustment	(36,480)	0	(36,480)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$23,630,403</u></b>	<b><u>\$0</u></b>	<b><u>\$21,660,054</u></b>	<b><u>\$1,970,349</u></b>	<b><u>\$0</u></b>	<b><u>192.5</u></b>
<b>TOTAL</b>	<b>\$23,630,403</b>	<b>\$0</b>	<b>\$21,660,054</b>	<b>\$1,970,349</b>	<b>\$0</b>	<b>192.5</b>
<b>Increase/(Decrease)</b>	<b>(\$2,522,277)</b>	<b>\$0</b>	<b>(\$2,456,838)</b>	<b>(\$65,439)</b>	<b>\$0</b>	<b>(30.7)</b>
Percentage Change	(9.6)%	n/a	(10.2)%	(3.2)%	n/a	(13.8)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations included in H.B. 10-1316 made adjustments associated with statewide common policies and reflect the actual impact of the FY 2009-10 furloughs.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Indirect cost assessment:** The appropriation includes a net increase in indirect cost assessments.

**Fund mix adjustment:** The appropriation reflects an adjustment to accurately 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).

**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, and payments to risk management and property funds.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees' Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources results in a ten percent cost savings statewide. The funding associated with the FTE being transferred to OIT will remain in CDOT and be paid to OIT on a fee for service basis.

**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. The adjustments result in a net decrease of \$36,480 cash funds.

---

### Construction, Maintenance, and Operations

The Construction, Maintenance, and Operations 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 and amounts are included in the Long Bill for informational purposes only. The Division represents the majority of the Department's total budget. Funding for this division is intended to improve the condition of the state highway system. Past ratings of Colorado roadways are summarized below.

Colorado Roadways	2003	2004	2005	2006	2007	2008	2009
Percent Rated "Fair" or "Good"	58%	61%	65%	63%	59%	53%	50%

This division reflects revenues that are continuously appropriated to the Department for the construction, maintenance, and operations of state highways and transportation systems. Cash funds include the State Highway Fund, miscellaneous permit fees, interest earnings, and local matching funds made available for federal dollars. Appropriation authority over these revenues rests with the Transportation Commission.

<b>Construction, Maintenance, and Operations</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$901,286,404	\$0	\$543,974,876	\$1,914,340	\$355,397,188	3,142.3
HB 10-1316	<u>(284,153)</u>	<u>0</u>	<u>(284,153)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$901,002,251</b>	<b>\$0</b>	<b>\$543,690,723</b>	<b>\$1,914,340</b>	<b>\$355,397,188</b>	<b>3,142.3</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$901,002,251	\$0	\$543,690,723	\$1,914,340	\$355,397,188	3,142.3
Cash funds (aeronautics, locals, miscellaneous)	34,065,116	0	34,065,116	0	0	0.0
Federal funds	13,704,200	0	0	0	13,704,200	0.0
Drunk driving enforcement	832,741	0	(250,239)	1,082,980	0	0.0
Internal cash funds	18,484	0	0	18,484	0	0.0
FTE reconciliation	0	0	0	0	0	23.0
State Highway Funds (HUTF)	(16,167,893)	0	(16,167,893)	0	0	0.0
Statewide IT staff consolidation	0	0	0	0	0	(51.3)
<b>HB 10-1376</b>	<b><u>\$933,454,899</u></b>	<b><u>\$0</u></b>	<b><u>\$561,337,707</u></b>	<b><u>\$3,015,804</u></b>	<b><u>\$369,101,388</u></b>	<b><u>3,114.0</u></b>
<b>TOTAL</b>	<b>\$933,454,899</b>	<b>\$0</b>	<b>\$561,337,707</b>	<b>\$3,015,804</b>	<b>\$369,101,388</b>	<b>3,114.0</b>
<b>Increase/(Decrease)</b>	<b>\$32,452,648</b>	<b>\$0</b>	<b>\$17,646,984</b>	<b>\$1,101,464</b>	<b>\$13,704,200</b>	<b>(28.3)</b>
Percentage Change	3.6%	n/a	3.2%	57.5%	3.9%	(0.9)%

### **FY 2009-10 Appropriation Adjustments**

Supplemental appropriations in H.B. 10-1316 included an increase of \$421,123 cash funds from the Administration line item, reflecting adjustments associated with statewide common policies and the actual impact of the FY 2009-10 furloughs. The increase was more than offset by a reduction of \$705,276 cash funds as a result of refinancing high visibility drunk driving enforcement events from the Law Enforcement Assistance Fund to the First Time Drunk Driving Offenders Account line item.

### **FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions**

**Cash funds (aeronautics, locals, miscellaneous):** The appropriation reflects the Department's current estimate of revenues available from cash fund sources other than the State Highway Fund, including funding for the Division of Aeronautics, funding from local government matches, and miscellaneous cash funds including those for the Motorcycle Operator Safety Training (MOST) program.

**Federal funds:** The appropriation reflects the Department's estimated apportionment of federal funds for FY 2010-11.

**Drunk driving enforcement:** The appropriation reflects an increase in reappropriated funds transferred from the Department of Public Safety's Highway Users Tax Fund "Off-the-Top" allocation to offset the diversion of the Department of Transportation's allocation of Law Enforcement Assistance Fund (LEAF) revenues to the General Fund as a budget balancing measure for FY 2010-11.

**Internal cash funds:** The appropriation represents an increase in internal cash fund assessments for the Construction, Operations, and Maintenance division.

**FTE reconciliation:** The appropriation reflects additional FTE added by the Transportation Commission.

**State Highway Funds (HUTF):** The appropriation represents the Department's forecasted share of Highway User Tax Fund (HUTF) revenues per statutory formula.

**Statewide IT staff consolidation:** The appropriation includes the impact of transferring information technology (IT) staff resources to the Governor's Office of Information Technology (OIT). The consolidation of IT staff resources results in a ten percent cost savings statewide. The funding associated with the FTE being transferred to OIT will remain in CDOT and be paid to OIT on a fee for service basis.

## High Performance Transportation Enterprise

This section, created in S.B. 09-108, replaces the Statewide Tolling Enterprise that was created pursuant to S.B. 02-179 and H.B. 02-1310. In addition to assuming 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. This 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 informational purposes only.

High Performance Transportation Enterprise						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	<u>\$2,200,000</u>	<u>\$0</u>	<u>\$2,200,000</u>	<u>\$0</u>	<u>\$0</u>	<u>1.0</u>
<b>TOTAL</b>	<b>\$2,200,000</b>	<b>\$0</b>	<b>\$2,200,000</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$2,200,000	\$0	\$2,200,000	\$0	\$0	1.0
Revenue estimate adjustment	300,000	0	300,000	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$2,500,000</u></b>	<b><u>\$0</u></b>	<b><u>\$2,500,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>1.0</u></b>

High Performance Transportation Enterprise						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>TOTAL</b>	<b>\$2,500,000</b>	<b>\$0</b>	<b>\$2,500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>1.0</b>
<b>Increase/(Decrease)</b>	\$300,000	\$0	\$300,000	\$0	\$0	0.0
Percentage Change	13.6%	n/a	13.6%	n/a	n/a	0.0%

### FY 2010-11 Appropriation - H.B. 10-1376 (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 2010-11.

### 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$1,000,000	\$0	\$1,000,000	\$0	\$0	0.0
HB 10-1316	<u>705,276</u>	<u>0</u>	<u>705,276</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,705,276</b>	<b>\$0</b>	<b>\$1,705,276</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,705,276	\$0	\$1,705,276	\$0	\$0	0.0
Eliminate one-time funding	(705,276)	0	(705,276)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$1,000,000</u></b>	<b><u>\$0</u></b>	<b><u>\$1,000,000</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$705,276)	\$0	(\$705,276)	\$0	\$0	0.0
Percentage Change	(41.4)%	n/a	(41.4)%	n/a	n/a	n/a

## FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1316 increased the appropriation to refinance high visibility drunk driving enforcement events previously funded from the Law Enforcement Assistance Fund within the Construction, Maintenance, and Operations line item.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Eliminate one-time funding:** The appropriation eliminates \$705,276 in one-time funding provided through the FY 2009-10 supplemental appropriation.

### Statewide Bridge Enterprise

This section was created by S.B. 09-108 and is funded through a bridge safety surcharge on vehicle registrations. 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 to 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	<u>\$42,448,543</u>	<u>\$0</u>	<u>\$42,448,543</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$42,448,543</b>	<b>\$0</b>	<b>\$42,448,543</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$42,448,543	\$0	\$42,448,543	\$0	\$0	0.0
Statewide Bridge Enterprise revenues	29,383,324	0	29,383,324	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$71,831,867</u></b>	<b><u>\$0</u></b>	<b><u>\$71,831,867</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>0.0</u></b>
<b>TOTAL</b>	<b>\$71,831,867</b>	<b>\$0</b>	<b>\$71,831,867</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$29,383,324	\$0	\$29,383,324	\$0	\$0	0.0
Percentage Change	69.2%	n/a	69.2%	n/a	n/a	n/a

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Statewide Bridge Enterprise revenues:** The appropriation reflects the Department's estimate of revenues for the Statewide Bridge Enterprise for FY 2010-11.

## Recent Legislation

### 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. 09-228:** 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, the transfers to the Highway Users Tax Fund and Capital Construction Fund are delayed 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.

**H.B. 09-1318:** Modifies the permitting requirements and fees charged for certain overweight vehicles. Repeals an 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 six-month permit, and \$15 plus \$10 per axle for a single trip permit.

## **2010 Session Bills**

**H.B. 10-1316:** Supplemental appropriation to the Department of Transportation to modify FY 2009-10 appropriations in the FY 2009-10 Long Bill (S.B. 09-259).

**H.B. 10-1327:** Transfers the remaining balance of the Law Enforcement Assistance Fund (LEAF) as of June 30, 2010, estimated to be \$1,560,315, to the General Fund. For more information on H.B. 10-1327 see the "Recent Legislation" section at the end of the Department of Higher Education.

**H.B. 10-1376:** General appropriations act for FY 2010-11.

**H.B. 10-1388:** Transfers the balance of the Law Enforcement Assistance Fund (LEAF) to the General Fund on June 30, 2011 and June 30, 2012, an estimated \$1,082,980 each year. For more information on H.B. 10-1388, see the "Recent Legislation" section at the end of the Department of Public Health and Environment.

# 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 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
General Fund/1	\$114,153,460	\$86,966,576	\$1,680,359	\$2,550,137
Cash Funds/2	2,642,009	302,467,682	293,936,308	354,449,680
Cash Funds Exempt/2	281,038,178	n/a	n/a	n/a
Reappropriated Funds/2	n/a	0	0	0
Federal Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Funds</b>	<b>\$397,833,647</b>	<b>\$389,434,258</b>	<b>\$295,616,667</b>	<b>\$356,999,817</b>
Full Time Equiv. Staff	26.0	29.5	31.5	31.5

/1 Includes General Fund Exempt.

/2 Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 General Fund appropriation primarily supports the senior citizen and disabled veterans property tax exemption and the State's payments to the Fire and Police Pension Association "old-hire" pension plan, 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 Highway Users Tax Fund to counties and municipalities. The Department's funding for FY 2010-11 consists of 0.7 percent General Fund and 93.3 percent cash funds.

## Senior Citizen and Disabled Veteran Property Tax Exemption

Article X, Section 3.5 of the Colorado Constitution, and Sections 39-3-201 to 208, C.R.S., grants a property tax exemption to qualifying senior citizens and disabled veterans<sup>1</sup>. This provision exempts 50 percent of the first \$200,000 of actual property value for qualifying homeowners from property taxes. 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 only for FY 2009-10. Senate Bill 10-190 eliminated the exemption for qualifying senior citizens in FY 2010-11 and FY 2011-12, while leaving the exemption in place for disabled veterans.

These state payments are subject to the Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending<sup>2</sup>, 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 for the property tax exemption are included in the Department of Treasury's budget for informational purposes.

Senior Citizen and Disabled Veteran Property Tax Exemption				
	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Projected <sup>/2</sup>	FY 2010-11 Estimated <sup>/2</sup>
County Reimbursement for Tax Exemption <sup>/1</sup>	\$79,843,540	\$85,586,694	\$1,335,704	\$1,670,802
Number of Exemptions Granted	157,099	165,596	3,122	Not Projected
Average Property Tax Exempted	\$508	\$517	\$428	Not Projected
Percent of Residences Granted Exemption	8.9%	9.3%	0.2%	Not Projected
Actual Value Exempted	\$13,018,439,322	\$13,788,163,799	\$211,183,290	Not Projected
Assessed Value Exempted	\$1,036,267,770	\$1,097,537,838	\$16,810,190	Not Projected

/1 The figure for FY 2009-10 represents the total amount paid by the State Treasurer's Office as of April 30, 2010. The FY 2010-11 appropriation is based on estimates included in the Legislative Council Staff March 2010 revenue forecast.

/2 The figures for FY 2009-10 and FY 2010-11 represent the portion of the exemption for disabled veterans, which is the portion of the exemption retained by the General Assembly for those years.

<sup>1</sup> 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 (100.0 percent permanent service-connected disability) as of the assessment date.

<sup>2</sup> 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.

## State Contributions for Local Fire and Police Pension Plans

Section 31-30.5-307, C.R.S., requires the State to pay a portion of the unfunded liability of retirement plans that cover police officers 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 informational purposes; this appropriation is not subject to the statutory restriction on General Fund appropriations.

Senate Bill 09-227 suspended the contributions for 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. As of January 1, 2010, the total unfunded liability of the plan is \$208.9 million.

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 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 /a	0	83,853,854

/a 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 140.0 percent of the industry average<sup>3</sup>, premium revenues in FY 2009-10 are projected to cover only about 46.5 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 100.0 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.

---

<sup>3</sup> Reduced from 150.0 percent of the industry average, effective January 1, 2007.

<b>CoverColorado: Recent Funding History<sup>/1</sup></b>						
<b>Fiscal Year</b>	<b>Claims and Administrative Costs</b>	<b>Premiums Paid by Enrollees</b>	<b>Ratio: Premiums/ Total Costs</b>	<b>Total Subsidy Required</b>	<b>Other Sources of Revenue<sup>/2</sup></b>	<b>Annual Surplus/ (Deficit)</b>
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)
2008-09	76,831,929	37,206,807	48.4%	(39,625,122)	50,965,271	11,340,149
<b>Projections</b>						
2009-10	102,093,224	47,439,053	46.5%	(54,654,171)	62,833,149	8,178,978
2010-11	132,826,816	61,267,028	46.1%	(71,559,788)	72,962,648	1,402,860
2011-12	169,208,025	78,235,282	46.2%	(90,972,743)	90,972,743	0
2012-13	207,567,302	97,008,035	46.7%	(110,559,267)	110,559,267	0

/1 Projection from CoverColorado, dated October 2009.

/2 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.

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 (\$27.0 million in FY 9-10 and \$34.0 million in FY 2010-11) appears in the Treasury Department, Special Purpose section. 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.

Senate Bill 10-020 permits the CoverColorado Board of Directors (Board) to establish one or more fee schedules for compensating health care providers for services to CoverColorado members. The fee schedule(s) will go into effect January 1, 2011. Savings that result from the fee schedule(s) will be used to reduce premiums paid by participants, fees on insurers, and transfers from the Unclaimed Property Trust Fund. The bill also allows the Board to limit enrollment in the program within the financial resources of the program. If the Board determines that it must limit enrollment, it must (1) submit notice of such intent with its annual report and not implement the limitation until after the end of the next regular session of the General Assembly, or (2) if the need to limit enrollment is due to financial emergency or threat of insolvency that arises during the fiscal year, notify the Joint Budget Committee at least 60 days prior to imposing a limit on enrollment, unless the Joint Budget Committee notifies the Board that additional funding will be made available. It is estimated that establishing fee schedules will result in savings to the program of between \$19 to \$28 million in calendar year 2011.

#### *National Health Care Reform*

As part of the federal health care reform passed in 2010, the federal government established a temporary high risk pool program and allocated a total of \$5 billion to fund state plans until 2014. Colorado's share of these

moneys is approximately \$90 million. The new high risk pool program is separate from Colorado's existing high risk pool (CoverColorado) and may not cover persons already covered under that plan. The State must maintain its funding for CoverColorado to be eligible to participate in the new federal program. From among the options given to states under the reform bill, the state has chosen to operate a new high risk pool alongside the existing high risk pool (CoverColorado). One anticipated result of the federal program would be that potential new participants in CoverColorado will be channeled into the new federal funded program. This would result in decreasing the financial pressures on CoverColorado.

## Highway Users Tax Fund Disbursements

The Department 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 Special Purpose section of the Long Bill for informational purposes. The following table details recent distributions of HUTF revenues, as well as projections for FY 2009-10 and FY 2010-11.

Highway Users Tax Fund (HUTF) Revenues and Distributions (\$ millions)					
	Actual			Projected	Estimated
	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
<b>Total Revenues</b> <sup>/1</sup>	\$779.9	\$804.0	\$774.7	\$907.8	\$926.0
<i>Annual Percent Change</i>	<i>(1.0)%</i>	<i>3.1%</i>	<i>(3.6)%</i>	<i>17.2%</i>	<i>2.0%</i>
<b><u>Treasury Distributions:</u></b>					
<b>Counties</b>	\$159.8	\$163.7	\$155.4	\$159.5	\$186.8
<b>Municipalities</b>	94.9	106.7	101.1	104.3	130.7

/1 Data provided by Legislative Council Staff in the March 2010 revenue forecast.

## Summary of FY 2009-10 and FY 2010-11 Appropriations

Department of Treasury						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Total Appropriation:</b>	<b>\$295,616,667</b>	<b>\$1,680,359</b>	<b>\$293,936,308</b>	<b>\$0</b>	<b>\$0</b>	<b>31.5</b>
<b><u>Breakdown of Total Appropriation by Administrative Section</u></b>						
Administration	1,871,204	680,359	1,190,845	0	0	16.0
Unclaimed Property Program	1,936,768	0	1,936,768	0	0	15.5
Special Purpose	291,808,695	1,000,000	290,808,695	0	0	0.0
<b><u>Breakdown of Total Appropriation by Bill</u></b>						
SB 09-259	386,041,531	92,333,721	293,707,810	0	0	31.5
SB 09-276	(90,400,000)	(90,400,000)	0	0	0	0.0

Department of Treasury						
	Total Funds	General Fund/1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
HB 10-1317	(24,864)	(253,362)	228,498	0	0	0.0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$356,999,817</b>	<b>\$2,550,137</b>	<b>\$354,449,680</b>	<b>\$0</b>	<b>\$0</b>	<b>31.5</b>
<u>Breakdown of Total Appropriation by Administrative Section</u>						
Administration	1,859,190	879,335	979,855	0	0	16.0
Unclaimed Property Program	1,938,825	0	1,938,825	0	0	15.5
Special Purpose	353,201,802	1,670,802	351,531,000	0	0	0.0
<u>Breakdown of Total Appropriation by Bill</u>						
HB 10-1376	448,729,015	94,279,335	354,449,680	0	0	31.5
SB 10-190	(91,729,198)	(91,729,198)	0	0	0	0.0
<b>Increase/(Decrease)</b>	<b>\$61,383,150</b>	<b>\$869,778</b>	<b>\$60,513,372</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	20.8%	51.8%	20.6%	n/a	n/a	0.0%

/1 Includes amounts (\$1,000,000 in FY 2009-10 and \$1,670,802 in FY 2010-11) 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 Special Purpose Division detail for more information.

### FY 2009-10 Appropriation Adjustment Highlights:

- Supplemental appropriations reflect a refinance of \$145,000 General Fund with cash funds from Treasury Transaction fees, a decrease of \$55,000 to reflect the actual impact of the FY 2009-10 furloughs, a decrease of \$29,000 in operating expenses and other line items to address the FY 2009-10 revenue shortfall, and a decrease of \$42,000 General Fund and an increase of \$104,000 cash funds to reflect administrative spending authority from the American Recovery and Reinvestment Act.

### FY 2010-11 Appropriation Highlights:

- The appropriation reflects a \$53.7 million cash funds increase in the projected disbursements of Highway Users Tax Fund revenues to counties and municipalities, *compared to amounts reflected in the FY 2009-10 Long Bill*.
- The appropriation reflects a \$7.0 million increase in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado, *compared to amounts reflected in the FY 2009-10 Long Bill*.
- The appropriation reflects a \$671,000 General Fund<sup>4</sup> increase in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2010 for the disabled veteran property tax exemption, *compared to amounts reflected in the FY 2009-10 Long Bill*.

<sup>4</sup> This amount is not subject to the statutory limit on General Fund appropriations.

## Detail of Appropriation by Administrative Section

### Administration

This Division is responsible for the operation and oversight of the Department and provides accounting, cash management, and investment services for the State. For FY 2009-10, the Department projects that interest earned on General Fund and cash fund balances will total \$140 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$1,876,563	\$933,721	\$942,842	\$0	\$0	16.0
S.B. 10-1317	<u>(5,359)</u>	<u>(253,362)</u>	<u>248,003</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,871,204</b>	<b>\$680,359</b>	<b>\$1,190,845</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,871,204	\$680,359	\$1,190,845	\$0	\$0	16.0
Centrally-appropriated line items	58,553	21,540	37,013	0	0	0.0
Restore FY 2009-10 furlough reductions	38,508	37,994	514	0	0	0.0
Fund source adjustment	0	144,742	(144,742)	0	0	0.0
Reverse adjustment related to ARRA	(62,049)	41,726	(103,775)	0	0	0.0
State PERA contribution reduction	(28,946)	(28,946)	0	0	0	0.0
Statewide information technology common policy adjustments	(17,956)	(17,956)	0	0	0	0.0
Postage adjustment	(124)	(124)	0	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$1,859,190</u></b>	<b><u>\$879,335</u></b>	<b><u>\$979,855</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>16.0</u></b>
<b>TOTAL</b>	<b>\$1,859,190</b>	<b>\$879,335</b>	<b>\$979,855</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
<b>Increase/(Decrease)</b>	<b>(\$12,014)</b>	<b>\$198,976</b>	<b>(\$210,990)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Percentage Change</b>	<b>(0.6)%</b>	<b>29.2%</b>	<b>(17.7)%</b>	<b>n/a</b>	<b>n/a</b>	<b>0.0%</b>

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1317 reflected the actual impact of the FY 2009-10 furloughs, reduced operating expenses, and refinanced \$144,742 of General Fund expenses with cash funds (Treasury Transaction fees), among other changes.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Centrally-appropriated line items:** The appropriation includes adjustments to centrally-appropriated line item appropriations for the following: health, life and dental benefits; short-term disability; amortization equalization

disbursement; supplemental amortization equalization disbursement; workers' compensation; legal services; payment to risk management and property funds; and Capitol complex leased space.

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Fund source adjustment:** The appropriation reverses one-time fund source adjustments made in FY 2009-10 to reflect the amount of cash fund revenue estimated to be available from cash management transaction fees.

**Reverse adjustment related to ARRA:** The appropriation reverses one-time adjustments made in FY 2009-10 to reflect administrative costs spending authority from federal American Recovery and Reinvestment Act (ARRA) funds.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

**Statewide information technology common policy adjustments:** The appropriation includes adjustments to the appropriation for the purchase of services from the computer center.

**Postage adjustment:** The appropriation includes an adjustment associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

## 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 20,000 claims valued at \$21 million in FY 2009-10. 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
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$1,956,273	\$0	\$1,956,273	\$0	\$0	15.5
SB 10-1317	<u>(19,505)</u>	<u>0</u>	<u>(19,505)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$1,936,768</b>	<b>\$0</b>	<b>\$1,936,768</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>

Unclaimed Property Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$1,936,768	\$0	\$1,936,768	\$0	\$0	15.5
Restore FY 2009-10 furlough reductions	16,867	0	16,867	0	0	0.0
Leased space	1,733	0	1,733	0	0	0.0
Postage adjustment	281	0	281	0	0	0.0
State PERA contribution reduction	(16,824)	0	(16,824)	0	0	0.0
<b>HB 10-1376</b>	<b><u>\$1,938,825</u></b>	<b><u>\$0</u></b>	<b><u>\$1,938,825</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>15.5</u></b>
<b>TOTAL</b>	<b>\$1,938,825</b>	<b>\$0</b>	<b>\$1,938,825</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
<b>Increase/(Decrease)</b>	\$2,057	\$0	\$2,057	\$0	\$0	0.0
Percentage Change	0.1%	n/a	0.1%	n/a	n/a	0.0%

### FY 2009-10 Appropriation Adjustments

Supplemental appropriations included in H.B. 10-1317 reduced funding to reflect the actual impact of the FY 2009-10 furloughs and changes to the procurement plan for mail services equipment.

### FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Restore FY 2009-10 furlough reductions:** The appropriation restores one-time reductions associated with the furlough of non-exempt state employees in FY 2009-10.

**Leased space:** The appropriation reflects an increase due to escalators in the program's leased space agreement.

**Postage adjustment:** The appropriation includes an adjustment associated with an upgrade to mail services equipment in the Department of Personnel and Administration.

**State PERA contribution reduction:** The appropriation reflects a reduction to the State's contribution to the Public Employees Retirement Association (PERA) equal to 2.5 percent of employees' salaries, pursuant to S.B. 10-146.

## 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 Fire and Police Pension Association 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. The sources of cash funds are the Highway Users Tax Fund and the Unclaimed Property Trust Fund.

Special Purpose						
	Total Funds	General Fund /1	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2009-10 Appropriation:</b>						
SB 09-259	\$382,208,695	\$91,400,000	\$290,808,695	\$0	\$0	0.0
SB 09-276	<u>(90,400,000)</u>	<u>(90,400,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$291,808,695</b>	<b>\$1,000,000</b>	<b>\$290,808,695</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2010-11 Appropriation:</b>						
FY 2009-10 Appropriation	\$291,808,695	\$1,000,000	\$290,808,695	\$0	\$0	0.0
Senior citizen and disabled veterans property tax exemption	92,400,000	92,400,000	0	0	0	0.0
HUTF disbursements	53,722,305	0	53,722,305	0	0	0.0
Transfer to CoverColorado	7,000,000	0	7,000,000	0	0	0.0
<b>HB 10-1376</b>	<b>\$444,931,000</b>	<b>\$93,400,000</b>	<b>\$351,531,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
SB 10-190	<u>(91,729,198)</u>	<u>(91,729,198)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$353,201,802</b>	<b>\$1,670,802</b>	<b>\$351,531,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>\$61,393,107</b>	<b>\$670,802</b>	<b>\$60,722,305</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	21.0%	67.1%	20.9%	n/a	n/a	n/a

/1 Includes amounts ( \$1,000,000 in FY 2009-10 and \$1,670,802 in FY 2010-11) 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 suspended the exemption for FY 2009-10 for senior citizens, but continued the exemption for disabled veterans. For FY 2010-11, S.B. 10-190 continued the suspension for senior citizens, leaving the full exemption in place for disabled veterans.

## FY 2010-11 Appropriation - H.B. 10-1376 (Long Bill) Issue Descriptions

**Senior citizen and disabled veterans property tax exemption:** The appropriation reflects a \$92.4 million increase in payments to local government to offset the local property tax revenues that will be foregone for tax year 2010 pursuant to Article X, Section 3.5, of the Colorado Constitution. Pursuant to S.B. 09-276, the

property tax exemption for senior citizens was suspended for property tax year 2009, but was to be resumed for property tax year 2010. Pursuant to S.B. 10-190, the property tax exemption for senior citizens has been suspended for property tax years 2010 and 2011, which corresponds to FY 2010-11 and FY 2011-12.

**HUTF disbursements:** The appropriation reflects a \$53.7 million increase in the projected disbursement of Highway Users Tax Fund (HUTF) revenues to counties and municipalities, *compared to amounts reflected in the FY 2009-10 Long Bill*. [Please note that based on revised projections for FY 2009-10 (which are not reflected in the FY 2009-10 appropriations), these disbursements are anticipated to increase from \$312.6 million in FY 2009-10 to \$317.5 million in FY 2010-11 (1.6 percent).]

**Transfer to CoverColorado:** The appropriation reflects a \$7.0 million increase 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 2009-10 Long Bill. The appropriation is based on projections of program costs as well as other sources of revenues available to CoverColorado.

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

## Recent Legislation

### 2009 Session Bills

**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 in FY 2009-10. The disabled veterans portion of the exemption is not suspended. These expenditures are not subject to the statutory 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 \$50.0 million in FY 2008-09 and \$25 million in FY 2009-10 from the Unclaimed Property Trust Fund to the General Fund. 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 and then transfer those moneys back to the Unclaimed Property Trust Fund on July 1, 2009. For additional information on S.B. 09-279 see the "Recent Legislation" section in the Department of Labor.

**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.

## 2010 Session Bills

**S.B. 10-020:** Permits the CoverColorado Board of Directors to establish one or more fee schedules for compensating health care providers for services to CoverColorado members. The fee schedule(s) will go into effect January 1, 2011. Savings that result from the fee schedule(s) will be used to reduced premiums paid by participants, fees on insurers, and transfers from the Unclaimed Property Trust Fund. Allows the Board to limit enrollment in the program within the financial resources of the program. If the Board determines that it must limit enrollment, it must (1) submit notice of such intent with its annual report and not implement the limitation until after the end of the next regular session of the General Assembly or (2) if the need to limit enrollment is due to financial emergency or threat of insolvency that arises during the year, notify the Joint Budget Committee at least 60 days prior to imposing a limit on enrollment, unless the Joint Budget Committee notifies the Board that additional funding will be made available. It is estimated that establishing a fee schedule(s) will result in savings to the program of between \$19 and \$28 million in calendar year 2011.

**S.B. 10-190:** Suspends the senior citizens property tax exemption during FY 2010-11 and FY 2011-12, which results in General Fund savings of \$91.7 million in FY 2010-11. The disabled veterans portion of the exemption was not suspended. These expenditures are not subject to the statutory restriction on General Fund expenditures pursuant to Section 24-75-201.1 (1) (a) (II) through (IV), C.R.S.

**S.B. 10-207:** Authorizes the State Treasurer to enter into lease-purchase and ancillary agreements to finance energy efficiency related capital construction projects, with a maximum of \$73 million total par value. Establishes the process for identifying, recommending, and approving eligible projects, sets forth required terms to be included in the contract, and requires all projects to be subject to an energy performance contract. Establishes parameters and a process for financing the agreements. Appropriates \$20,900 cash funds and 0.2 FTE for FY 2010-11 from the Energy Efficiency Project Proceeds Fund to the Department of Personnel and Administration, Division of Accounts and Control - Controller.

**H.B. 10-1317:** Supplemental appropriation to the Department of the Treasury to modify FY 2009-10 appropriations included in the FY 2009-10 Long Bill (S.B. 09-259).

**H.B. 10-1376:** General appropriations act for FY 2010-11.

# 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 <sup>1</sup> )				
Funding Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Capital Construction Fund	\$258,329,285	\$150,251,265	\$38,288,706	\$20,157,499
Cash Funds	2,352,808	764,682,914	716,388,326	72,875,745
Cash Funds Exempt	567,994,210	n/a	n/a	n/a
Reappropriated Funds <sup>2</sup>	n/a	0	0	0
Federal Funds	<u>49,908,831</u>	<u>58,752,677</u>	<u>76,139,011</u>	<u>10,273,498</u>
<b>Total Funds</b>	<b>\$878,585,134</b>	<b>\$973,686,856</b>	<b>\$830,816,043</b>	<b>\$103,306,742</b>

<sup>1</sup> See the table "Appropriations and Transfers to the Capital Construction Fund" for this information.

<sup>2</sup> Appropriations for FY 2008-09, FY 2009-10, and FY 2010-11 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 for FY 2010-11 are detailed in the table on the following page.

State Funds Available for Capital Construction						
	State Funds	Fund Source				
		Capital Construction Fund	Corrections Expansion Reserve	Public Building Trust Fund	FML Revenues Fund	Fitzsimons Trust Fund
Uncommitted balance from prior year	\$15,585,537	\$5,137,000	\$0	\$0	\$7,000,000	\$3,448,537
Corrections Expansion Reserve Fund balance	3,970,667	0	3,970,667	0	0	0
Statutory General Fund transfers - sentencing bills	2,684,165	2,684,165	0	0	0	0
Interest (projection of FY 2009-10 earnings)	2,500,000	2,500,000	0	0	0	0
Tobacco distribution	7,698,527	0	0	0	0	7,698,527
State Land Board funds	7,433,999	0	0	7,433,999	0	0
Higher Education Federal Mineral Lease Revenues Fund	<u>8,318,127</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,318,127</u>	<u>0</u>
<b>Funds Available for Construction</b>	\$48,191,022	\$10,321,165	\$3,970,667	\$7,433,999	\$15,318,127	\$11,147,064
Statutory appropriations for sentencing bills	0	(2,684,165)	2,684,165	0	0	0
Lease Purchase of Academic Facilities at Fitzsimons	(9,694,676)	(1,996,149)	0	0	0	(7,698,527)
Lease Purchase of Colorado State Penitentiary II	(8,048,292)	(1,393,460)	(6,654,832)	0	0	0
Higher Education Federal Mineral Lease Revenues Fund (lease purchase of various academic buildings)	(8,318,127)	0	0	0	(8,318,127)	0
Level I (life safety) Controlled Maintenance	(10,129,588)	(2,695,589)	0	(7,433,999)	0	0
Colorado Integrated Tax Architecture	(10,177,308)	(10,177,308)	0	0	0	0
Highway Construction Projects	<u>(500,000)</u>	<u>(500,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>State-funded Appropriations</b>	(\$46,867,991)	(\$19,446,671)	(\$3,970,667)	(\$7,433,999)	(\$8,318,127)	(\$7,698,527)
<b>Transfer to augment General Fund in H.B. 10-1389</b>	\$1,323,031	(\$9,125,506)	\$0	\$0	\$7,000,000	\$3,448,537

## Summary of FY 2009-10 and FY 2010-11 Appropriations

### 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.

<b>Appropriations for Capital Construction and Controlled Maintenance Projects</b> (Does not include appropriations and transfers to the Capital Construction Fund or Controlled Maintenance Trust Fund)					
	<b>Total Funds</b>	<b>Capital Construction Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
<b>FY 2009-10 Total Appropriation:</b>	<b>\$830,816,043</b>	<b>\$38,288,706</b>	<b>\$716,388,326</b>	<b>\$0</b>	<b>\$76,139,011</b>
<u>Breakdown of Total Appropriation by Department</u>					
Agriculture	709,680	709,680	0	0	0
Corrections	8,012,956	3,419,032	4,593,924	0	0
Corrections Expansion Reserve Fund	947,027	947,027	0	0	0
Higher Education	672,988,905	12,477,365	629,048,662	0	31,462,878
Human Services	8,237,803	3,065,905	708,315	0	4,463,583
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	10,644,590	7,444,907	2,940,000	0	259,683
Treasury	15,820,365	0	15,820,365	0	0
<u>Breakdown of Total Appropriation by Bill</u>					
SB 09-259	518,168,465	50,659,524	426,793,196	0	40,715,745
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 <sup>1</sup>	778,265	778,265	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 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
HB 10-1376	311,700,551	(13,317,845)	289,595,130	0	35,423,266
HB 10-1389	(1,807,306)	(1,807,306)	0	0	0
<b>FY 2010-11 Total Appropriation:</b>	<b>\$103,306,742</b>	<b>\$20,157,499</b>	<b>\$72,875,745</b>	<b>\$0</b>	<b>\$10,273,498</b>
<u>Breakdown of Total Appropriation by Department</u>					
Corrections	10,705,522	2,012,428	8,693,094	0	0
Corrections Expansion Reserve Fund	3,394,993	3,394,993	0	0	0
Education	621,672	0	621,672	0	0
Governor	800,614	0	800,614	0	0
Higher Education	18,568,658	2,061,149	16,507,509	0	0
Human Services	10,825,095	0	3,880,011	0	6,945,084
Labor and Employment	855,049	0	641,287	0	213,762
Military and Veterans' Affairs	7,755,243	0	6,430,226	0	1,325,017
Natural Resources	25,127,359	0	23,337,724	0	1,789,635
Personnel and Administration	2,518,643	2,011,621	507,022	0	0
Public Health and Environment	250,000	0	250,000	0	0
Revenue	12,506,344	10,177,308	2,329,036	0	0
Transportation	500,000	500,000	0	0	0
Treasury	8,877,550	0	8,877,550	0	0
<u>Breakdown of Total Appropriation by Bill</u>					
HB 10-1376	99,911,749	16,762,506	72,875,745	0	10,273,498
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 06S1-004	69,755	69,755	0	0	0
SB 07-096	750,990	750,990	0	0	0
HB 07-1040 <sup>1</sup>	535,597	535,597	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)

	<b>Total Funds</b>	<b>Capital Construction Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
SB 08-239	137,682	137,682	0	0	0
HB 08-1115	112,649	112,649	0	0	0
HB 10-1081	91,370	91,370	0	0	0
HB 10-1277	83,861	83,861	0	0	0
<b>Increase/(Decrease)</b>	(\$727,509,301)	(\$18,131,207)	(\$643,512,581)	\$0	(\$65,865,513)
<b>Percentage Change</b>	(87.6)%	(47.4)%	(89.8)%	n/a	(86.5)%

<sup>1</sup> 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.

**FY 2009-10 Appropriation Adjustment Highlights:**

- Supplemental appropriations include a reduction in spending authority from the Capital Construction Fund of \$13.3 million as a result of refinancing the lease purchase payments for academic buildings, the Anschutz Medical Campus, and Colorado State Penitentiary II.
- Supplemental appropriations include a reduction in spending authority from the Capital Construction Fund of \$1.8 million for statutory appropriations for sentencing bills. This change is made through H.B. 10-1389.

**FY 2010-11 Appropriation Highlights:**

- The appropriation provides \$20.2 million spending authority from the Capital Construction Fund for:
  - Statutory appropriations for sentencing bills
  - Lease purchase payments
  - Level I (life safety) controlled maintenance
  - Colorado Integrated Tax Architecture
- The appropriation includes a transfer of \$1.3 million from capital construction related funds to the General Fund. This change is made through H.B. 10-1389.

**Appropriations and Transfers to the Capital Construction Fund**

The following table summarizes appropriations and transfers to or from the Capital Construction Fund that increase or decrease the balance in the fund to adjust the amount of money available for projects. Appropriations to the Capital Construction Fund are subject to FY 2009-10 and FY 2010-11 statutory restrictions on the growth of General Fund appropriations, but transfers to the Capital Construction Fund are

not. For FY 2009-10 and FY 2010-11, moneys have been transferred from the Capital Construction Fund to the General Fund in order to supplement the General Fund.

<b>Appropriations and Transfers to the Capital Construction Fund</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
<b>FY 2009-10 Total Appropriations and Transfers:</b>	<b>(\$40,425,294)</b>	<b>(\$40,425,294)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Appropriations to Capital Construction Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>General Fund transfers to Capital Construction Fund</i>	<i>(43,179,627)</i>	<i>(43,179,627)</i>	<i>0</i>	<i>0</i>	<i>0</i>
SB 09-279	(28,054,476)	(28,054,476)	0	0	0
HB 10-1389	(15,125,151)	(15,125,151)	0	0	0
<i>5-year sentencing bill transfers to Capital Construction Fund</i>					
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 <sup>2</sup>	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	<u>12,517</u>	<u>12,517</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Subtotal - 5-year sentencing bill transfers</i>	<i>2,754,333</i>	<i>2,754,333</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>FY 2010-11 Total Appropriations and Transfers:</b>	<b>(\$5,730,513)</b>	<b>(\$5,730,513)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i>Appropriations to Capital Construction Fund</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>General Fund transfers to Capital Construction Fund</i>	<i>(9,125,506)</i>	<i>(9,125,506)</i>	<i>0</i>	<i>0</i>	<i>0</i>
HB 10-1389 <sup>1</sup>	(9,125,506)	(9,125,506)	0	0	0
<i>5-year sentencing bill transfers to Capital Construction Fund</i>					
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 06S1-004	69,755	69,755	0	0	0

### Appropriations and Transfers to the Capital Construction Fund

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
SB 07-096	750,990	750,990	0	0	0
HB 07-1040 <sup>2</sup>	535,597	535,597	0	0	0
SB 08-239	137,682	137,682	0	0	0
HB 08-1115	112,649	112,649	0	0	0
HB 10-1081	91,370	91,370	0	0	0
HB 10-1277	<u>83,861</u>	<u>83,861</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Subtotal - 5-year sentencing bill transfers</i>	<i>3,394,993</i>	<i>3,394,993</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Increase/(Decrease)</b>	<b>\$34,694,781</b>	<b>\$34,694,781</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Percentage Change	85.8%	85.8%	n/a	n/a	n/a

<sup>1</sup> Includes \$500,000 General Fund Exempt.

<sup>2</sup> 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 2009-10, an amount was transferred from the Controlled Maintenance Trust Fund to augment the General Fund. Appropriations to the Controlled Maintenance Trust Fund are subject to FY 2009-10 and FY 2010-11 statutory restrictions on the growth of General Fund appropriations, but transfers to the Controlled Maintenance Trust Fund are not.

In FY 2010-11, there were no appropriations or transfers to the Controlled Maintenance Trust Fund.

### Appropriations and Transfers to the Controlled Maintenance Trust Fund

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
<b>FY 2009-10 Total Appropriations:</b>	<b><u>(\$803,610)</u></b>	<b><u>(\$803,610)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
SB 09-279	(803,610)	(803,610)	0	0	0
<b>FY 2010-11 Total Transfers:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Recent Legislation

### 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 also 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:

	<b>Total</b>	<b>Capital Construction Funds</b>	<b>Other Funds</b>
<b>TOTAL - All Years</b>	<b>1,783,982</b>	<b>(55,473,408)</b>	<b>57,257,390</b>
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.

## **2010 Session Bills**

**S.B. 10-094:** Clarifies the types of public construction projects required to purchase art as part of the Art in Public Places Program. Requires that the 1.0 percent allocation for public art be calculated based on the state-funded portion of a project's capital construction costs. Specifies that funding for art must be included for projects that are funded through lease-purchase agreements. Exempts certain types of projects from the public art requirement, including agricultural facilities construction, public and charter school construction, redevelopment and clean-up of contaminated sites, and controlled maintenance of existing facilities.

**H.B. 10-1081:** Relocates and amends provisions concerning money laundering, thereby allowing defendants to be charged with money laundering for activities other than those pertaining to drugs. As required by Section 2-2-703, C.R.S., makes a five-year statutory appropriation as follows:

- For FY 2010-11, transfers \$91,370 from the General Fund to the Capital Construction Fund, and appropriates \$91,370 from the Capital Construction Fund to the Corrections Expansion Reserve Fund; and
- for fiscal years 2011-12 through 2014-15, appropriates a total of \$115,200 General Fund (\$28,800 for each fiscal year) to the Department of Corrections for operating expenses.

Specifies that the act shall only take effect if H.B. 10-1338 is enacted and has a net reduction in General Fund appropriations for FY 2010-11 that is equal to or greater than the \$91,370 General Fund transfer required in H.B. 10-1081. For information on H.B. 10-1081, see also the "Recent Legislation" section at the end of the Department of Corrections.

**H.B. 10-1277:** Extends the prohibition on an employee, contractor, or volunteer of a correctional facility from engaging in sexual conduct with an individual in custody of the facility to employees, contractors, or volunteers of juvenile detention or commitment centers and community corrections facilities. Sexual conduct in a correctional institution can be a class 1 misdemeanor, a class 6 felony, or a class 5 felony, depending on the circumstances of the crime. As required by Section 2-2-703, C.R.S., makes a five-year statutory appropriation as follows:

- For FY 2010-11, transfers \$83,861 from the General Fund to the Capital Construction Fund, and appropriates \$83,861 from the Capital Construction Fund to the Corrections Expansion Reserve Fund; and
- for fiscal years 2011-12 through 2012-13, appropriates a total of \$32,496 General Fund to the Department of Corrections for operating expenses.

Specifies that the act shall only take effect if H.B. 10-1338 is enacted and has a net reduction in General Fund appropriations for FY 2010-11 that is equal to or greater than the \$83,861 General Fund transfer required in H.B. 10-1277. For information on H.B. 10-1277, see also the "Recent Legislation" section at the end of the Department of Corrections.

**H.B. 10-1376:** General appropriations act for FY 2010-11.

**H.B. 10-1389:** Augments General Fund revenues for FY 2009-10 and FY 2010-11 with \$22.3 million in transfers from various cash funds, including \$5,999,645 from the Capital Construction Fund, \$8,503,455 from the Fitzsimons Trust Fund, and \$7,750,000 from the Higher Education Federal Mineral Lease Revenues Fund.

# APPENDICES

## A. GLOSSARY OF TERMS

**American Recovery and Reinvestment Act of 2009 (ARRA):** Economic stimulus package enacted by the 111th United States Congress in February, 2009.

**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 fiscal year spending limit imposed by Article X, Section 20 of the Colorado Constitution (also known as the Taxpayer's Bill of Rights or 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 fiscal year spending limit imposed by TABOR because they were from donations, they were from reserves in a cash fund, or they provided spending authority for funds transferred from another department. 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 and Administration for vehicle leases and capitol complex leased space, and to the Governor's Office of Information Technology for information technology related services.

**C.R.S.:** Colorado Revised Statutes, the compilation of Colorado laws.

**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 fiscal year spending limit imposed by TABOR.

**FTE:** One full-time equivalent (FTE) equals staffing for a total of 2,080 hours in a fiscal year, 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 fund revenues that can be collected, and consequently spent, by the State. Certain General Fund revenues are exempt from these provisions: (1) tobacco tax revenues received pursuant to Article X, Section 21 of the Colorado

Constitution ; and (2) General Fund revenues that exceed the TABOR limit but are less than the revenue cap established by Referendum C, approved by voters in November, 2005. The latter source of funds 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 restriction 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 5.0 percent of Colorado personal income or 6.0 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 5.0 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 an 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, which provides most of the funding to support state government operations.

**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 allowed the State to retain all General Fund revenues in excess of the fiscal year spending limit imposed by TABOR between July 1, 2005 and July 1, 2010. For FY 2010-11 and subsequent fiscal years, Referendum C allows the state to retain all revenues that are in excess of the TABOR fiscal year spending limit, but less than the excess state revenues cap, for that fiscal year. The "excess state revenues cap" is equal to the highest annual total state revenues for FY 2005-06 through FY 2009-10, adjusted for each subsequent fiscal year for inflation, the percentage change in state population, enterprises, and debt service changes. These revenues must be deposited in the General Fund Exempt Account and shall 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 determined such funding was needed; and (d) strategic transportation projects.

**Supplemental Appropriation:** Legislation authorizing changes in funds or FTE for the current fiscal year or prior fiscal years.

**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 or TABOR (Article X, Section 20) in 1992. The amendment restricts State and local governments' ability to collect and spend revenues without voter approval. Under TABOR, a vote of the people is required for 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 in the following fiscal year. In November, 2005 voters passed Referendum C, which allows the State to retain certain revenues in excess of the TABOR fiscal year spending limit.

## **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 appropriation for each department is calculated by applying each department's percentage of actual ALJ use in FY 2008-09 to the FY 2010-11 Office of 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). For FY 2010-11, spending authority for the Office of Administrative Courts is approximately \$3.6 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 \$12.54 per square foot for the Capitol Complex, \$5.77 per square foot for the North Campus, \$5.77 per square foot for the Pierce Street Building, \$7.92 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, \$9.4 million for FY 2010-11, 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. Billings are sufficient to fund personal services, operating expenses, and indirect costs for the Communication Services program in the Governor's Office of Information

Technology (OIT). For FY 2010-11, the appropriation is for recoverable costs in the amount of \$4.6 million. This figure represents a negligible change from the FY 2009-10 recoverable costs.

#### Community Provider Rates

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. For FY 2010-11, no statewide common policy was established; rate adjustments were instead applied to selected programs and departments. Most community-operated programs in the Department of Human Services were subject to 2.0 percent rate cuts starting in FY 2010-11. For selected Human Services programs, rate cuts of 2.0 to 2.5 percent were applied mid-year in FY 2009-10 and were continued in FY 2010-11. Most providers in the Department of Health Care Policy and Financing were subject to 1.0 percent rate reductions in FY 2010-11, in addition to 4.5 percent rate reductions applied mid-year in FY 2009-10. Most provider rates in the Department of Corrections have not been modified since mid-year rate reductions were applied in FY 2008-09. Similarly, no provider rate adjustments have been applied to the Department of Public Safety budget for community corrections providers. For additional information, see the Appropriations Report sections for these departments.

#### Health, Life, and Dental

This line item appears in each department's executive director's office. For FY 2010-11, the total statewide cost of health, life, and dental benefits for all employees, except higher education faculty and administration, is expected to be approximately \$142.6 million, including approximately \$86.4 million from the General Fund. For FY 2010-11, 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, spouse, and children. 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. For FY 2010-11, the statewide indirect cost recovery plan is estimated to recover \$17.7 million from cash - and federally-funded programs. This represents \$2.0 million more than the funds recovered for FY 2009-10. 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. State agencies purchase legal services from the Department of Law much as they would purchase legal services from a private-sector law firm. Client agencies receive legal-services appropriations in their section of the Long Bill. The Department of Law collects payments from these agencies when it provides the services. In order to spend these payments, the Department of Law receives an appropriation sufficient to pay for the personal services, operating expenses, litigation expenses, and indirect costs incurred in providing the services. For FY 2010-11 the Department of Law expects to supply approximately 351,000 hours of legal service at a cost of \$25.8 million. The average charge for these services, which are provided by attorneys and paralegals, is \$73.37 per hour.

#### Management and Administration of OIT

This line item appears in each department's executive director's office, with some exceptions, and represents each department's share of the division-level management of the Governor's Office of Information Technology (OIT) and "back office" functions as authorized by S.B. 08-155. For FY 2010-11, the appropriation is for recoverable costs in the amount of \$7.3 million. This figure represents a \$3.8 million increase from the FY 2009-10 recoverable costs as a result of the transfer and consolidation of executive branch information technology staff resources to OIT.

#### Multiuse Network Payments

This line item appears in each department's executive director's office, with some exceptions, and represents each department's share of the state's data, voice, video, text, and graphics communications needs. Costs for the multiuse network include the Governor's Office of Information Technology (OIT) overhead, internet access, and contractual obligations that provide the State with a reserved amount of bandwidth at each network access point. For FY 2010-11, the appropriation is for recoverable costs in the amount of \$17.4 million. This figure represents a \$6.2 million increase from the FY 2009-10 recoverable costs as a result of the transfer and consolidation of executive branch information technology staff resources to OIT.

### Operating Expenses

For FY 2010-11, the appropriation funds most operating expenses at a continuation level. However, pursuant to the executive branch's requests, in many departments the General Fund appropriations for certain operating expenses other than food and medical costs were reduced by 5.0 percent. Historically, the Joint Budget Committee has occasionally recommended inflationary increases for operating expenses related to food, medical, and laboratory services for departments in which these costs are not incidental. The appropriation does not include inflationary increases for FY 2010-11.

### 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 provide \$500.0 million in total coverage. For FY 2010-11, the risk management and property program will cost \$16.3 million.

### Personal Services

The FY 2010-11 appropriation for personal services line items restores the 1.82 percent reduction that was applied to all personal services line items with 20.0 or more full-time equivalent (FTE) staff for FY 2009-10. It also applies new reductions to all Personal Services line items due to a reduction in the state's contribution rates to the Public Employees' Retirement Association, as described below.

### 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. Senate Bill 10-146 reduced the State's contribution to PERA by 2.5 percentage points, and increased the employee's contribution amount by 2.5 percentage points, for FY 2010-11 only. The employer contribution for the State division is reduced to 7.65 percent, with the exception of State Troopers, whose contribution is reduced to 10.35 percent. The employer contribution to the Judicial division is reduced to 11.16 percent. This adjustment is anticipated to reduce state expenditures by approximately \$37.2 million, including \$20.4 million General Fund, during FY 2010-11.

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

Pursuant to S.B. 04-257, the State increased its contributions to the Public Employees' Retirement Association (PERA) to assist with its unfunded liability. Beginning in January, 2006, the State's contribution has increased by 0.4 percent of personal services salaries annually. Senate Bill 10-001 capped the employer contribution rate to the Judicial division at 2.2 percent beginning in FY 2010-11, although the employer's contribution rate will continue to increase for the State division until it reaches its maximum contribution rate of 5.0 percent during FY 2016-17. Beginning January, 2010, the employer contribution rate to the State division is 2.2 percent of personal services salaries, and beginning January, 2011, it will increase to 2.6 percent of personal services salaries.

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

Pursuant to S.B. 06-235, beginning in January, 2008, employees began to contribute additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. The funds are intended to come from moneys otherwise available for use but not yet awarded as salary increases. The initial amount was 0.5 percent of the personal services salaries, and it has incrementally increased by 0.5 percent every calendar year. Beginning January 1, 2008, employees began to contribute an additional 0.5 percent of their total payroll to the PERA trust fund. Beginning January, 2011, the SAED rate will increase to a total of 2.0 percent of personal services salaries.

#### Purchase of Services from Computer Center

This line item appears in each department's executive director's office, with some exceptions, and represents each department's share of the State's data center and computing infrastructure. For FY 2010-11, the appropriation is for recoverable costs in the amount of \$60.0 million. This figure represents a \$43.3 million increase from the FY 2009-10 recoverable costs as a result of the transfer and consolidation of executive branch information technology staff resources to OIT.

#### Salary Survey and Senior Executive Service

The recommendation does not include appropriations for salary survey increases for FY 2010-11. Salary survey increases for department staff, when provided, are funded through centrally-appropriated line items in each department's executive director's office in the year of the award and are incorporated into the base funds for each division for the subsequent year.

#### Performance-based Pay Awards

The appropriation does not include appropriations for performance-based pay increases for FY 2010-11. 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.

#### 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. The funds are based on 80.0 percent of a department's prior year actual expenditures. For FY 2010-11, the state appropriated approximately \$9.9 million for shift differential, including approximately \$8.2 million 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. The statewide short-term disability appropriation for FY 2010-11 is approximately \$1.7 million, including \$900,000 General Fund.

### Utilities

In general, departments pay for utility costs from either operating expenses appropriations or from a separate utilities line item, which typically supports the cost of maintaining a state-owned facility. Utilities costs for offices are also built into capitol complex leased space and other leased space rates. The appropriation for FY 2010-11 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 2010-11, the General Assembly approved the replacement of 175 vehicles and the acquisition of 84 additional vehicles statewide. For FY 2010-11, the Department of Personnel will spend approximately \$16.6 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 and covers employees in all departments (except the University of Colorado and the Colorado State University, which operate separate self-insured programs). The Department's appropriation totals \$36.9 million for workers' compensation premiums for FY 2010-11.

## C. 2010 SESSION SUPPLEMENTAL ADJUSTMENTS TO APPROPRIATIONS FOR FY 2008-09 AND PRIOR YEARS

DEPARTMENT / DIVISION	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
--------------------------	-------	-----------------	---------------------------	---------------	-------------------------	------------------	-----

### OPERATING BUDGET

#### Adjustments to FY 2008-09 Appropriations:

##### DEPARTMENT OF CORRECTIONS:

##### H.B. 10-1298:

Institutions	\$0	(\$24,600,000)	\$0	\$0	\$0	\$24,600,000	0.0
--------------	-----	----------------	-----	-----	-----	--------------	-----

<b>TOTAL - Corrections</b>	<b>\$0</b>	<b>(\$24,600,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,600,000</b>	<b>0.0</b>
--------------------------------	------------	-----------------------	------------	------------	------------	---------------------	------------

##### DEPARTMENT OF EDUCATION:

##### H.B. 10-1376:

(Section 4)

Assistance to Public Schools	\$0	\$39,251,792	(\$39,251,792)	\$0	\$0	\$0	0.0
---------------------------------	-----	--------------	----------------	-----	-----	-----	-----

<b>TOTAL - Education</b>	<b>\$0</b>	<b>\$39,251,792</b>	<b>(\$39,251,792)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
--------------------------	------------	---------------------	-----------------------	------------	------------	------------	------------

##### DEPARTMENT OF HEALTH CARE POLICY AND FINANCING:

##### H.B. 10-1300:

(Sections 2, 5-8)

Executive Director's Office	(\$1,001,534)	(\$244,230)	\$0	\$0	\$0	(\$757,304)	0.0
--------------------------------	---------------	-------------	-----	-----	-----	-------------	-----

Medical Services Premiums	11,170,264	11,170,264	0	0	0	0	0.0
------------------------------	------------	------------	---	---	---	---	-----

Medicaid Mental Health Capitation	818,766	818,766	0	0	0	0	0.0
--------------------------------------	---------	---------	---	---	---	---	-----

Indigent Care Program	1,570	1,570	0	0	0	0	0.0
--------------------------	-------	-------	---	---	---	---	-----

Other Medical Services	(313,036)	(313,036)	0	0	889,708	(889,708)	0.0
---------------------------	-----------	-----------	---	---	---------	-----------	-----

DEPARTMENT / DIVISION	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Department of Human Services Medicaid- funded Programs	<u>621,098</u>	<u>306,415</u>	<u>0</u>	<u>0</u>	<u>3,781</u>	<u>310,902</u>	<u>0.0</u>
<b>H.B. 10-1300</b>	<b>\$11,297,128</b>	<b>\$11,739,749</b>	<b>\$0</b>	<b>\$0</b>	<b>\$893,489</b>	<b>(\$1,336,110)</b>	<b>0.0</b>

**H.B. 10-1376:**  
(Section 5)

Medical Services Premiums	\$0	\$39,251,792	(\$39,251,792)	\$0	\$0	\$0	0.0
------------------------------	-----	--------------	----------------	-----	-----	-----	-----

<b>TOTAL - Health Care Policy and Financing</b>	<b>\$11,297,128</b>	<b>\$50,991,541</b>	<b>(\$39,251,792)</b>	<b>\$0</b>	<b>\$893,489</b>	<b>(\$1,336,110)</b>	<b>0.0</b>
---	---------------------	---------------------	-----------------------	------------	------------------	----------------------	------------

**DEPARTMENT OF HIGHER EDUCATION:**

**H.B. 10-1301:**

Colorado Commission on Higher Education Financial Aid	\$0	\$0	\$0	\$0	\$0	\$0	0.0
College Opportunity Fund Program	0	0	0	0	0	0	0.0
Governing Boards	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>H.B. 10-1301*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

**H.B. 10-1376:**  
(Section 6)

College Opportunity Fund Program	\$0	\$800,000	(\$800,000)	\$0	\$0	\$0	0.0
-------------------------------------	-----	-----------	-------------	-----	-----	-----	-----

<b>TOTAL - Higher Education</b>	<b>\$0</b>	<b>\$800,000</b>	<b>(\$800,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
-------------------------------------	------------	------------------	--------------------	------------	------------	------------	------------

**DEPARTMENT OF HUMAN SERVICES:**

**H.B. 10-1302:**

Office of Information Technology Services	\$1,623,982	\$390,145	\$0	\$68,285	\$621,098	\$544,454	0.0
--	-------------	-----------	-----	----------	-----------	-----------	-----

DEPARTMENT / DIVISION	TOTAL	GENERAL FUND	GENERAL FUND EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Services for People with Disabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>H.B. 10-1302</b>	<b>\$1,623,982</b>	<b>\$390,145</b>	<b>\$0</b>	<b>\$68,285</b>	<b>\$621,098</b>	<b>\$544,454</b>	<b>0.0</b>

<b>TOTAL - Human Services</b>	<b>\$1,623,982</b>	<b>\$390,145</b>	<b>\$0</b>	<b>\$68,285</b>	<b>\$621,098</b>	<b>\$544,454</b>	<b>0.0</b>
-----------------------------------	--------------------	------------------	------------	-----------------	------------------	------------------	------------

**JUDICIAL DEPARTMENT:**

**H.B. 10-1303:**

Trial Courts	(\$300,000)	(\$300,000)	\$0	\$0	\$0	\$0	0.0
Office of the Child's Representative	<u>1,437,229</u>	<u>1,437,229</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>H.B. 10-1303</b>	<b>\$1,137,229</b>	<b>\$1,137,229</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

<b>TOTAL - Judicial</b>	<b>\$1,137,229</b>	<b>\$1,137,229</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
-------------------------	--------------------	--------------------	------------	------------	------------	------------	------------

**DEPARTMENT OF LOCAL AFFAIRS:**

**H.B. 10-1376:**  
(Section 7)

Division of Local Government	<b>\$0</b>	<b>\$4,044,623</b>	<b>(\$4,044,623)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
---------------------------------	------------	--------------------	----------------------	------------	------------	------------	------------

<b>TOTAL - Local Affairs</b>	<b>\$0</b>	<b>\$4,044,623</b>	<b>(\$4,044,623)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
----------------------------------	------------	--------------------	----------------------	------------	------------	------------	------------

<b>TOTAL - OPERATING BUDGET FY 2008-09</b>	<b>\$14,058,339</b>	<b>\$72,015,330</b>	<b>(\$83,348,207)</b>	<b>\$68,285</b>	<b>\$1,514,587</b>	<b>\$23,808,344</b>	<b>0.0</b>
--	---------------------	---------------------	-----------------------	-----------------	--------------------	---------------------	------------

\*H.B. 10-1301 includes FY 2008-09 appropriation adjustments within three divisions in the Department of Higher Education. For each division, these adjustments net to \$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:

#### H.B. 10-1376: (Section 18)

Higher Education	(\$9,900,000)	\$0	\$0	(\$11,000,000)	\$1,100,000	0.0
------------------	---------------	-----	-----	----------------	-------------	-----

<b>TOTAL - CAPITAL CONSTRUCTION - FY 2005-06</b>	<b>(\$9,900,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$11,000,000)</b>	<b>\$1,100,000</b>	<b>0.0</b>
--	----------------------	------------	------------	-----------------------	--------------------	------------

### Adjustments to FY 2006-07 Appropriations:

#### H.B. 10-1376: (Section 19)

Military and Veterans Affairs	\$556,065	\$0	\$0	\$0	\$556,065	0.0
-------------------------------	-----------	-----	-----	-----	-----------	-----

Public Health and Environment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
-------------------------------	----------	----------	----------	----------	----------	------------

<b>H.B. 10-1376</b>	<b>\$556,065</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$556,065</b>	<b>0.0</b>
---------------------	------------------	------------	------------	------------	------------------	------------

<b>TOTAL - CAPITAL CONSTRUCTION - FY 2006-07</b>	<b>\$556,065</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$556,065</b>	<b>0.0</b>
--	------------------	------------	------------	------------	------------------	------------

### Adjustments to FY 2007-08 Appropriations:

#### H.B. 10-1376: (Section 20)

Higher Education	\$6,373,434	\$0	\$0	\$5,373,434	\$1,000,000	0.0
------------------	-------------	-----	-----	-------------	-------------	-----

Public Health and Environment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
-------------------------------	----------	----------	----------	----------	----------	------------

<b>H.B. 10-1376</b>	<b>\$6,373,434</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,373,434</b>	<b>\$1,000,000</b>	<b>0.0</b>
---------------------	--------------------	------------	------------	--------------------	--------------------	------------

<b>TOTAL - CAPITAL CONSTRUCTION - FY 2007-08</b>	<b>\$6,373,434</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,373,434</b>	<b>\$1,000,000</b>	<b>0.0</b>
--	--------------------	------------	------------	--------------------	--------------------	------------

DEPARTMENT / DIVISION	TOTAL	CAPITAL CONSTRUCTION FUNDS EXEMPT	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>Adjustments to FY 2008-09 Appropriations:</b>						
<b>H.B. 10-1376:</b> (Section 21)						
Higher Education	\$24,043,443	\$0	\$19,043,443	\$0	\$5,000,000	0.0
Human Services	3,480,190	0	0	0	3,480,190	0.0
Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>H.B. 10-1376</b>	<b>\$27,523,633</b>	<b>\$0</b>	<b>\$19,043,443</b>	<b>\$0</b>	<b>\$8,480,190</b>	<b>0.0</b>
<b>TOTAL - CAPITAL CONSTRUCTION - FY 2008-09</b>	<b>\$27,523,633</b>	<b>\$0</b>	<b>\$19,043,443</b>	<b>\$0</b>	<b>\$8,480,190</b>	<b>0.0</b>

## **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 links funding for kindergarten through twelfth grade education to the rate of inflation. This provision also creates the State Education Fund (SEF), consisting of one-third of one percent of income tax revenues and any interest earned on the fund balance. Revenues to the SEF are not subject to the constitutional Taxpayer's Bill of Rights (TABOR) limitation on fiscal year spending, and SEF appropriations are not subject to the statutory limitation on state General Fund appropriations. The General Assembly may annually appropriate moneys from the SEF 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 provides a summary of appropriations from the SEF for FY 2001-02 through FY 2007-08, and it details appropriations from the Fund for FY 2008-09 through FY 2010-11. To date, more than \$2.9 billion has been appropriated from the SEF for public school finance, representing 82.7 percent of all SEF appropriations. Appropriations for categorical programs (\$409 million in total) and capital construction programs (\$91 million in total) comprise another 14.0 percent of SEF appropriations to date.

For the six-year period from FY 2002-03 through FY 2007-08, annual SEF appropriations ranged from \$302 million to \$352 million, with an average annual appropriation of \$334 million. From FY 2007-08 to FY 2008-09, however, SEF appropriations increased by \$195.3 million (64.7 percent). This significant increase was provided, in part, to cover a portion of the public school finance costs of enrollment increases and to provide the constitutionally required increases in base per pupil funding and state funding for categorical programs. Another \$64.5 million of the increase was for new and expanded programs, including the following: \$40.1 million to expand full-day kindergarten and preschool programs; \$9.2 million to increase funding for districts experiencing declining enrollment; \$5.0 million to increase the number of school counselors; \$4.6 million for facility schools' summer programs; \$2.2 million for categorical programs over and above what was constitutionally required; and \$3.4 million for a variety of new grant programs and legislative initiatives.

However, \$77.3 million of the increase in SEF appropriations in FY 2008-09 was provided in response to a General Fund revenue shortfall. Specifically, the General Assembly appropriated SEF moneys to replace General Fund appropriations in the following areas: \$32.9 million for categorical programs; \$26.6 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 the Department's newly hired content specialists.

Since FY 2008-09, annual SEF appropriations have declined (from \$497 million to \$428 million). However, as indicated in Table 2, annual SEF appropriations continue to significantly exceed annual SEF revenues. Specifically, appropriations are projected to exceed SEF revenues by \$126.9 million in FY 2009-10 and by \$53.2 million in FY 2010-11. Thus, the SEF balance is projected to decline from \$331 million at the beginning of FY 2009-10 to \$150 million by the end of FY 2010-11.

TABLE 1 History of Appropriations from the State Education Fund				
Description	Cumulative: FY 01-02 thru FY 07-08	FY 08-09	FY 09-10	FY 10-11
<b>Public School Finance:</b>				
Funding for public school finance related to: enrollment changes, per pupil funding increases, and statutory formula changes	\$1,730,670,611	\$327,557,968	\$505,248,987	\$284,307,808
Full-day kindergarten funding and Colorado Preschool Program expansion (H.B. 08-1388)	Included above	32,706,892	Included above	Included above
Hold-harmless full-day kindergarten funding (H.B. 08-1388)	n/a	7,356,409	7,698,050	7,268,854
Facility school funding (H.B. 08-1388)	Included above	18,475,256	17,800,000	16,779,077
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	0	200,000	n/a
Mid-year appropriation adjustments	156,509,748	1,958,352	(165,670,932)	n/a
<b>Subtotal: School Finance</b>	<b>1,887,180,359</b>	<b>388,054,877</b>	<b>365,276,105</b>	<b>308,355,739</b>
<i>Percent of Total Appropriations</i>	<i>87.4%</i>	<i>78.1%</i>	<i>75.4%</i>	<i>72.1%</i>
<b>Categorical Programs</b>	<b>154,272,128</b>	<b>77,375,526</b>	<b>88,191,135</b>	<b>89,348,909</b>
<i>Percent of Total Appropriations</i>	<i>7.1%</i>	<i>15.6%</i>	<i>18.2%</i>	<i>20.9%</i>
<b>School Capital Construction:</b>				
Full-day Kindergarten Capital Construction Grant Program (H.B. 08-1388)	n/a	0	0	0
Charter school capital construction	42,084,995	5,135,000	5,000,000	5,000,000
School Capital Construction Expenditures Reserve	25,471,112	n/a	n/a	n/a
School Construction and Renovation Fund	7,500,000	n/a	n/a	n/a
Charter School Debt Reserve Fund	1,000,000	0	0	0
<b>Subtotal: Capital Construction</b>	<b>76,056,107</b>	<b>5,135,000</b>	<b>5,000,000</b>	<b>5,000,000</b>
<i>Percent of Total Appropriations</i>	<i>3.5%</i>	<i>1.0%</i>	<i>1.0%</i>	<i>1.2%</i>
<b>Professional Development and Instructional Support:</b>				
Closing the Achievement	0	1,701,000	1,800,000	1,800,000
Stipends for nationally board certified teachers (H.B. 08-1384)	n/a	0	0	0
Alternative Teacher Compensation Plan Grants (H.B. 08-1388)	n/a	0	0	0
Content Specialists	n/a	433,480	434,887	437,392
Science and Technology Education Center Grant Program	1,400,000	0	0	0
Civic education	600,000	2,305	0	0
National credential fee assistance	368,000	125,000	0	0
School Leadership Academy Program (H.B. 08-1386)	n/a	87,983	75,000	0
Teaching and learning conditions survey (H.B. 08-1384)	n/a	85,000	0	0
Financial literacy	158,228	40,000	3,529	0
Colorado History Day	40,000	10,000	10,000	0
Teacher Pay Incentive Program	12,630,000	0	0	0
<b>Subtotal: Professional Development and Instructional Support</b>	<b>15,196,228</b>	<b>2,484,768</b>	<b>2,323,416</b>	<b>2,237,392</b>
<i>Percent of Total Appropriations</i>	<i>0.7%</i>	<i>0.5%</i>	<i>0.5%</i>	<i>0.5%</i>

TABLE 1 History of Appropriations from the State Education Fund				
Description	Cumulative: FY 01-02 thru FY 07-08	FY 08-09	FY 09-10	FY 10-11
<b>Other Grants, Distributions, and Assistance:</b>				
School Counselor Corps Grant Program (H.B. 08-1370)	n/a	5,000,000	4,998,154	4,998,500
Regional service cooperatives (S.B. 08-38)	n/a	198,545	1,026,332	0
Summer School Grant Program	2,945,800	27,105	15,658	0
Child Nutrition School Lunch Protection Program (S.B. 08-123)	n/a	850,000	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	150,000	0	0
Interstate compact on educational opportunities for military children (H.B. 08-1317)	n/a	32,185	30,185	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	587,504	n/a	n/a
Facility Summer School Grant Program	1,000,000	n/a	n/a	n/a
Family Literacy Education Grant Program	400,000	0	0	0
<b>Subtotal: Other Grants, Distributions, and Assistance</b>	<b>19,489,866</b>	<b>6,845,339</b>	<b>6,920,329</b>	<b>5,878,685</b>
<i>Percent of Total Appropriations</i>	<i>0.9%</i>	<i>1.4%</i>	<i>1.4%</i>	<i>1.4%</i>
<b>Accountability/ Reform:</b>				
Colorado Student Assessment Program	0	15,719,422	15,717,448	15,756,521
Preschool to postsecondary alignment (S.B. 08-212)	n/a	792,453	752,689	569,332
Division of On-line Learning (S.B. 07-215)	n/a	0	96,449	371,720
Facility Schools Unit and Facility Schools Board (H.B. 08-1204)	n/a	523,568	0	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
<b>Subtotal: Accountability/ Reform</b>	<b>6,324,953</b>	<b>17,035,443</b>	<b>16,566,586</b>	<b>16,697,573</b>
<i>Percent of Total Appropriations</i>	<i>0.3%</i>	<i>3.4%</i>	<i>3.4%</i>	<i>3.9%</i>
<b>TOTAL</b>	<b>\$2,158,519,641</b>	<b>\$496,930,953</b>	<b>\$484,277,571</b>	<b>\$427,518,298</b>
<i>Annual Dollar Change</i>		<i>\$159,985,930</i>	<i>(\$12,653,382)</i>	<i>(\$56,759,273)</i>
<i>Percent Annual Change</i>		<i>47.5%</i>	<i>-2.5%</i>	<i>-11.7%</i>

TABLE 2 Comparison of State Education Fund Revenues and Expenditures/Appropriations (\$ millions)				
Description		FY 08-09	FY 09-10	FY 10-11
Beginning Fund Balance		\$349.3	\$331.0	\$204.2
Actual/Projected Revenues/1		475.7	357.4	374.3
Actual Expenditures/ Approp./2		(494.0)	(484.3)	(427.5)
Ending Fund Balance		\$331.0	\$204.2	\$150.9

/1 Projected State Education Fund revenues for FY 2009-10 and FY 2010-11 are based on the amount of General Fund revenues anticipated to be directed to the Fund in the March 2010 Legislative Council Staff Economic and 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 2008-09; appropriations are reflected for FY 2009-10 and FY 2010-11.

## 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 2010-11 as compared to FY 2009-10, and the limit for FY 2010-11:

<b>Statutory HUTF Off-the-Top Appropriations Limit Section 43-4-201, C.R.S.</b>	
FY 2009-10 HUTF Off-the-Top Appropriations Base	\$108,913,162
Multiplied by the 6 Percent Allowable Growth	<u>1.06</u>
FY 2010-11 HUTF Off-the-Top Appropriations Limit	\$115,447,952
FY 2010-11 HUTF Off-the-Top Appropriations:	
Department of Public Safety, State Patrol	\$96,889,092
Department of Revenue, Ports of Entry	9,659,717
Capital Construction	2,329,036
H.B. 10-1113 Transfer Motor Carrier Safety Assistance Program*	255,011
H.B. 10-1387 Division of Motor Vehicles Financing**	<u>2,702,602</u>
<b>Total FY 2010-11 HUTF Off-the-Top Appropriations</b>	<b>\$111,835,458</b>
Over / (Under) FY 2010-11 HUTF Off-the-Top Appropriations Limit	(\$3,612,494)

\* For additional information on H.B. 10-1113 see also the "Recent Legislation" section at the end of the Department of Public Safety.

\*\* For additional information on H.B. 10-1387 see also the "Recent Legislation" section at the end of the Department of Revenue.

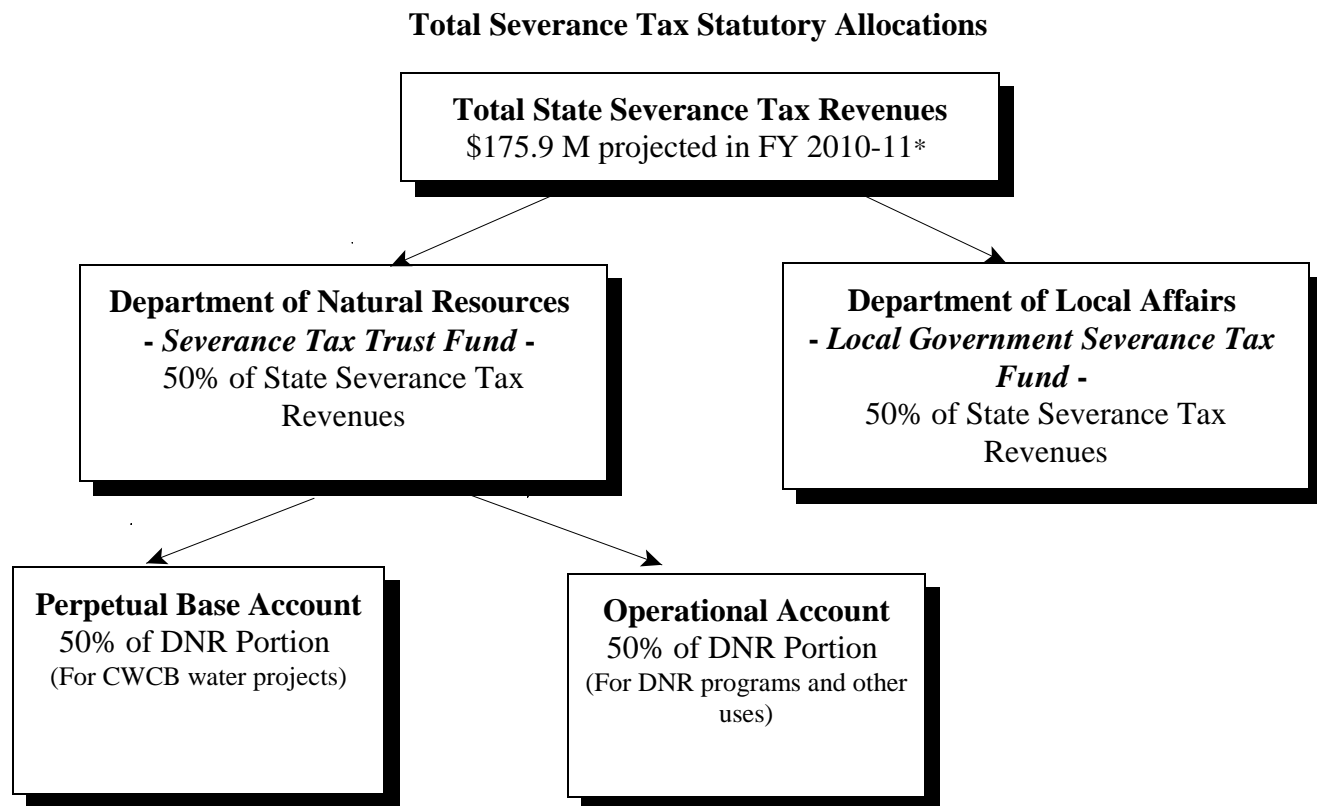
## **F. SEVERANCE TAX TRUST FUND - OPERATIONAL ACCOUNT FUNDS OVERVIEW**

Section 39-29-108 (2), C.R.S., provides that 50 percent of severance tax revenues be credited to the Severance Tax Trust Fund, for the Department of Natural Resources, and 50 percent of the revenues be credited to the Local Government Severance Tax Fund to 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.



\*Based on June 2010 Legislative Council Staff Revenue Forecast.

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 2010 Legislative Council Staff revenue forecast.

**Severance Tax Trust Fund  
Operational Account**

	Statutory Site	Actual FY 08-09		Appropriation FY 09-10		Estimated FY 10-11	
1 Beginning balance		\$46,588,101		\$68,073,848		\$30,440,918	
2 Revenue		81,216,379		11,411,662 (est.)		45,216,479 (est.)	
3 Public School Energy Fund	39-29-109.5	(163,769)		TBD		TBD	
4 <b>TOTAL Available for Expenditure</b>		<b>127,640,711</b>	100.0%	<b>79,485,511</b>	100.0%	<b>75,657,397</b>	100.0%
5 Roll-forwards		0	0.0%	1,832,635	2.3%	0	
<b>Tier 1</b>	39-29-109.3 (1)						
6 Colorado Geological Survey	(b)	2,451,579	1.9%	2,468,228	3.1%	2,431,139	3.2%
7 Oil and Gas Conservation Commission	(a)	2,639,668	2.1%	3,081,356	3.9%	3,234,045	4.3%
8 Division of Reclamation, Mining, and Safety	(c)	3,817,071	3.0%	4,151,781	5.2%	4,181,211	5.5%
9 Colorado Water Conservation Board	(d)	1,266,839	1.0%	1,319,250	1.7%	1,319,250	1.7%
10 Division of Parks and Outdoor Recreation	(f)	1,234,058	1.0%	3,472,007	4.4%	3,475,863	4.6%
11 Division of Wildlife	(e)	<u>1,292,059</u>	<u>1.0%</u>	<u>1,618,264</u>	<u>2.0%</u>	<u>1,620,356</u>	<u>2.1%</u>
12 <b>SUBTOTAL Tier 1</b>		12,701,274	10.0%	16,110,886	20.3%	16,261,864	21.5%
<b>Tier 2</b>	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)	7,000,000		5,775,000		6,000,000	
16 Soil Conservation Districts matching grants	(b)	450,000		450,000		450,000	
17 Water efficiency grants	(c)	1,800,000		0		0	
18 Species Conservation Trust Fund	(d) & (e)	12,513,886		4,500,000		11,000,000	
19 Low-income energy assistance	(f)	13,000,000		1,625,000		6,500,000	
20 Renewable energy - Higher ed consortium	(g)	2,000,000		0		0	
21 Renewable energy - Agriculture	(h)	500,000		500,000		500,000	
22 Interbasin water compacts	(i)	1,145,067		745,067		745,067	
23 CO Water Research Institute - CSU	(j)	500,000		0		0	
24 Forest restoration grants/ bark beetle	(k) and (n)	1,000,000		2,500,000		2,500,000	
25 Tamarisk control	(l)	1,000,000		0		0	
26 Aquatic Nuisance Species Fund	(m)	<u>5,956,636</u>		<u>4,006,005</u>		<u>4,006,005</u>	
27 <b>SUBTOTAL Tier 2</b>		46,865,589	36.7%	20,101,072	25.3%	31,701,072	41.9%
28 <b>TOTAL Expenditures</b>		<b>59,566,863</b>		<b>38,044,593</b>		<b>47,962,936</b>	
28a Transfer to General Fund (HB 10-1327)	39-29-109.3 (6)			11,000,000			
29 <b>Ending Balance</b>		68,073,848		30,440,918		27,694,461	
30 Tier 1 Reserve	39-29-109.3 (3)	12,701,274		16,110,886		16,261,864	
31 Tier 2 Reserve	39-29-109.3 (3)	7,029,838		3,015,161		4,755,161	
32 Low-income energy assistance reserve		<u>0</u>		<u>0</u>		<u>0</u>	
33 <b>TOTAL Reserve Requirement</b>		19,731,112	15.5%	19,126,047	24.1%	21,017,025	27.8%
34 <b>UNOBLIGATED BALANCE</b>		<b>48,342,736</b>	37.9%	<b>11,314,871</b>	14.2%	<b>6,677,436</b>	8.8%
(est.) = estimate. Revenue estimates based on Legislative Council's June 2010 Economic Forecast, including \$1.25 million in 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

The payments that Colorado receives from the tobacco manufacturers who participate in the 1998 Master Settlement Agreement are comprised of a perpetual stream of "base" payments, which began in 2000, and 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.

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 allocation to tobacco settlement programs, i.e. the total amount of tobacco-settlement revenue to allocate among all settlement programs during the fiscal year.* In most fiscal years, the total allocation 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 various adjustments that decrease or 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**

<b>Fiscal Year</b>	<b>Total Allocation to Tobacco-Settlement Programs</b>
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 were transferred to the General Fund to augment FY 2008-09 General Fund revenues.)
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 were transferred to the General Fund to augment FY 2009-10 revenues.)
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 end 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.

- 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 66 percent of the total during FY 2010-11, and the remainder is then allocated among the tier 2

programs. Table 2 lists the Tier 1 settlement programs and provides an overview of each program's statutory funding rule:

**Table 2**

<b>Tier 1 Program</b>	<b>Portion of the Total Allocation</b>
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 2009-10, 14% in FY 2010-11, rising 1% annually to 19% in FY 2015-16, not to exceed \$19 million in any year.
Fitzsimons lease purchase	8%, not to exceed \$8 million
Read-to-achieve Grant Program, Reading Assistance Grant Program (Section 22-88-102, C.R.S.), and reimbursements to school districts for costs of educating juvenile offenders in adult detention facilities (Section 22-32-141, C.R.S.)	5%, not to exceed \$8 million
Tony Gramscas 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 2 excludes the allocation to the Office of the State Auditor, for auditing settlement programs, which 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 3:

**Table 3**

<b>Tier 2 Program</b>	<b>Percentage of Remainder</b>	
	<b>FY 2009-10</b>	<b>FY 2010-11</b>
University of Colorado Health Sciences Center	49.0%	49.0%
Mental health services for juvenile and adult offenders	12.0%	12.0%
Comprehensive Primary and Preventive Care Grant Program (the Rural and Public Hospital Grant portion of this program)	8.5%	0.0%
Local public health services	7.0%	7.0%
Children's Basic Health Plan	5.0%	13.5%

Tier 2 Program	Percentage of Remainder	
	FY 2009-10	FY 2010-11
Supplemental state contribution for group benefit plans	4.5%	4.5%
Colorado Immunization Program	4.0%	4.0%
Alcohol and drug abuse and treatment programs	3.0%	3.0%
Short-term Grants for Innovative Health Programs	6.0%	6.0%
Medicaid Shortfalls at Children's Hospital	1.0%	1.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Note that H.B. 10-1329 shifted the Tier 2 distribution for Comprehensive Primary and Preventive Care Grants to the Children's Basic Health Plan. Also note that the cash fund that supports Short-term Grants for Innovative Health Programs also receives the following transfers 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 Bill 09-264, S.B. 09-269, and H.B. 10-1323 adjust some of the FY 2009-10 and FY 2010-11 allocations given in Tables 2 and 3. In several cases the adjustment is a temporarily fixed allocation to a program with the savings transferred to the General Fund. In other cases the adjustment is a specified transfer to the General Fund. Table 4 summarizes the adjustments and the resulting impact on the General Fund.

**Table 4**

Adjustment	Resulting Transfer to GF	
	FY 09-10	FY 10-11
<b>Senate Bill 09-264:</b>		
Replaces the FY 2008-09, FY 2009-10, and FY 2010-11 Tier 2 allocations for Medicaid Shortfalls at Children's Hospital with fixed allocations of \$317,000, \$283,000, and \$307,000 respectively, transferring the savings to the General Fund.	\$67,000	\$13,784
<b>Senate Bill 09-269:</b>		
Transfers \$1.1 million from the Short-term Innovative Health Program Grant Fund to the General Fund in FY 2009-10. In coordination with this transfer, the 2009-10 Long Bill appropriated \$358,929 to the related grant program.	1,100,000	0
<b>House Bill 10-1323:</b>		
Replaces the FY 2009-10 Tier 1 allocation for Comprehensive Primary and Preventive Care Grants with a \$242,041 allocation and eliminates the FY 2010-11 allocation, transferring the savings to the General Fund.	2,752,357	2,831,620
Transfers the entire FY 2009-10 Tier 2 allocation for Comprehensive Primary and Preventive Care Grants to the General Fund .	2,975,000	0
Transfers the end-of-FY 2010-11 balance of the Short-term Innovative Health Program Grant Fund to the General Fund. In coordination with this transfer, the 2009-10 Long Bill appropriated nothing to the related grant program.	0	1,600,000
<b>Total Transfers to the General Fund</b>	<b>\$6,894,357</b>	<b>\$4,445,404</b>

In addition to the adjustments listed in Table 4, several bills enacted during the 2007 legislative session diverted tobacco-settlement moneys from Short-term Innovative Health Program Grants to other programs. Table 5 shows the amounts diverted by these bills in FY 2008-09 through FY 2011-12, after which the diversions stop.

**Table 5**

<b>Diversions from Short-term Innovative Health Program Grants</b>			
<b>Department Bill Citation</b>	<b>Amount Diverted</b>		
	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>
Department of Human Services and Department of Public Safety H.B. 07-1057, Juvenile Justice Family Advocate Program Sections 26-22-103 and 25-36-101 (3), C.R.S.	\$221,717	\$221,717	\$0
Department of Health Care Policy and Financing S.B. 07-004, Early Intervention Services Coordinated Payment Sections 25.5-1-124 and 25-36-101 (6), C.R.S.	29,784	0	0
Department of Human Services S.B. 07-146, Veterans Mental Health Services Pilot Program Sections 27-1-305 and 25-36-101 (7), C.R.S.	300,000	0	0
Department of Public Health and Environment S.B. 07-232 and H.B. 09-1111 Health Care Professional Loan Repayment Program Sections 25-20.5-706 and 25-36-101 (10), C.R.S.	90,070	90,070	90,070
<b>Total</b>	<b>\$641,571</b>	<b>\$311,787</b>	<b>\$90,070</b>

Tables 6 and 7 detail the FY 2009-10 and FY 2010-11 net allocations of tobacco-settlement moneys to tier 1 and tier 2 programs based on the above allocation rules and upon actual settlement revenue received.

**Table 6**

<b>Tier 1 Program</b>	<b>FY 2009-10 Allocation</b>	<b>FY 2010-11 Allocation</b>
<b>Legislative Department</b>		
Office of the State Auditor	\$103,640	\$112,831
<b>Department of Education</b>		
Read-to-achieve Grant Program and other education programs	4,990,663	4,719,367
<b>Department of Health Care Policy and Financing</b>		
Comprehensive Primary and Preventive Care Grant Program	594,398	0
Children's Basic Health Plan Trust	24,955,183	22,652,963
State share of funding required for the Children with Autism Act	<u>1,000,000</u>	<u>1,000,000</u>
<b>Subtotal - Department of Health Care Policy and Financing</b>	<b>26,549,581</b>	<b>23,652,963</b>
<b>Department of Higher Education</b>		
Fitzsimons lease purchase	8,000,000	7,566,964
<b>Department of Military and Veterans Affairs</b>		
Colorado State Veterans	998,133	943,873

<b>Tier 1 Program</b>	<b>FY 2009-10 Allocation</b>	<b>FY 2010-11 Allocation</b>
<b>Department of Human Services</b>		
Child Mental Health Treatment Act	<b>300,000</b>	<b>300,000</b>
<b>Department of Public Health and Environment</b>		
Dental Loan Repayment Program	200,000	200,000
AIDS and HIV Prevention Grant Program	1,996,265	1,887,747
AIDS Drug Assistance Program	3,493,464	3,303,557
Tony Gramscas Youth Services Program	3,992,530	3,775,494
Nurse Home Visitor Program	<u>13,453,724</u>	<u>13,214,228</u>
<b>Subtotal - Department of Public Health and Environment</b>	<b>23,135,983</b>	<b>22,381,026</b>
<b>Total</b>	<b>\$64,078,000</b>	<b>\$59,677,024</b>

**Table 7**

<b>Tier 2 Program</b>	<b>FY 2009-10 Allocation</b>	<b>FY 2010-11 Allocation</b>
<b>Department of Higher Education</b>		
University of Colorado, Health Sciences Center	<b>\$17,150,000</b>	<b>\$15,718,416</b>
<b>Department of Health Care Policy and Financing</b>		
Comprehensive Primary and Preventive Care Grant Program	575,000	0
Medicaid shortfalls at Children's Hospital	283,000	307,000
Children's Basic Health Plan Trust	<u>1,750,000</u>	<u>4,330,584</u>
<b>Subtotal - Department of Health Care Policy and Financing</b>	<b>2,608,000</b>	<b>4,637,584</b>
<b>Department of Human Services</b>		
Mental Health Services for juvenile and adult offenders	4,200,000	3,849,408
Alcohol and drug abuse programs	<u>1,050,000</u>	<u>962,352</u>
<b>Subtotal - Department of Human Services</b>	<b>5,250,000</b>	<b>4,811,760</b>
<b>Department of Personnel and Administration</b>		
Supplemental state contribution for group benefit plans	<b>1,575,000</b>	<b>1,443,528</b>
<b>Department of Public Health and Environment</b>		
Local public health agencies	2,450,000	2,245,488
Colorado Immunization Program	1,400,000	1,283,136
Short-term Grants for Innovative Health Programs	<u>358,429</u>	<u>0</u>
<b>Subtotal - Department of Public Health and Environment</b>	<b>4,208,429</b>	<b>3,528,624</b>
<b>Total</b>	<b>\$30,791,429</b>	<b>\$30,139,912</b>

- 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 8 summarizes the appropriations from this account. The remaining balance in the account was transferred to the General Fund during FY 2009-10.

**Table 8**

<b>Appropriations from the Supplemental Appropriations and Overexpenditures Account Bill / Purpose</b>	<b>Amount</b>
<i>Original balance in the account</i>	<u>\$24,400,000</u>
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)
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	<u>(2,843,859)</u>
<b>Total appropriations from the account</b>	<b>(\$24,247,805)</b>
Original balance less 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.

### Allocation of Amendment 35 Tobacco-tax Revenue

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 9. This table also shows projected dollar allocations, based on the June 2010 Legislative Council Staff tobacco-tax revenue forecast. Appropriations in the FY 2010-11 Long Bill were based on a previous revenue forecast.

**Table 9**

<b>Amendment 35 Fund or Program / Purpose</b>	<b>Percent</b>	<b>FY 2009-10 Allocation</b>	<b>FY 2010-11 Allocation</b>
Health Care Expansion Fund, to provide funding to the Children's Basic Health Plan and Medicaid	46.0%	\$69,253,000	\$69,439,000
Primary Care Fund, to provide funding to clinics and hospitals that offer health care services to the uninsured or medically indigent	19.0%	28,604,000	28,682,000
Tobacco Education Programs Fund, to support grants for tobacco education, prevention, and cessation	16.0%	24,088,000	24,153,000
Prevention, Early Detection and Treatment Fund, to support cancer, cardiovascular, and pulmonary disease grants	16.0%	24,088,000	24,153,000
Old Age Pension Fund	1.5%	2,258,000	2,264,000
Local governments, to compensate for lost revenue from tobacco taxes	0.9%	1,355,000	1,359,000
Immunizations performed by local public health agencies that were formerly classified as county nursing services	0.3%	452,000	453,000
Pediatric Specialty Hospital Fund to provide funding to Children's Hospital in Denver for Medicaid and indigent care	0.3%	452,000	453,000
<b>Total</b>	<b>100.0%</b>	<b>\$150,550,000</b>	<b>\$150,956,000</b>

Two bills and a joint resolution enacted during the 2009 session altered the use of Amendment 35 revenues during FY 2009-10:

- **S.B. 09-270:** This bill 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.
- **S.J.R. 09-035:** This resolution 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.
- **S.B. 09-271:** This bill utilized the state fiscal emergency declared by S.J.R. 09-035 to appropriate \$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.

Four bills and a joint resolution enacted during the 2010 session altered Amendment 35 appropriations during FY 2009-10 and will alter appropriations during FY 2010-11:

- **H.B. 10-1311:** Reduces the FY 2009-10 appropriation for Cancer, Cardiovascular Disease, and Pulmonary Disease Grants by \$7.0 million and reduces the appropriation for Tobacco Education, Prevention, and Cessation Grants by \$7.0 million. Uses the savings to refinance \$14.0 million of General Fund appropriations in the Department of Health Care Policy and Financing that support Medical Services Premiums with Amendment 35 moneys.
- **H.B. 10-1320:** Reduces the FY 2009-10 appropriation to the Health Disparities Grant Program by \$1.0 million reappropriated funds. Uses the savings to refinance \$1.0 million of General Fund appropriations in the Department of Health Care Policy and Financing that support Medical Services Premiums with Amendment 35 moneys .
- **S.J.R. 10-010:** Declares a state fiscal emergency for FY 2010-11, which allows Amendment 35 tobacco-tax revenues to be used for any health-related purpose during FY 2010-11.
- **H.B. 10-1381:** For FY 2010-11, appropriates \$25.7 million of Amendment 35 money to the Department of Health Care Policy and Financing to support Medical Services Premiums and reduces the General Fund appropriation for Medical Services Premiums by an equal amount. Table 10 details the sources of the appropriation.

**Table 10**

Source	Amount
Health Disparities Grant Program Fund - RF	\$4,490,435
Tobacco Education Programs Fund (for Tobacco Education, Prevention, and Cessation Grants) - CF	15,521,625
Prevention, Early Detection and Treatment Fund (for Cancer, Cardiovascular, and Pulmonary Disease Grants) - CF	5,679,358
Total	<u>\$25,691,418</u>
Reappropriated Funds	4,490,435
Cash Funds	21,200,983

The bill also reduces appropriations to the corresponding grant programs by a like amount.

## **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 was 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 bill that established this limit, 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 exceptions 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 2009-10 and FY 2010-11. 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 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 [Sections 31-30-1112 (2) (i) and 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 (Article X, Section 3.5) that reduces property taxes for qualifying senior citizens and disabled veterans. 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 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.

<u>General Fund Appropriations Deemed Exempt from Statutory Restriction</u>			
	Department	Amount	Reason
<b>FY 2009-10</b>			
<b><u>Section 1 - Rebates and Expenditures</u></b>			
Old Age Pensions/1	Human Services	\$114,900,000	Voter Approved
Volunteer Firefighter Benefit Plans/2	Local Affairs	4,141,912	Other
Cigarette Tax Rebate/3	Revenue	11,600,000	Other
Old Age Heat or Fuel and Property Tax Assistance Grant/3	Revenue	8,300,000	Other
Fire and Police Pension Association (FPPA) - Old Hire Plans	Treasury	0	Other
Loans to School Districts/1	Treasury	6,200,000	Other
Pediatric Spec. Hosp. (Amendment 35)/4	Health Care Policy and Financing	450,000	Voter Approved
Immunizations (Amendment 35)/5	Public Health and Environment	<u>450,000</u>	Voter Approved
<b>Total Rebates and Expenditures</b>		<b>\$146,041,912</b>	
<b><u>Section 2 - Homestead Exemption</u></b>			
Senior Citizen and Disabled Veteran Property Tax Exemption/6	Treasury	1,000,000	Voter Approved
Revenue Forecast Adjustment		<u>400,000</u>	
<b>Total Homestead Exemption</b>		<b>\$1,400,000</b>	
<b><u>Section 3 - Amounts Deemed Exempt</u></b>			
<b>Total Amounts Deemed Exempt</b>		<b>\$0</b>	
<b>FY 2009-10 TOTAL</b>		<b>\$147,441,912</b>	
<b>FY 2010-11</b>			
<b><u>Section 1 - Rebates and Expenditures</u></b>			
Old Age Pensions/1	Human Services	\$123,400,000	Voter Approved
Volunteer Firefighter Benefit Plans/7	Local Affairs	4,144,363	Other
Cigarette Tax Rebate/7	Revenue	11,300,000	Other
Old Age Heat or Fuel and Property Tax Assistance Grant/7	Revenue	8,200,000	Other

<b><u>General Fund Appropriations Deemed Exempt from Statutory Restriction</u></b>			
	<b>Department</b>	<b>Amount</b>	<b>Reason</b>
Fire and Police Pension Association (FPPA) - Old Hire Plans	Treasury	0	Other
Loans to School Districts/1	Treasury	6,300,000	Other
Pediatric Spec. Hosp. (Amendment 35)/7	Health Care Policy and Financing	447,000	Voter Approved
Immunizations (Amendment 35)/7	Public Health and Environment	<u>447,000</u>	Voter Approved
<b>Total Rebates and Expenditures</b>		<b>\$154,238,363</b>	
<b><u>Section 2 - Homestead Exemption</u></b>			
Senior Citizen and Disabled Veteran Property Tax Exemption/8	Treasury	1,670,802	Voter Approved
Revenue Forecast Adjustment		<u>0</u>	
<b>Total Homestead Exemption</b>		<b>\$1,670,802</b>	
<b><u>Section 3 - Amounts Deemed Exempt</u></b>			
<b>Total Amounts Deemed Exempt</b>		<b>\$0</b>	
<b>FY 2010-11 TOTAL</b>		<b>\$155,909,165</b>	

/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 This amount is included in S.B. 09-259, the General Appropriations Act for FY 2009-10.

/3 Estimates of these amounts are included in S.B. 09-259 for informational purposes. The amounts reflected here are updated estimates from the Legislative Council Staff's March 2010 Economic and Revenue Forecast.

/4 This amount is the sum of the amount shown in S.B. 09-259 and adjustments included in S.B. 09-264, H.B. 10-1300, and H.B. 10-1376.

/5 This amount is the sum of the amount shown in S.B. 09-259 and the reduction included in H.B. 10-1376.

/6 This amount is the sum of the amount shown in S.B. 09-259 and the reduction included in S.B. 09-276.

/7 These amounts are included in H.B. 10-1376, the General Appropriations Act for FY 2010-11.

/8 This amount is the sum of the amount shown in H.B. 10-1376 and the reduction included in S.B. 10-190.

## **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

**REPRESENTATIVES**

Jack Pommer, Chairman  
Mark Ferrandino  
Kent Lambert

**SENATORS**

Moe Keller, Vice-Chairman  
Abel Tapia  
Al White

**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](http://www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

April 22, 2010

Hon. Bill Ritter, Governor  
136 State Capitol  
Denver, CO 80203-1792

Dear Governor Ritter:

The General Assembly recently passed the FY 2010-11 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 10<sup>th</sup> if you do not intend to comply with any requests.

Sincerely,

A handwritten signature in cursive script that reads "Jack Pommer".  
Representative Jack Pommer  
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, 2010, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2009-10. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2010-11.
2. **Department of Education, Assistance to Public Schools, Categorical Programs; and Department of Higher Education, Division of Occupational Education, Distribution of State Assistance for Career and Technical Education 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 programs for children with disabilities, English language proficiency programs, public school transportation, career and technical education, 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 2009-10 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 2008-09 and actual district expenditures for each program in fiscal year 2008-09. The information for special education programs for 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 2008-09 and actual district expenditures in fiscal year 2008-09.
3. **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 an annual report to the Joint Budget Committee by November of each year concerning revenues credited to and expenditures made from the Disaster Emergency Fund in the previous fiscal year. 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.
4. **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, 2010. 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 2009-10. 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.

#### **DEPARTMENT OF CORRECTIONS**

5. **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, 2010, summarizing this information for each of the private prison providers reimbursed from the External Capacity Subprogram.
6. **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, 2010, summarizing transfers that were made within this subprogram pursuant to the flexibility authorized by footnote.
7. **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, 2010, 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.
8. **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, 2011, 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.

#### **DEPARTMENT OF EDUCATION**

9. **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, 2010, information concerning the Colorado Preschool Program. The information provided is requested to include the following for fiscal year 2009-10: (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.

#### **GOVERNOR-LIEUTENANT GOVERNOR-STATE PLANNING AND BUDGETING**

10. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of the Governor, Governor's Energy Office** -- Senate Bill 07-246 requires a post-enactment review be conducted to determine the Department's efficacy in implementing the desired result and benefit of the act to advance energy efficiency and renewable energy throughout the state. The Department is requested to submit an annual report by November 1 of each year to the Joint Budget Committee on the status of the Department's efficacy in implementing the desired result and benefit of the provisions of S.B. 07-246. At a minimum, the report should include a narrative overview of the programs implemented with descriptions of each and should itemize how the moneys appropriated have been applied, by program, to advance energy efficiency and renewable energy throughout the state.
11. **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.
12. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of Information Technology, Statewide Information Technology Services, Colorado Benefits Management System** -- 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.

#### **DEPARTMENT OF HEALTH CARE POLICY AND FINANCING**

13. **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.
14. **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 2010-11 to the Joint Budget Committee by September 1, 2010. 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 25.5-5-404 (1) (I), C.R.S.

15. **Department of Health Care Policy and Financing, Medicaid Mental Health Community Program, Mental Health Capitation Payments** -- The Department is requested to provide a report to the Joint Budget Committee by December 1, 2010 recommending benefit or service reductions to Medicaid Mental Health programs in order to achieve a \$2,200,000 total fund savings between January 2011 and June 2011. In the report, the Department is requested to provide the following information:
  - (1) cost estimates for each of the benefit or service changes recommended;
  - (2) input from the behavioral health organizations on how such benefit and service reductions will be implemented;
  - (3) a description of any involvement that mental health advocacy groups had in providing input on the benefit or service changes recommended; and
  - (4) an analysis of whether rate reductions could be enacted within the actuarially sound range in lieu of benefit or service reductions recommended or in combination therewith.
16. **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.
17. **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, 2011, to the Joint Budget Committee, estimating the disbursement to each hospital from the Safety Net Provider Payment line item for FY 2010-11.
18. **Department of Health Care Policy and Financing, Services for Old Age Pension State Medical Program Clients** -- The Department is requested to inform the Joint Budget Committee of any planned reimbursement increases for the program prior to presentation to the Medical Services Board.
19. **Department of Health Care Policy and Financing, Other Medical Services, 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 services 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**

20. **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.

21. **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.

#### **DEPARTMENT OF HUMAN SERVICES**

22. **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.
23. **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, 2010, 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.
24. **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.
25. **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.

26. **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.
27. **Department of Human Services, Division of Child Welfare, Title IV-E Related County Administrative Functions --** The Department is requested to provide a report, by January 15, 2011 that addresses the Department's recommendations for maximizing the collection of revenue authorized under Title IV-E of the federal Social Security Act. The recommendations should address executive initiatives to maximize revenue, any proposals for statutory change to Section 26-1-111 (2) (d) (II) (C), C.R.S., how this line item is being used to promote Title IV-E collections, and the Department's assessment of whether ongoing General Fund support for a Title IV-E Related County Administrative Functions line item is warranted.
28. **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 October 1, 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.
29. **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.
30. **Department of Human Services, Office of Self Sufficiency, Special Purpose Welfare Programs, Refugee Assistance -** The Department is requested to submit a report by

November 1 of each fiscal year on the size of the Colorado refugee population, the percent that is TANF-eligible, federal funding received from the Department of Health and Human Services, Office of Refugee Resettlement in the most recent actual fiscal year, and federal funding projected to be received in the current and next fiscal year from the Office of Refugee Resettlement.

31. **Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Program Costs, Early Intervention Services for 2,176 General Fund resources --** The Department is requested to notify the Joint Budget Committee before implementing any cost containment strategy expected to result in a decrease in the number of people eligible for early intervention services. The notification should include discussion of alternative strategies, including but not limited to provider rate reductions and increasing payments from non-General Fund sources, and an estimate of the cost of serving the projected population without reducing eligibility.
32. **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.
33. **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.
34. **Department of Human Services, Division of Youth Corrections, Community Programs, S.B. 91-94 Programs and Parole Program Services and --** The Division is requested to provide a report to the Joint Budget Committee by November 1 of each year concerning the continuum of care initiative and the impact of budgetary flexibility. This report should include the following information: (1) the amount of funds transferred to these line items in prior actual fiscal years based on flexibility provided in the Youth Corrections budget; (2) the type of services purchased with funds transferred; (3) the number of youth served with such expenditures; (4) the impact of such expenditures; and (5) an evaluation of the effectiveness of budgetary flexibility in reducing the need for commitment and secure detention placements.
35. **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.
36. **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 TANF Reserve Account balances for the Works Program, Title XX, and Child Care Development Fund accounts, the annual TANF 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 for all county TANF accounts. The report should be provided to the Joint Budget Committee annually on or before November 1. An update to this information reflecting data as of the close of the federal fiscal year should be provided to the Joint Budget Committee annually on or before January 1.

37. **Department of Human Services, Totals** -- The Department is requested to submit annually, on or before November 1, 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 2009-10, 2010-11, and 2011-12 (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.

#### **DEPARTMENT OF NATURAL RESOURCES**

38. **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.
39. **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.
40. **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, 2010.

## DEPARTMENT OF PERSONNEL AND ADMINISTRATION

41. **Department of Personnel and Administration, Division of Central Services --** The Department is requested to provide a report about its use of the 20.0 percent contingency spending authority that is included in various line items within the Division of Central Services. This report is requested to include a description of the amount of contingency funds that the Department utilized during the prior fiscal year, and for what purpose. The Department is also requested to re-calculate the 20.0 percent contingency according to the updated FY 2011-12 base appropriation. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2010.
42. **Department of Personnel and Administration, Division of Central Services, Facilities Maintenance --** The Department is requested to provide a report that details the expenditures at the Capitol Complex, Grand Junction, and Camp George West facilities. The report should provide data for the prior three fiscal years, as well as an estimate for the current fiscal year. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2010.

## DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT

43. **Department of Public Health and Environment, Center for Health and Environmental Information, Health Statistics and Vital Records --** The Department is requested to submit a report to the Joint Budget Committee by January 3, 2011, on the medical marijuana registry program. This report should estimate the appropriations and the FTE that the Department requires during Fiscal Years 2010-11 and 2011-12 to perform its statutory duties under Colorado's medical marijuana laws. The report should include data that supports these estimates.
44. **Department of Public Health and Environment, Air Pollution Control Division --** The Department is requested to submit a report on the Air Pollution 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, 2010.
45. **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, 2010.
46. **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, 2010.

47. **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, 2010. 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.
48. **Department of Public Health and Environment, Prevention Services Division, Prevention Partnerships, Tony Grampas Youth Services Program, Prevention Services Programs** -- The Department is requested to submit a report to the Joint Budget Committee on the Tony Grampas Youth Services Program by December 1, 2010. This report should include the following information for Fiscal Year 2009-10: (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; (3) the most recently available report evaluating the effectiveness of programs operated by grantees.

#### **DEPARTMENT OF PUBLIC SAFETY**

49. **Department of Public Safety, Colorado State Patrol, IT Asset Maintenance** - The Department is requested to submit to the Joint Budget Committee an annual report beginning on November 1, 2010. Each annual report should detail the progress of the Computer-Aided Dispatch, Records Management System, and Mobile Data Computer hardware and software architecture replacements and upgrades. At a minimum, the reports should include updates to the estimated total 5-year cost of the project on each November 1, any vendors that may have been awarded contracts, the nature and amounts of those contracts, as well as a detailed report of current and future expenditures.
50. **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**

51. **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, 2010, a report detailing the method being used to track

the number of legal services 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 FY 2009-10 and the current fiscal year broken out by board.

**DEPARTMENT OF REVENUE**

52. **Department of Revenue, Executive Director's Office, Taxation Business Group, Taxation and Compliance Division, Taxpayer Service Division, and Tax Conferee --** The Department is requested to provide to the Joint Budget Committee, no later than September 30, 2011, a report detailing the amount of additional General Fund realized during the fiscal year ending on June 30, 2011 from the General Assembly's funding of the Department's decision item to address the "conservation easement backlog".
53. **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, 2010, 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, 2010, December 31, 2010, March 31, 2011, and June 30, 2011.
54. **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, 2011, but no later than September 30, 2011, a report detailing the amount of additional General Fund revenue realized during FY 2010-11 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.
55. **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, 2011, but no later than September 30, 2011, a report detailing the amount of additional General Fund revenue realized during FY 2010-11 by the General Assembly's funding of an expanded out-of-state tax compliance and enforcement program.
56. **Department of Revenue, Taxation Business Group, Taxation and Compliance Division --** The Department is requested to provide to the Joint Budget Committee, by September 30, 2011, a report on the effectiveness of 2010 Decision Item # 1 - "Treasury Offset Program". The report should provide the amount of additional revenue gained by the state by the full implementation of the program authorized by the General Assembly during the 2010 Legislative session.
57. **Department of Revenue, Taxation Business Group, Taxation and Compliance Division --** The Department is requested to provide to the Joint Budget Committee, by September 30, 2011, a report on the effectiveness of 2010 Decision Item # 2 - "Delinquency Billings". The report should provide the amount of additional revenue gained by the state by the implementation of the program authorized by the General Assembly during the 2010 Legislative session.
58. **Department of Revenue, Taxation Business Group, Taxation and Compliance Division**

-- The Department of Revenue is requested to provide to the Joint Budget Committee, by September 30, 2011 for FY 2010-11, a report on the effectiveness of 2010 Budget Amendment # 5 - "Tax Code Compliance Initiative". The report should provide the amount of additional revenue gained by the state by the implementation of the initiative authorized by the General Assembly during the 2010 Legislative session.

59. **Department of Revenue, State Lottery Division**-- The Department is requested to submit a report to the Joint Budget Committee, by September 30, 2010, 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**

60. **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 for Joint Budget Committee personal services common policy calculations. PERA and Medicare information 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.
61. **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.
62. **Department of Transportation, Administration** -- The Department is requested to submit, with the November 1, 2010 budget request, decision items for any changes made within the Administration program line during either FY 2009-10 or FY 2010-11, that the Department wishes to have recognized during the FY 2011-12 figure setting process.

# STATE OF COLORADO

## REPRESENTATIVES

Jack Pommer, Chairman  
Mark Ferrandino  
Kent Lambert

## SENATORS

Moe Keller, Vice-Chairman  
Abel Tapia  
Al White



## 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](http://www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

April 22, 2010

Hon. Mary Mullarkey, Chief Justice of the Colorado Supreme Court  
101 West Colfax Avenue, Suite 800  
Denver, CO 80202

Dear Chief Justice Mullarkey:

The General Assembly recently passed the FY 2010-11 Long Bill. Historically, Long Bill footnotes contained the General Assembly's requests for information. However, pursuant to Section 24-75-112 (2), C.R.S., the Long Bill no longer includes requests for information. In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the Judicial Department will comply with these requests to the fullest extent possible.

Please notify us by May 10<sup>th</sup> if you do not intend to comply with any requests.

Sincerely,

A handwritten signature in cursive script that reads "Jack Pommer".

Representative Jack Pommer  
Chairman

cc:

Gerald Marroney, State Court Administrator  
Ted Tow, Executive Director, Colorado District Attorneys' Council  
John Ziegler, Joint Budget Committee

## **REQUESTS AFFECTING MULTIPLE DEPARTMENTS**

1. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2010, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2009-10. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2010-11.

## **JUDICIAL DEPARTMENT**

2. **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.
3. **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.
4. **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

## REPRESENTATIVES

Jack Pommer, Chairman  
Mark Ferrandino  
Kent Lambert

## SENATORS

Moe Keller, Vice-Chairman  
Abel Tapia  
Al White



## 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](http://www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

April 22, 2010

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 2010-11 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 10<sup>th</sup> if you do not intend to comply with the request.

Sincerely,

A handwritten signature in cursive script that reads "Jack Pommer".

Representative Jack Pommer  
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

## **REQUESTS AFFECTING MULTIPLE DEPARTMENTS**

1. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2010, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2009-10. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2010-11.

### **DEPARTMENT OF LAW**

2. **Department of Law, Criminal Justice and Appellate, Medicaid Fraud Control Unit** -- 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, 2010.
3. **Department of Law, Special Purpose, Litigation Management and Technology Fund** -- It is the intent of the General Assembly to grant the Department of Law additional flexibility by allowing the Department to use funds appropriated in this line item to address unanticipated state legal needs that arise during FY 2010-11, as well as information technology asset maintenance needs that would otherwise require General Fund appropriations during FY 2010-11. It is also the intent of the General Assembly that moneys spent from this fund shall not require the appropriation of additional FTE and will not be used for any type of salary increase, promotion, reclassification, or bonus related to any present or future FTE employed by the Department of Law. It is furthermore the intent of the General Assembly that moneys spent from this fund will not be used to offset present or future personal services deficits in any division in the Department. The Department is requested to submit a quarterly report to the Joint Budget Committee detailing the purpose for which moneys from this fund have been expended. Such a report is also requested with any supplemental requests for additional legal services funding within or outside of the Legal Services to State Agencies program.

# STATE OF COLORADO

**REPRESENTATIVES**

Jack Pommer, Chairman  
Mark Ferrandino  
Kent Lambert

**SENATORS**

Moe Keller, Vice-Chairman  
Abel Tapia  
Al White

**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](http://www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

April 22, 2010

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 2010-11 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 10<sup>th</sup> if you do not intend to comply with any requests.

Sincerely,

A handwritten signature in black ink that reads "Jack Pommer". The signature is written in a cursive style with a large, looping initial "J".

Representative Jack Pommer  
Chairman

cc:

Heather Lizotte, Budget/Finance, Colorado Secretary of State's Office  
John Ziegler, Joint Budget Committee

## **REQUESTS AFFECTING MULTIPLE DEPARTMENTS**

1. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2010, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2009-10. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2010-11.

## **DEPARTMENT OF STATE**

2. **Department of State, Administration, Personal Services** -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2010, as part of the Department's annual budget request, a breakdown of how FTE and funds are distributed amongst the sections within the Administration Division.
3. **Department of State, Administration, Address Confidentiality Program** -- The Department of State is requested to provide to the Joint Budget Committee by November 1, 2010, 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.

# STATE OF COLORADO

**REPRESENTATIVES**

Jack Pommer, Chairman  
Mark Ferrandino  
Kent Lambert

**SENATORS**

Moe Keller, Vice-Chairman  
Abel Tapia  
Al White

**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](http://www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

April 22, 2010

Hon. Cary Kennedy, State Treasurer  
140 State Capitol  
Denver, CO 80203-1792

Dear Treasurer Kennedy:

The General Assembly recently passed the FY 2010-11 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 10<sup>th</sup> if you do not intend to comply with any requests.

Sincerely,

A handwritten signature in cursive script that reads "Jack Pommer".

Representative Jack Pommer  
Chairman

cc:

Eric Rothaus, Deputy Treasurer  
John Ziegler, Joint Budget Committee

## REQUESTS AFFECTING MULTIPLE DEPARTMENTS

1. **All Departments, Totals** -- Every department is requested to submit to the Joint Budget Committee, by November 1, 2010, information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that were received in FY 2009-10. The Departments are also requested to identify the number of additional federal and cash funds FTE associated with any federal grants or private donations that are anticipated to be received during FY 2010-11.

## DEPARTMENT OF TREASURY

2. **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.
3. **Department of the Treasury, Administration** -- The State Treasurer is requested to provide to the Joint Budget Committee, by November 1, 2010, 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 2009-10 as well as projected expenditures for FY 2010-11. The requested report should be submitted as part of the State Treasurer's annual budget request.
4. **Department of the Treasury, Administration** -- The State Treasurer is requested to provide to the Joint Budget Committee, by November 1, 2010, 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 2009-10, as well as projected data for FY 2010-11. The requested information should be submitted as part of the State Treasurer's annual budget request.
5. **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, 2010, and by February 1, 2011, that contain enrollment, revenue, expenditure, and assessment projections for the CoverColorado program for FY 2010-11 and FY 2011-12.
6. **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, 2010. 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.

## INDEX OF APPROPRIATIONS, BY SUBJECT

<b><u>DIVISION / UNIT / PROGRAM</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>PAGE</u></b>
Accounts and Control - Controller, Division of	Personnel and Administration	426
Adams State College (Governing Boards)	Higher Education	184
Administrative Courts	Personnel and Administration	428
Administrative Review Unit	Human Services	213
Adult Assistance Programs	Human Services	252
Advisory Commission on Family Medicine (Other Medical Services)	Health Care Policy and Financing	152
Agricultural Markets Division	Agriculture	28
Agricultural Services Division	Agriculture	26
Agriculture Management Fund	Agriculture	22
Aid to the Needy Disabled	Human Services	255
Air National Guard	Military and Veterans Affairs	377
Air Quality Control Division	Public Health and Environment	446
Alcohol and Drug Abuse Services	Human Services	241
Alternate Defense Counsel	Judicial	295
Alternative Fuels Rebate (Taxation Business Group)	Revenue	533
Animal Feeding Operations (Administration and Support)	Public Health and Environment	439
Area Agencies on Aging	Human Services	256
Area Vocational Schools	Higher Education	190
Army National Guard	Military and Veterans Affairs	373
Assessment Appeals, Board of	Local Affairs	259
Assistance to Public Schools	Education	80
Auraria Higher Education Center	Higher Education	191
Banking, Division of	Regulatory Agencies	497
Bioscience Discovery Evaluation Program	Governor - Lt. Governor	113
Brand Board	Agriculture	30
Bridge Enterprise, Statewide	Transportation	579
Business Filings	State	560
Cancer, Cardiovascular and Pulmonary Disease Grant Program	Public Health and Environment	454
Canteen Operation	Corrections	59
Capital Construction Assistance for Public Schools (Grant Programs, Distributions, Other Assistance)	Education	88
Capital Construction Projects	Capital Construction	596
Capital Crimes Prosecution Unit (Special Prosecutions Unit)	Law	332
Categorical Programs	Education	86
Center for Health and Environmental Information	Public Health and Environment	441
Central Services	Personnel and Administration	424

## INDEX OF APPROPRIATIONS, BY SUBJECT

<b><u>DIVISION / UNIT / PROGRAM</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>PAGE</u></b>
Child Care Assistance Program	Human Services	225
Child Care, Division of	Human Services	225
Child Support Enforcement	Human Services	233
Child Welfare, Division of	Human Services	222
Children's Basic Health Plan	Health Care Policy and Financing	147
Child's Representative, Office of the	Judicial	297
Cigarette Tax Rebate (Taxation Business Group)	Revenue	533
Civil Air Patrol	Military and Veterans Affairs	379
Civil Rights Division	Regulatory Agencies	499
Clean Energy	Governor - Lt. Governor	105
College Opportunity Fund Program	Higher Education	182
Colorado Benefits Management System (CBMS)	Governor - Lt. Governor	115
Colorado Bureau of Investigation (CBI)	Public Safety	482
Colorado Commission on Higher Education (CCHE)	Higher Education	179
Colorado School of Mines (Governing Boards)	Higher Education	184
Colorado State Patrol	Public Safety	476
Colorado State Titling and Registration System (CSTARS)	Revenue	531
Colorado State University System (Governing Boards)	Higher Education	184
Colorado State Veterans Trust Fund	Military and Veterans Affairs	375
Colorado Student Assessment Program (CSAP)	Education	77
Colorado Vocational Act	Higher Education	190
Colorado Works Program	Human Services	228
Community Colleges and Occupational Education State System Colleges, State Board for (Governing Boards)	Higher Education	184
Community Corrections	Public Safety	480
Community Services	Corrections	55
Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)	Law	334
Conservation Board	Agriculture	33
Conservation Trust Fund	Local Affairs	363
Constitutionally Independent Entities	Personnel and Administration	422
Construction, Maintenance and Operations	Transportation	575
Consumer Counsel, Office of (OCC)	Regulatory Agencies	500
Consumer Credit Unit	Law	336
Consumer Protection	Law	336
Consumer Protection	Public Health and Environment	451
Controlled Maintenance Projects	Capital Construction	596
Correctional Industries	Corrections	58

## INDEX OF APPROPRIATIONS, BY SUBJECT

<b><u>DIVISION / UNIT / PROGRAM</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>PAGE</u></b>
Council on the Arts	Governor - Lt. Governor	105
County Administration	Human Services	221
Court of Appeals	Judicial	275
Courts - County, District, and Water	Judicial	287
Courts Administration	Judicial	277
CoverColorado	Treasury	584
Criminal Justice and Appellate	Law	332
Criminal Justice, Division of	Public Safety	480
Demography Office, State (Division of Local Governments)	Local Affairs	363
Dental Programs	Public Health and Environment	454
Developmental Disabilities, Community Services for People with	Human Services	244
Disabilities, Services for People with	Human Services	243
Disability Determination Services	Human Services	234
Disease Control and Environmental Epidemiology Division	Public Health and Environment	452
District Attorney Mandated Costs (Trial Courts)	Judicial	287
Driver and Vehicle Services	Revenue	518
Drunk Driving Offenders Account, First Time	Transportation	578
Early Intervention Services	Human Services	244
Economic Development Programs	Governor - Lt. Governor	113
Elderly, Community Services for the	Human Services	256
Elections	State	557
Electronic Benefits Transfer Service (EBTS)	Human Services	231
Emergency Management, Division of	Local Affairs	367
Emergency Medical Services	Public Health and Environment	457
Emergency Preparedness and Response Division	Public Health and Environment	458
Employment and Training, Division of	Labor and Employment	309
Energy Office, Governor's	Governor - Lt. Governor	105
Enforcement Business Group	Revenue	540
Facility Schools Unit and Board (Grant Programs, Distributions, Other Assistance)	Education	88
Film, Television, and Media, Office of	Governor - Lt. Governor	113
Financial Aid, Colorado Commission on Higher Education	Higher Education	181
Financial Services, Division of	Regulatory Agencies	501
Fire and Police Pension Association (FPPA) - "Old Hire" Pension Plans	Treasury	584
Food Distribution Program	Human Services	231

## INDEX OF APPROPRIATIONS, BY SUBJECT

<b><u>DIVISION / UNIT / PROGRAM</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>PAGE</u></b>
Food Stamp /Supplemental Nutrition Assistance Program (County Administration)	Human Services	221
Fort Lewis College (Governing Boards)	Higher Education	184
Gaming Impact Grants (Division of Local Governments)	Local Affairs	363
General Assembly	Legislative Branch	346
Geological Survey	Natural Resources	394
Governing Boards	Higher Education	184
Governor, Office of the	Governor - Lt. Governor	108
Hazardous Materials and Waste Management Division	Public Health and Environment	449
Health Disparities Office	Public Health and Environment	439
Health Facilities and Emergency Medical Services Division	Public Health and Environment	457
Health Statistics and Vital Records	Public Health and Environment	441
Help America Vote Act (HAVA)	State	558
High Performance Transportation Enterprise	Transportation	577
Highway Users Tax Fund (HUTF) Payments to Counties and Municipalities	Treasury	586
HIV/AIDS Prevention and Treatment	Public Health and Environment	452
Homelake Domiciliary	Human Services	251
Homeland Security, Office of	Governor - Lt. Governor	108
Housing, Division of	Local Affairs	361
Human Resources, Division of	Personnel and Administration	420
Ignition Interlock Subsidy Program	Revenue	520
Independent Ethics Commission	Judicial	298
Indian Affairs, Commission on	Governor - Lt. Governor	111
Indigent Care Program	Health Care Policy and Financing	147
Information Technology Consolidation	Governor - Lt. Governor	104
Information Technology, Office of	Governor - Lt. Governor	115
Inmate Programs	Corrections	53
Institutions	Corrections	47
Insurance, Division of	Regulatory Agencies	503
International Trade, Office of Economic Development and	Governor - Lt. Governor	113
Joint Budget Committee	Legislative Branch	349
Judicial Performance Evaluation, Office of	Judicial	285
Juvenile Parole Board	Human Services	213
Labor Market Information	Labor and Employment	313
Labor, Division of	Labor and Employment	314
Laboratory Services	Public Health and Environment	443

## INDEX OF APPROPRIATIONS, BY SUBJECT

<b><u>DIVISION / UNIT / PROGRAM</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>PAGE</u></b>
Legal Services to State Agencies	Law	329
Legal Services, Committee on	Legislative Branch	351
Legislative Council	Legislative Branch	350
Library Programs	Education	92
Lieutenant Governor, Office of the	Governor - Lt. Governor	111
Limited Gaming Division	Revenue	520
Liquor Enforcement	Revenue	522
Local District Junior College Grants	Higher Education	189
Local Governments, Division of	Local Affairs	363
Local Public Health Planning and Support	Public Health and Environment	444
Low-income Energy Assistance Program (LEAP)	Human Services	231
Low-income Telephone Assistance Program	Human Services	231
Major Medical Insurance Fund	Labor and Employment	317
Medicaid (Medical Services Premiums)	Health Care Policy and Financing	138
Medicaid Fraud Control Unit	Law	328
Medicaid Mental Health Capitation	Health Care Policy and Financing	144
Medicaid Mental Health Community Programs	Health Care Policy and Financing	144
Medical Marijuana Registry	Public Health and Environment	441
Medical Marijuana State Licensing Authority (Enforcement Business Group)	Revenue	540
Medical Services Premiums	Health Care Policy and Financing	138
Mental Health Community Programs	Human Services	238
Mental Health Institutes	Human Services	239
Mesa State College (Governing Boards)	Higher Education	184
Metropolitan State College of Denver (Governing Boards)	Higher Education	184
Mineral and Energy Impact Grants (to local governments)	Local Affairs	363
Mineral Audit Program	Revenue	533
Minority Business Office (Economic Development Programs)	Governor - Lt. Governor	113
Motor Carrier Services Division	Revenue	538
Motor Vehicle Dealer Licensing Board	Revenue	522
Motor Vehicles, Division of	Revenue	536
National Guard Tuition Assistance	Military and Veterans Affairs	373
Nurse Home Visitor Program	Public Health and Environment	454
Nursing Homes, State and Veterans	Human Services	251
Occupational Education, Division of	Higher Education	190
Oil and Gas Conservation Commission	Natural Resources	395

## INDEX OF APPROPRIATIONS, BY SUBJECT

<b><u>DIVISION / UNIT / PROGRAM</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>PAGE</u></b>
Oil and Public Safety, Division of	Labor and Employment	315
Old Age Heat and Fuel and Property Tax Assistance Grant	Revenue	533
Old Age Pension Health and Medical Program	Health Care Policy and Financing	152
Old Age Pension Program	Human Services	253
On-line Learning, Division of	Education	77
Parks and Outdoor Recreation	Natural Resources	398
Parole Board	Corrections	57
Peace Officers Standards and Training (POST) Board	Law	332
Personnel Board, State	Personnel and Administration	422
Petroleum Storage Tank Program	Labor and Employment	315
Preparedness, Security, and Fire Safety, Office of	Public Safety	478
Prevention Services Division	Public Health and Environment	454
Private prisons (External Capacity Subprogram)	Corrections	44
Probation and Related Services	Judicial	291
Property Taxation, Division of	Local Affairs	359
Public Defender's Office	Judicial	293
Public Safety Unit	Labor and Employment	315
Public School Finance	Education	81
Public Utilities Commission (PUC)	Regulatory Agencies	504
Racing Events, Division of	Revenue	522
Radiation Management Program	Public Health and Environment	449
Real Estate, Division of	Regulatory Agencies	506
Reclamation, Mining, and Safety, Division of	Natural Resources	392
Regional Centers for People with Developmental Disabilities	Human Services	246
Registrations, Division of	Regulatory Agencies	507
School for the Deaf and the Blind	Education	93
Securities, Division of	Regulatory Agencies	509
Self Sufficiency, Office of	Human Services	227
Senior Citizen and Disabled Veteran Property Tax Exemption	Treasury	583
Special Education for Children With Disabilities (Categorical Programs)	Education	86
State Architect, Office of the	Personnel and Administration	416
State Auditor	Legislative Branch	348
State Board of Education	Education	77
State Board of Equalization	Local Affairs	359
State Board of Land Commissioners	Natural Resources	397

## INDEX OF APPROPRIATIONS, BY SUBJECT

<b><u>DIVISION / UNIT / PROGRAM</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>PAGE</u></b>
State Charter School Institute	Education	77
State Court Administrator's Office	Judicial	277
State Education Fund	Education	619
State Employees Assistance Program	Personnel and Administration	416
State Fair, Colorado	Agriculture	32
State Historical Society	Higher Education	181
State Lottery Division	Revenue	542
State Planning and Budgeting, Office of (OSPB)	Governor - Lt. Governor	112
Subsequent Injury Fund	Labor and Employment	317
Suicide Prevention	Public Health and Environment	454
Supreme Court	Judicial	275
Taxation Business Group	Revenue	533
Teacher/ Educator Licensure	Education	77
Temporary Assistance for Needy Families (TANF; Colorado Works)	Human Services	228
Tobacco Education, Prevention and Cessation Program	Public Health and Environment	454
Tobacco Enforcement	Revenue	522
Tobacco Funding	Public Health and Environment	434
Tony Gramsas Youth Services Program	Public Health and Environment	454
Tourism Office, Colorado	Governor - Lt. Governor	113
Trial Courts	Judicial	287
Tuberculosis Control	Public Health and Environment	452
Unclaimed Property Program	Treasury	589
Unemployment Insurance	Labor and Employment	310
University of Colorado (Governing Boards)	Higher Education	184
University of Northern Colorado (Governing Boards)	Higher Education	184
Uranium Mill Tailings Remedial Action (UMTRA) Program	Public Health and Environment	449
Vehicle Emissions	Revenue	519
Vehicle Titles	Revenue	519
Veterans Affairs, Division of	Military and Veterans Affairs	375
Veterans Nursing Homes	Human Services	251
Vocational Education	Higher Education	190
Vocational Rehabilitation, Division of	Human Services	249
Volunteer Firefighter Retirement and Insurance (Division of Local Governments)	Local Affairs	363
Water and Natural Resources	Law	334
Water Conservation Board	Natural Resources	386
Water Courts	Judicial	287

## INDEX OF APPROPRIATIONS, BY SUBJECT

<b><u>DIVISION / UNIT / PROGRAM</u></b>	<b><u>DEPARTMENT</u></b>	<b><u>PAGE</u></b>
Water Quality Control Division	Public Health and Environment	447
Water Resources Division	Natural Resources	402
Western Slope Veterans Cemetery	Military and Veterans Affairs	375
Western State College (Governing Boards)	Higher Education	184
Wildlife, Division of	Natural Resources	404
Wine Promotion Board	Agriculture	31
Women, Infants, and Children Supplemental Food Grant	Public Health and Environment	454
Women's Health - Family Planning	Public Health and Environment	454
Work Therapy Program	Human Services	248
Workers' Compensation, Division of	Labor and Employment	317
Youth Corrections, Division of (DYC)	Human Services	257
Youthful Offender System (YOS)	Corrections	47