



# FY 2014-15 Budget Request

*November 1, 2013 | Governor John W. Hickenlooper*



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# STATE OF COLORADO

## OFFICE OF THE GOVERNOR

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**John W. Hickenlooper**  
Governor

November 1, 2013

The Honorable Senator Pat Steadman  
Chair, Joint Budget Committee  
Colorado General Assembly  
200 E. 14<sup>th</sup> Avenue, Third Floor  
Legislative Services Building  
Denver, CO 80203

Dear Senator Steadman:

We are pleased to submit the State budget request for FY 2014-15. In addition to requests for the continued operation of State government and to improve delivery of services, the budget request continues many of the policies in the General Fund that have served the State well in recent years. These include a focus on one-time expenditures, enhancement and replacement of information technology and capital infrastructure, and increasing the required General Fund reserve level to 6.5 percent from the current 5.0 percent. Moreover, this plan accounts for recovery from wildfires and recent floods.

It is also important to note that extraordinary actions were needed to balance the State budget when times were not as good. As the State managed the impact of the Great Recession, reserves were drawn down in the General Fund to 2.0 percent. In addition to many budget cuts and unfunded priorities, other State fee sources were tapped to meet obligations. We believe it is time to use some of the flexibility we have now to acknowledge and restore some of those resources. We propose two such actions described in detail later: selected cash fund repayments and reversing the 2003 pay date shift.

Context for the General Fund budget relative to the Great Recession is appropriate. From FY 2007-08 to the forecast for FY 2014-15, inflation and population growth will have totaled 28.1 percent. If the FY 2007-08 total spending level in the General Fund were increased by 28.1 percent, that amount would be nearly \$1.2 billion (12.8 percent) higher than the total requested at this time.

Colorado's economy is now four years into economic growth and expansion and 2013 marks an important milestone: we have now exceeded the pre-Great Recession peak employment level. And this economic recovery puts Colorado's economy among the best performing in the country. Though we have endured massive natural disasters in recent months and years, Colorado's resiliency is evident.

Though our economic performance is encouraging and the dominant view of this year and next is positive, the national economy remains sluggish against a backdrop of seemingly constant uncertainty about federal fiscal policy. Over the last few years, economic performance and business and household confidence have suffered in similar environments. Thus, we retain a measured approach for the future.

### **FY 2013-14 Balancing and Disaster Recovery Financing**

In normal circumstances, the focus of the budget proposal would be beyond the current year. However, because of significant expenses related to extraordinary natural disasters, the balancing plan described later for the current year interacts with the available funds for FY 2014-15. Specifically, we assume that all of the excess funds projected above the current General Fund appropriations will be necessary for financing flood recovery and restoration of emergency reserve accounts and that we end FY 2013-14 with the 5.0 percent required reserve.

We believe the General Fund support for disaster recovery will require the remainder of the excess funds this year (\$144.2 million), but that number could rise in the current year. To date, we have already transferred \$122.1 million in transfers to the Disaster Emergency Fund. This total includes the full balance of the Controlled Maintenance Trust Fund, which served as part of the TABOR emergency reserve. We believe it should be repaid this year. The balancing of \$144 million of disaster funding comes as follows: \$50 million added back to the Medicaid budget, \$48 million replacement to the CMTF, and \$46 million transferred to the Disaster Emergency Fund. Meanwhile, next year we are requesting to continue adding resources for water and wastewater issues with a \$12 million General Fund request to support local efforts to meet nutrients standards or restore water systems as part of flood recovery. By taking these actions, we are confident that appropriate resources will be available for emergencies and recovery next fiscal year.

### **Overview of FY 2014-15 Budget Request**

We are requesting a total funds budget of \$24.1 billion, of which \$9.0 billion is from the General Fund. Relative to the expected FY 2013-14 appropriation, these amounts represent increases of \$1.07 billion (4.7 percent) in total funds and \$389 million (4.5 percent) in the General Fund.

Based on the OSPB September 2013 revenue forecast, total General Fund expenditures in FY 2014-15 could grow by 9.4 percent. After accounting for expected increases in current-year appropriations to available revenue, we have limited our operating and capital spending increase to 4.5 percent and have planned for a 6.5 percent ending reserve compared with the current 5.0 percent. Other requested financial allocations include reversing the pay date shift and partial repayment of selected cash funds.

In the operating budget, our priorities in addition to the reserve increase include: funding enrollment and inflation in K-12 education with an increase of \$223 per pupil (3.4 percent);

restoring the General Fund for higher education above its pre-Great Recession level by \$101.8 million (15.5 percent) including a historic increase in financial aid and limiting tuition growth to 6.0 percent; supporting reforms in the Department of Corrections; and funding caseload growth in our health care and safety net programs.

The November 5, 2013 statewide election includes two potential tax policy changes. These are not reflected in the current request. Should either or both measures pass, we will provide appropriate adjustments to the Joint Budget Committee.

### **Education**

We are pleased to request over \$258.4 million (\$222.1 million from State sources) in new total program funding for K-12 education, reflecting enrollment growth of 1.3 percent (10,680 students) and 2.6 percent inflation. This equates to an increase of \$223 per pupil. Because of the unanticipated expenditures for disaster recovery, and the substantial new resources into the State Education Fund, we are requesting that approximately 57 percent of the increased funding to K-12 education be financed via the SEF. This policy allows us to use the expected new General Fund revenue in FY 2014-15 (in addition to growth in local property taxes) for the remainder of our request. For FY 2014-15, we are targeting an ending fund balance in the State Education Fund of \$700 million, with a long-term goal of \$400 million as a reasonable balance under current law. Based on current forecasts, a \$400 million fund balance will be achievable if the additional FY 2015-16 General Fund appropriation to total program is \$214 million.

### **Higher Education**

We are proposing a \$101.8 million increase (15.5 percent) in the General Fund appropriation to the Department of Higher Education, which will restore funding levels that exceed the pre-Great Recession peak (although not accounting for inflation and student growth since then). Of this amount, we recommend \$60 million for institutional operating expenses, equating to an 11.0 percent General Fund increase for each institution. We also believe tuition increases should not exceed 6.0 percent in FY 2014-15. In addition, our request includes \$40 million in new resources for student financial aid. Of this sum, \$30 million is for need-based aid, \$5 million is for college work/study programs, and \$5 million is to restore the merit scholarship program. This increase for financial aid represents a 42 percent increase, the largest in Colorado history, and will make college more affordable for thousands of Colorado students.

### **Health Care and Human Services**

Our request for the Departments of Health Care Policy and Financing, Human Services, and Public Health and Environment include caseload growth and related increases in the Medicaid program, new resources for programs that serve the developmentally disabled, continuation and full-year funding for child welfare and mental health improvements that started this year, and a 1.5 percent provider rate increase.

In this particular request, comparison to the current year must account for the movement of the Developmental Disabilities program from Human Services to Health Care Policy and Financing. Relative to the current year appropriation, the combined total funds request for these departments is \$9.37 billion, a 7.1 percent increase (\$618 million). The combined General Fund request for the two departments is \$2.95 billion, a 5.9 percent increase (\$165.2 million).

Caseload growth in the Medicaid program reflects lower caseload increases than those experienced during the Great Recession, but also reflects that the economic recovery still has not reached all Coloradans. In addition, newly eligible clients under SB13-200 are reflected in the growth rates. Relative to the current year, total Medicaid enrollment will grow by 154,431 clients to 967,681. Without the expansion populations, growth would have been 53,392. Medicaid enrollment increases are also in part the result of large drops in the Children's Health Plan Plus program. Recent law changes made some CHP+ clients eligible for Medicaid.

Meanwhile, the Accountable Care Collaborative program is reporting substantial costs avoided and improved outcomes and we are approaching 400,000 people enrolled. The program relies on systems of integrated care to lower costs. The most recent report indicates that the \$36.4 million initiative resulted in costs avoided that range from \$44 million to \$64 million.

With respect to programs that serve people with developmental disabilities, we request \$21.9 million total funds including \$12.7 million General Fund for three initiatives. First, we add \$15.5 million total funds, including \$7.7 million General Fund to address the current 1,526-person waiting list for the Home and Community Based Services Supported Living Services waiver. Second, we request \$3.4 million General Fund to Family Support Services; these services are flexible to family needs and range from respite care to transportation to home/vehicle modifications. Third, we request \$2.8 million total funds, including \$1.4 million General Fund to add full program equivalents for 186 youths and adults needing transition to new programs, leaving institutions, or in emergency situations. (A small administrative item completes the totals.)

Other important features of our request in these areas include: \$7.1 million from the existing fund balance in the Medical Marijuana Cash Fund for research on various illnesses and disorders; approximately \$2.3 million for various initiatives at the Mental Health Institutes and \$750,000 for access to mental health first aid training around the State.

### **Economic Development**

State government can enhance Colorado's economic vibrancy with targeted and accountable support for economic development initiatives. Our request includes: \$5.0 million for the Advanced Industries Accelerator Program as established by HB12-1001; \$5.0 million for the Colorado Office of Film, Television and Media; \$3.0 million for resources for the Economic Development Commission Strategic Fund; an additional \$2.0 million for tourism promotion; and \$400,000 for the Minority and Women Owned Business Office. Smaller requests include \$220,000 for the procurement technical assistance center started in HB13-1301, \$175,000 for the

Aerospace Strategic Plan and \$100,000 for the economic gardening project started in HB13-1003.

### **Corrections and Public Safety**

In the Department of Corrections, we expect the incarcerated population will increase by 451 offenders (2.3 percent) over the prior forecast. This increase drives an incremental cost of \$4.8 million General Fund. The DOC's budget request also includes funding for increased medical costs (\$2.8 million), sex offender treatment monitoring (\$1.2 million), and several other smaller initiatives. For the Division of Parole, we have also included \$951,314 for a new fugitive apprehension unit along with a \$10 million placeholder to implement upcoming recommendations from new leadership at the Department. Our request for the DOC in the General Fund is for a \$42.2 million increase (6.3 percent).

In the Department of Public Safety, the most notable budget allocation is for up to \$14 million for the provisions of HB13-1020, which required forensic testing of medical evidence connected to alleged sexual assaults. While the State is waiting for additional information regarding the scope of this endeavor, this funding is set aside and not reflected in the Department's budget schedules.

Meanwhile, other requests in the Department include new resources for acquisition of new portable radios for the State Patrol (\$1.3 million HUTF), for continued operations at the State Fusion Center (\$656,134), and to investigate and prosecute cyber attacks against the State through the Colorado Cyber Crime initiative (\$489,074).

### **Common Policies**

Our request includes resources to increase compensation to the State's workforce with a 1.5 percent across the board salary increase and an average performance-based merit increase of 1.5 percent. This policy has a total funds cost of \$52 million, \$26.8 million of which is from the General Fund.

Other common policies accounted for in the various departments include: the existing and statutorily planned increases for the amortization equalization disbursements for the Public Employees Retirement Association (\$23.0 million TF, \$11.0 million GF); increases in health, life, and dental insurance rates to match prevailing rates (\$14.2 million TF, \$6.5 million GF); and state fleet vehicle replacements (\$2.3 million TF, \$0.3 million GF) including funding for 777 new vehicles, 295 of which will be able to run on compressed natural gas.

### **Capital Construction and Controlled Maintenance**

Our request includes significant new resources to maintain State buildings, to complete existing projects, and to make required payments on various certificates of participation. A transfer of \$199.3 million from the General Fund to the Capital Construction Fund is necessary to complete

the requested list, which includes placeholders for two projects that will be submitted as budget amendments (we have set aside sufficient funds to increase the requested transfer). Notable requests include:

- \$44.5 million for three certificates of participation (Anschutz Medical Campus, Federal Mineral Lease, and Centennial Correctional Facility);
- \$25 million for Level 1 controlled maintenance projects around the state and in the Department of Higher Education (these projects will be determined by the Office of the State Architect);
- \$22.8 million for completion of the library renovation on the Auraria Campus;
- \$13.3 million for the Visual and Performing Arts Center at CU-Colorado Springs;
- \$4.9 million to deliver recommended changes to the Youth Offender System that resulted from the Prison Utilization Study in HB12-1336;
- \$4.6 million for the Veterans Memorial Cemetery Expansion in Grand Junction;
- \$4.5 million for suicide prevention projects at the Mental Health Institutes in Pueblo and at Fort Logan.

### **Information Technology**

We have taken many steps to modernize information technology assets in recent years, but there is more work to do. First, we have completed a comprehensive assessment of what it would take to get the average wait time at a typical drivers license office down to 15 minutes from the 60 minute average now. In addition to staffing increases in the Department of Revenue operating budget, a new computer system to replace the current system is necessary. Major components of the current system date back more than 30 years. After three decades, outages are frequent and the system is becoming unstable. The new system is projected to cost \$93.4 million over two years. We are requesting approximately half of this amount for FY 2014-15. Second, the way State employees manage and track their time needs to be standardized. A complete and consistent system that performs timekeeping, scheduling, and leave tracking will create efficiencies in personnel management, improve financial accountability, and reduce waste and mistakes compared with the current process. The new system is expected to cost \$16.1 million.

### **Cash Fund and Other Repayments**

To balance the budget during the last two recessions, the State used many cash fee sources and accounting changes to balance the budget. First, in 2003, the State shifted the June 30, 2003 pay date to July 1, 2003. This allowed the State to avoid serious operational impacts as it managed a

revenue downturn that rivaled that of the Great Recession. Second, during the most recent downturn, some insurance trust accounts (the Workers Compensation, Subsequent Injury, and the Major Medical Insurance funds) in addition to others were swept into the General Fund. In just the last recession, several hundred million in cash fund transfers were made to the General Fund.

We are proposing to reverse the pay date shift and repay \$109.4 million to selected cash funds. Over time, the customer fees needed to repay these accounts will be lower because of this action. Many cash funds are meritorious for repayment and we prioritized the repayments based on an assessment of the number of people affected and the amount of money transferred. In addition, some cash funds represented balances that were inconsequential or were in defunct programs.

### **Reserves**

Recent natural disasters have demonstrated the value of being financially prepared for unanticipated events. As noted earlier, just a few years ago, the General Fund reserve has dropped to 2.0 percent. We have worked hard together to achieve the current 5.0 percent level. For perspective, in the last two recessions, General Fund revenue declined approximately 15 percent each time. We have planned next year's budget around ending the year with a 6.5 percent reserve. This represents about 24 days of operating, compared with just seven at the 2.0 percent level. Also, achieving the new reserve level will fulfill the vision anticipated in Senate Bill 09-228 and make any eventual transfers to construction and transportation under the law easier to accommodate. It is our request that the Joint Budget Committee sponsor legislation for this proposal.

### **Elected Officials and Other Branches**

With respect to the executive department branches led by elected officials and the legislative and judicial branches, we have included a 3.5 percent increase above the amounts needed for statewide common policies. This equates to \$15.7 million General Fund.

### **Other Items of Note**

Appendix A contains the list of proposed cash fund repayments.

Appendix B contains the list of legislation that would be required to implement this request.

The tables on the next page show our total funds and General Fund request for FY 2014-15 compared to FY 2013-14.



**Table 1. Total Funds (by major category)**

	<b>FY 2013-14 Total Funds</b>	<b>FY 2014-15 Total Funds</b>	<b>FY 2014-15 Change</b>	<b>FY 2014-15 % Change</b>
Health and Human Services	\$8,752,021,426	\$9,370,193,456	\$618,172,030	7.1%
K-12 Education	4,648,370,616	4,908,003,753	259,633,137	5.6%
Higher Education	3,233,189,910	3,395,569,342	162,379,432	5.0%
Public Safety/Courts	1,646,772,291	1,730,093,866	83,321,575	5.1%
Transportation	1,267,747,364	1,282,992,152	15,244,788	1.2%
Other Departments	<u>2,884,090,182</u>	<u>2,921,252,175</u>	<u>37,161,993</u>	<u>1.3%</u>
Subtotal Department budgets	22,432,191,789	23,608,104,744	1,175,912,955	5.2%
Other GF Obligations/Expenditures	362,735,219	322,041,520	(40,693,699)	-11.2%
Other Adjustments	167,133,155	152,458,617	(14,674,538)	-8.8%
CMTF <1>	<u>48,000,000</u>	<u>0</u>	<u>(48,000,000)</u>	<u>N/A</u>
<b>Total</b>	<b>23,010,060,163</b>	<b>24,082,604,881</b>	<b>1,072,544,718</b>	<b>4.7%</b>

<1> Please note, this spending from the Controlled Maintenance Trust Fund (CMTF) reflects only the current appropriation.

**Table 2. General Fund (by major category)**

	<b>FY 2013-14 All GF</b>	<b>FY 2014-15 All GF</b>	<b>FY 2014-15 Change</b>	<b>FY 2014-15 % Change</b>
K-12 Education	\$3,100,516,167	\$3,179,412,322	\$78,896,155	2.5%
Health and Human Services	2,788,004,114	2,953,225,385	165,221,271	5.9%
Public Safety/Courts	1,144,624,512	1,214,336,648	69,712,136	6.1%
Higher Education	\$659,062,854	\$760,889,619	101,826,765	15.5%
Other Departments	<u>\$378,979,068</u>	<u>\$418,195,562</u>	<u>39,216,494</u>	<u>10.3%</u>
Subtotal Department budgets	8,071,186,715	8,526,059,535	454,872,820	5.6%
Capital Construction	186,715,493	199,283,494	12,568,001	6.7%
CMTF <1>	23,000,000	-	(23,000,000)	-100.0%
Reverse Paydate Shift	-	94,020,566	94,020,566	N/A
Other Adjustments <2>	154,983,427	58,438,051	(96,545,376)	-62.3%
Other GF Obligations <3>	<u>176,019,726</u>	<u>122,758,026</u>	<u>(53,261,700)</u>	<u>-30.3%</u>
<b>Total</b>	<b>8,611,905,361</b>	<b>9,000,559,672</b>	<b>388,654,311</b>	<b>4.5%</b>

<1> Please note, this spending from the Controlled Maintenance Trust Fund (CMTF) reflects only the current appropriation. The budget request is built upon a FY 2013-14 plan which includes a \$48.0 million replacement to the CMTF in the current year, as noted on page 2 of this letter.

<2> For FY 2013-14, this sum includes \$10.7 million of "1331" requests and \$144.2 million set-aside for disaster recovery. For FY 2014-15, this sum represents funds set-aside for legislation and budget amendments.

<3> This sum represents General Fund obligations and expenditures with the exception of capital construction which is separately highlighted in this table. For more detail on this area, please refer to Attachment 3.

The following table highlights the structure of the General Fund request:

**Table 3. General Fund Overview**

	<b>FY 2013-14 General Fund</b>	<b>FY 2014-15 General Fund</b>	<b>Change over FY 2013-14</b>	<b>FY 2014-15 % Change</b>
General Fund Available	\$9,018,025,300	\$9,554,767,241	\$536,741,941	6.0%
General Fund Expenditures	<u>8,611,905,361</u>	<u>9,000,559,672</u>	<u>388,654,311</u>	<u>4.5%</u>
Ending General Fund	406,119,939	554,207,569	148,087,630	N/A
General Fund Reserve	406,119,939	554,207,570	148,087,630	36.5%
GF Above Reserve Level	(0)	(0)	0	N/A

<1> Note: Our budget uses the September 2013 General Fund revenue estimate provided by the Office of State Planning and Budgeting.

**FY 2013-14 General Fund Overview**

Our FY 2014-15 budget is built assuming certain changes in the FY 2013-14 budget. First, the FY 2013-14 budget includes \$10.7 million General Fund of approved requests authorized pursuant to HB98-1331 (Section 24-75-111, C.R.S.). Second, we have set aside \$144.2 million General Fund in FY 2013-14 for flood-related expenditures. This set-aside will eliminate the excess General Fund in FY 2013-14, based on the September OSPB forecast. Thus, the transfers contingent upon excess General Fund will not occur. These transfers include the first \$30 million of excess to the CWCB Construction Fund authorized by SB13-236 and 75 percent of any remaining excess to the State Education Fund authorized by SB13-260. The ending FY 2013-14 balance (of \$406.1 million, or 5.0 percent of General Fund subject to the Section 24-75-201.1, C.R.S. reserve requirement) will then become the beginning FY 2014-15 balance.

**FY 2014-15 General Fund Overview**

*FY 2014-15 General Fund Revenue Available (\$9,554.8 million)*

Our FY 2014-15 General Fund budget assumes a beginning fund balance of \$406.1 million as indicated above. Added to this sum are General Fund revenues of \$9,259.8 million and transfers of \$2.4 million as outlined in the OSPB September 2013 forecast. Our request also includes a \$4.15 million revenue reduction related to a wildfire preparedness funding request in the Department of Public Safety. Finally, our budget provides for a transfer of \$109.4 million General Fund to transfer to pay back certain cash funds that were transferred during the

economic downturn's General Fund revenue shortfall. All combined, the FY 2014-15 budget request is based on General Fund available of \$9,554.8 million.

*FY 2014-15 General Fund Expenditures (\$9,000.6 million)*

Our FY 2014-15 General Fund expenditure request includes \$8,526.3 million subject to the General Fund reserve provisions of Section 24-75-201.1 (1) (d) (III), C.R.S. and \$474.3 million General Fund which is exempt from the limit. Together the General Fund and General Fund Exempt total \$9,000.6 million.

Our FY 2014-15 General Fund expenditures are built off of a FY 2014-15 base budget totaling \$8,132.4 million, comprised of continuing expenditures and common policy adjustments. (As with past years, requests for caseload adjustments in Medicaid, Corrections, and Education are submitted as November 1 change requests, outside this base.) This \$8,132.4 million continuation base includes expenditures of \$7,994.3 million General Fund subject to the limit authorized in Section 24-75-201.1 (1) (d) (III), C.R.S. and \$138.1 million which is exempt from the General Fund limit. Included within the base figure above is \$51.3 million General Fund for statewide costs ("common policy") increases such as employee benefits, workers' compensation, and operating costs.

To this \$8,132.4 million funding base, we have added a net \$393.7 million General Fund for FY 2014-15 initiatives in the operating budget for department budgets, including funding caseload increases. In addition, we are requesting \$94.0 million General Fund to reverse the SB03-197 General Fund "pay-date shift" at the statewide level as this sum affects the majority of departments. Our budget sets aside \$44.3 million General Fund and \$14.2 million General Fund Exempt for anticipated budget amendments. The budget includes \$199.3 million General Fund (Exempt) for the capital construction budget. A total of \$95.5 million of General Fund Exempt is assumed in the budget request for FY 2014-15 General Fund Rebates and Expenditures beyond the General Fund contained in department budgets. This sum includes \$94.3 million forecasted for the Old Age Pension Fund and \$1.3 million forecasted for School Loans interest. Finally, the budget includes \$25.3 million General Fund Exempt for the SB13-234 transfer to the State Education Fund and \$1.9 million General Fund Exempt for transfers to other funds, pursuant to HB12-1315 and HB13-1193.

*FY 2014-15 General Fund Reserve Requirement (\$554.2 million)*

We are requesting a FY 2014-15 General Fund reserve level of 6.5 percent of General Fund expenditures subject to the statutory General Fund limit (\$8,526.3 million). The 6.5 percent reserve calculates to \$554.2 million, an increase of \$127.9 million General Fund over the current 5.0 percent reserve requirement. The difference between our budget's General Fund available (\$9,554.8 million) and General Fund spending (\$9,000.6 million) is \$554.2 million.

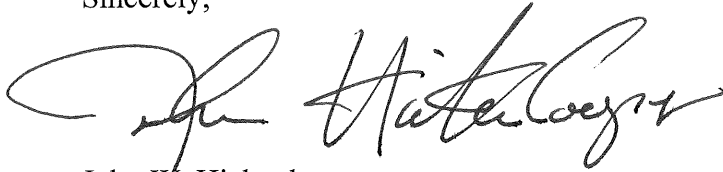
### **FY 2014-15 Full-Time-Equivalent Employees**

In addition to the total funds change noted above, we are reflecting a net statewide increase of 203.2 FTE. This represents a 0.4 percent increase compared to the 53,849.4 FTE authorized in FY 2013-14.

### **Closing Comments**

Thank you for your consideration of our request. We are looking forward to working with you and the General Assembly this session. We thank the leadership of the General Assembly and the members of the Joint Budget Committee for their hard work and partnership. Should you have any questions about this request or the budget in general, please contact our Budget Director, Henry Sobanet at 303-866-3317.

Sincerely,



John W. Hickenlooper  
Governor

Cc: Senator Mary Hodge, Joint Budget Committee  
Senator Kent Lambert, Joint Budget Committee  
Representative Crisanta Duran, Joint Budget Committee Vice-chairman  
Representative Jenise May, Joint Budget Committee  
Representative Cheri Gerou, Joint Budget Committee  
Senate President Pro Tempore Lucia Guzman  
Speaker of the House of Representatives Mark Ferrandino  
Mr. John Ziegler, Joint Budget Committee Staff Director  
Lt. Governor Joe Garcia  
Ms. Roxane White, Chief of Staff, Governor John W. Hickenlooper  
Mr. Alan Salazar, Chief Strategy Officer, Director of Policy and Research  
Mr. Kevin Patterson, Deputy Chief of Staff and Chief Administrative Officer, Governor John W. Hickenlooper  
Mr. Jamie Van Leeuwen, Deputy Chief of Staff, Governor John W. Hickenlooper  
Mr. Scott Wasserman, Chief of Staff, Lt. Governor Joe Garcia  
Ms. Tracee Bentley, Director of Legislative Affairs, Governor John W. Hickenlooper  
Mr. David Archer, Deputy Director of Legislative Affairs, Governor John W. Hickenlooper  
Mr. Henry Sobanet, Director, Governor's Office of State Planning and Budgeting  
Mr. Erick Scheminske, Deputy Director, Governor's Office of State Planning and Budgeting

**FY 2014-15 Governor's Budget Request**

	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change Over FY 2013-14</b>	<b>% Change</b>
Total Funds	\$ 23,010,060,163	\$ 24,082,604,881	\$ 1,072,544,718	4.7%
General Fund	8,611,905,361	9,000,559,672	388,654,311	4.5%
Cash Funds	6,599,562,291	6,770,756,079	171,193,788	2.6%
Reappropriated Funds	1,666,771,488	1,357,097,392	(309,674,096)	-18.6%
Federal Funds	6,131,821,023	6,954,191,738	822,370,715	13.4%
FTE	53,646.2	53,849.4	203.2	0.4%

NOTE: FY 2013-14 includes the appropriation and spending plans.

**Comparison of Total Funds**

	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change Over FY 2013-14</b>	<b>% Change</b>
<b>Departments:</b>				
Agriculture	\$ 42,670,244	\$ 43,369,821	\$ 699,577	1.6%
Corrections	751,232,064	793,522,423	42,290,359	5.6%
Education	4,648,370,616	4,908,003,753	259,633,137	5.6%
<b>Governor's Office:</b>				
Gov. Lt. Gov. OSPB	42,133,875	38,323,887	(3,809,988)	-9.0%
OEDIT/OIT	183,232,666	186,893,429	3,660,763	2.0%
Governor's Common Policies Changes <1>	0	4,248,144	4,248,144	N/A
Health Care Policy & Financing	6,537,643,053	7,548,162,084	1,010,519,031	15.5%
Higher Education	3,233,189,910	3,395,569,342	162,379,432	5.0%
Human Services <3>	2,214,378,373	1,822,031,372	(392,347,001)	-17.7%
Judicial	552,453,960	580,629,984	28,176,024	5.1%
Labor and Employment	163,342,035	166,039,836	2,697,801	1.7%
Law	67,564,072	70,124,044	2,559,972	3.8%
Legislature	40,399,019	42,142,585	1,743,566	4.3%
Local Affairs	305,205,047	311,009,001	5,803,954	1.9%
Military and Veterans Affairs	223,858,252	224,619,336	761,084	0.3%
Natural Resources	277,509,241	243,122,396	(34,386,845)	-12.4%
Personnel and Administration	174,205,986	175,718,585	1,512,599	0.9%
Public Health and Environment	524,078,332	553,808,958	29,730,626	5.7%
Public Safety	343,086,267	355,941,459	12,855,192	3.7%
Regulatory Agencies	81,184,712	84,220,355	3,035,643	3.7%
Revenue	302,095,503	310,646,931	8,551,428	2.8%
State	22,908,217	21,354,449	(1,553,768)	-6.8%
Transportation	1,267,747,364	1,282,992,152	15,244,788	1.2%
Treasury	433,702,981	445,610,418	11,907,437	2.7%
<b>Operating Subtotal</b>	<b>\$ 22,432,191,789</b>	<b>\$ 23,608,104,744</b>	<b>\$ 1,175,912,955</b>	<b>5.2%</b>
<b>Controlled Maintenance Trust Fund</b>	<b>\$ 48,000,000</b>	<b>\$ -</b>	<b>\$ (48,000,000)</b>	<b>-100.0%</b>
<b>Other Expenditures</b>				
Cigarette Rebates <2>	\$ 200,000	\$ -	\$ (200,000)	-100.0%
Old Age Pension Fund	105,400,000	94,300,000	(11,100,000)	-10.5%
Property Tax, Heat, and Rent Credit <2>	(100,000)	0	100,000	-100.0%
Fire/Police Pensions <2>	(24,753)	(24,753)	0	0.0%
Amendment 35 GF <2>	(76,600)	(38,300)	38,300	-50.0%
Interest on School Loans	800,000	1,300,000	500,000	62.5%
Homestead Exemption <2>	3,400,000	0	(3,400,000)	-100.0%
GF Transfers for Capital Construction	186,715,493	199,283,494	12,568,001	6.7%
Transfer to SEF per SB13-234	45,321,079	25,321,079	(20,000,000)	-44.1%
Transfers to Other Funds (GFE)	21,100,000	1,900,000	(19,200,000)	-91.0%
<b>Subtotal Other Expenditures</b>	<b>\$ 362,735,219</b>	<b>\$ 322,041,520</b>	<b>\$ (40,693,699)</b>	<b>-11.2%</b>
<b>Other Adjustments</b>				
Requests Submitted Pursuant to HB98-1331	\$ 22,897,891	\$ -	\$ (22,897,891)	N/A
Reverse Paydate Shift	-	94,020,566	94,020,566	N/A
Legislation and Budget Amendments	0	58,438,051	58,438,051	N/A
Other/Funds Set-aside	144,235,264	0	(144,235,264)	N/A
<b>Subtotal Statewide Adjustments</b>	<b>\$ 167,133,155</b>	<b>\$ 152,458,617</b>	<b>\$ (14,674,538)</b>	<b>-8.8%</b>
<b>Total Funds</b>	<b>\$ 23,010,060,163</b>	<b>\$ 24,082,604,881</b>	<b>\$ 1,072,544,718</b>	<b>4.7%</b>

<1> Reflects common policy changes and policy adjustments for the entire Department.

<2> Represents forecasted adjustments to the base.

<3> Please note that the FY 2014-15 budget reflects the transfer of the Developmental Disabilities program to the Department of Health Care Policy and Financing pursuant to HB13-1314. This program transfer accounts for the appearance of a funding decrease in the Department of Human Services.

**All General Fund**

	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Change Over FY 2013-14	% Change
<b>Departments:</b>				
Agriculture	\$ 7,723,805	\$ 8,524,950	\$ 801,145	10.4%
Corrections	664,148,559	706,309,695	42,161,136	6.3%
Education	3,100,516,167	3,179,412,322	78,896,155	2.5%
<b>Governor's Office:</b>				
Gov. Lt. Gov. OSPB	6,022,754	5,128,747	(894,007)	-14.8%
OEDIT/OIT	16,050,493	24,332,256	8,281,763	51.6%
Governor's Common Policies Changes <1>	0	1,313,926	1,313,926	N/A
Health Care Policy & Financing	2,063,159,596	2,208,774,617	145,615,021	7.1%
Higher Education	659,062,854	760,889,619	101,826,765	15.5%
Human Services <3>	724,844,518	744,450,768	19,606,250	2.7%
Judicial	383,079,450	408,769,988	25,690,538	6.7%
Labor and Employment	98,519	265,316	166,797	N/A
Law	12,168,714	13,218,611	1,049,897	8.6%
Legislature	38,592,648	40,341,214	1,748,566	4.5%
Local Affairs	17,698,568	23,276,832	5,578,264	31.5%
Military and Veterans Affairs	7,378,715	7,862,091	483,376	6.6%
Natural Resources	24,978,508	25,875,846	897,338	3.6%
Personnel and Administration	9,131,974	8,544,798	(587,176)	-6.4%
Public Health and Environment	53,402,747	50,211,598	(3,191,149)	-6.0%
Public Safety	97,396,503	99,256,965	1,860,462	1.9%
Regulatory Agencies	1,703,494	1,774,345	70,851	4.2%
Revenue	77,856,804	89,482,563	11,625,759	14.9%
State	0	0	0	N/A
Transportation	0	0	0	N/A
Treasury	106,171,325	118,042,469	11,871,144	11.2%
<b>Department Operating Subtotal</b>	<b>\$ 8,071,186,715</b>	<b>\$ 8,526,059,535</b>	<b>\$ 454,872,820</b>	<b>5.6%</b>
<b>Controlled Maintenance Trust Fund</b>	<b>\$ 23,000,000</b>	<b>\$ -</b>	<b>\$ (23,000,000)</b>	<b>-100.0%</b>
<b>Other GF Obligations</b>				
Cigarette Rebates <2>	\$ 200,000	\$ -	\$ (200,000)	-100.0%
Old Age Pension Fund	105,400,000	94,300,000	(11,100,000)	-10.5%
Property Tax, Heat, and Rent Credit <2>	(100,000)	0	100,000	-100.0%
Fire/Police Pensions <2>	(24,753)	(24,753)	0	0.0%
Amendment 35 GF <2>	(76,600)	(38,300)	38,300	-50.0%
Interest on School Loans	800,000	1,300,000	500,000	62.5%
Homestead Exemption <2>	3,400,000	0	(3,400,000)	-100.0%
GF Transfers for Capital Construction	186,715,493	199,283,494	12,568,001	6.7%
Transfer to SEF per SB13-234	45,321,079	25,321,079	(20,000,000)	-44.1%
Transfers to Other Funds (GFE)	21,100,000	1,900,000	(19,200,000)	-91.0%
<b>Subtotal Other GF Obligations</b>	<b>\$ 362,735,219</b>	<b>\$ 322,041,520</b>	<b>\$ (40,693,699)</b>	<b>-11.2%</b>
<b>Other Adjustments</b>				
HB98-1331 Initiatives	\$ 10,748,163	\$ -	\$ (10,748,163)	N/A
Reverse Paydate Shift	-	94,020,566	94,020,566	N/A
Other/Funds Set-aside	0	58,438,051	58,438,051	N/A
Other/Funds Set-aside	144,235,264	0	(144,235,264)	N/A
<b>Subtotal Statewide</b>	<b>\$ 154,983,427</b>	<b>\$ 152,458,617</b>	<b>\$ (2,524,810)</b>	<b>-1.6%</b>
<b>Total General Fund</b>	<b>\$ 8,611,905,361</b>	<b>\$ 9,000,559,672</b>	<b>\$ 388,654,311</b>	<b>4.5%</b>

<1> Reflects common policy changes and policy adjustments for the entire Department.

<2> Represents forecasted adjustments to the base.

<3> Please note that the FY 2014-15 budget reflects the transfer of the Developmental Disabilities program to the Department of Health Care Policy and Financing pursuant to HB13-1314. This program transfer accounts for the appearance of a funding decrease in the Department of Human Services.

**General Fund Subject to the SB 09-228 Limit**

	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Change Over FY 2013-14	% Change
<b>Departments:</b>				
Agriculture	\$ 7,723,805	\$ 8,524,950	\$ 801,145	10.4%
Corrections	664,148,559	706,309,695	42,161,136	6.3%
Education	3,100,516,167	3,179,412,322	78,896,155	2.5%
Governor's Office:				
Gov, Lt. Gov, OSPB	6,022,754	5,128,747	(894,007)	-14.8%
OEDIT/OIT	16,050,493	24,332,256	8,281,763	51.6%
Governor's Common Policies Changes <1>	0	1,313,926	1,313,926	N/A
Health Care Policy & Financing	2,062,721,296	2,208,339,617	145,618,321	7.1%
Higher Education	659,062,854	760,889,619	101,826,765	15.5%
Human Services	724,844,518	744,450,768	19,606,250	2.7%
Judicial	383,079,450	408,769,988	25,690,538	6.7%
Labor and Employment	98,519	265,316	166,797	N/A
Law	12,168,714	13,218,611	1,049,897	8.6%
Legislature	38,592,648	40,341,214	1,748,566	4.5%
Local Affairs	13,403,815	18,982,079	5,578,264	41.6%
Military and Veterans Affairs	7,378,715	7,862,091	483,376	6.6%
Natural Resources	24,978,508	25,875,846	897,338	3.6%
Personnel and Administration	9,131,974	8,544,798	(587,176)	-6.4%
Public Health and Environment	52,964,447	49,773,298	(3,191,149)	-6.0%
Public Safety	97,396,503	99,256,965	1,860,462	1.9%
Regulatory Agencies	1,703,494	1,774,345	70,851	4.2%
Revenue	61,456,804	73,582,563	12,125,759	19.7%
State	0	0	0	N/A
Transportation	0	0	0	N/A
Treasury	971,325	1,042,469	71,144	7.3%
<b>Department Operating Subtotal</b>	<b>\$ 7,944,415,362</b>	<b>\$ 8,387,991,482</b>	<b>\$ 443,576,120</b>	<b>5.6%</b>
<b>Controlled Maintenance Trust Fund</b>	<b>\$ 23,000,000</b>	<b>\$ -</b>	<b>\$ (23,000,000)</b>	<b>-100.0%</b>
<b>Other Adjustments</b>				
HB98-1331 Initiatives	\$ 10,748,163	\$ -	\$ (10,748,163)	N/A
Reverse Paydate Shift	-	94,020,566	94,020,566	N/A
Other/Funds Set-aside	0	44,258,252	44,258,252	N/A
Other/Funds Set-aside	144,235,264	0	(144,235,264)	N/A
<b>Subtotal Statewide Adjustments</b>	<b>\$ 154,983,427</b>	<b>\$ 138,278,818</b>	<b>\$ (16,704,609)</b>	<b>-10.8%</b>
<b>Subtotal General Fund (SB09-228)</b>	<b>\$ 8,122,398,789</b>	<b>\$ 8,526,270,300</b>	<b>\$ 403,871,511</b>	<b>5.0%</b>

<1> Reflects common policy changes and policy adjustments for the entire Department.



**General Fund Exempt from the SB 09-228 Limit**

	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Change Over FY 2013-14	% Change
<b>Departments:</b>				
Agriculture	\$ -	\$ -	\$ -	N/A
Corrections	-	-	0	N/A
Education	-	-	0	N/A
Governor's Office:	-	-	0	N/A
Gov, Lt. Gov, OSPB	0	0	0	N/A
OEDIT/OIT	0	0	0	N/A
Governor's Common Policies Changes <1>	0	0	0	N/A
Health Care Policy & Financing	438,300	435,000	(3,300)	-0.8%
Higher Education	0	0	0	N/A
Human Services	0	0	0	N/A
Judicial	0	0	0	N/A
Labor and Employment	0	0	0	N/A
Law	0	0	0	N/A
Legislature	0	0	0	N/A
Local Affairs	4,294,753	4,294,753	0	0.0%
Military and Veterans Affairs	0	0	0	N/A
Natural Resources	0	0	0	N/A
Personnel and Administration	0	0	0	N/A
Public Health and Environment	438,300	438,300	0	0.0%
Public Safety	0	0	0	N/A
Regulatory Agencies	0	0	0	N/A
Revenue	16,400,000	15,900,000	(500,000)	-3.0%
State	0	0	0	N/A
Transportation	0	0	0	N/A
Treasury	105,200,000	117,000,000	11,800,000	11.2%
<b>Operating Subtotal</b>	<b>\$ 126,771,353</b>	<b>\$ 138,068,053</b>	<b>\$ 11,296,700</b>	<b>8.9%</b>
<b>Controlled Maintenance Trust Fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>
<b>Other Expenditures</b>				
Cigarette Rebates <2>	\$ 200,000	\$ -	\$ (200,000)	-100.0%
Old Age Pension Fund	105,400,000	94,300,000	(11,100,000)	-10.5%
Property Tax, Heat, and Rent Credit <2>	(100,000)	-	100,000	-100.0%
Fire/Police Pensions <2>	(24,753)	(24,753)	0	0.0%
Amendment 35 GF <2>	(76,600)	(38,300)	38,300	-50.0%
Interest on School Loans	800,000	1,300,000	500,000	62.5%
Homestead Exemption <2>	3,400,000	-	(3,400,000)	-100.0%
GF Transfers for Capital Construction	186,715,493	199,283,494	12,568,001	6.7%
Transfer to SEF per SB13-234	45,321,079	25,321,079	(20,000,000)	-44.1%
Transfers to Other Funds (GFE)	21,100,000	1,900,000	(19,200,000)	-91.0%
<b>Subtotal Other Expenditures</b>	<b>\$ 362,735,219</b>	<b>\$ 322,041,520</b>	<b>\$ (40,693,699)</b>	<b>-11.2%</b>
<b>Statewide Adjustments</b>				
Set-asides	0	14,179,799	14,179,799	N/A
<b>Subtotal Statewide Adjustments</b>	<b>0</b>	<b>14,179,799</b>	<b>14,179,799</b>	<b>N/A</b>
<b>Total General Fund Exempt (GFE)</b>	<b>\$ 489,506,572</b>	<b>\$ 474,289,372</b>	<b>\$ (15,217,200)</b>	<b>-3.1%</b>

<1> Reflects common policy changes for the entire Department.

<2> Represents forecasted adjustments to the base.

**Cash Funds**

	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Change Over FY 2013-14	% Change
<b>Departments:</b>				
Agriculture	\$ 29,176,366	\$ 29,125,178	\$ (51,188)	-0.2%
Corrections	40,179,999	40,063,613	(116,386)	-0.3%
Education	893,700,039	1,062,310,066	168,610,027	18.9%
Governor's Office:				
Gov, Lt. Gov, OSPB	11,444,580	11,049,566	(395,014)	-3.5%
OEDIT/OIT	25,295,960	24,995,445	(300,515)	-1.2%
Governor's Common Policies Changes <1>	0	179,011	179,011	N/A
Health Care Policy & Financing	888,516,606	946,274,659	57,758,053	6.5%
Higher Education	1,978,139,263	1,979,283,382	1,144,119	0.1%
Human Services	358,900,608	330,387,731	(28,512,877)	-7.9%
Judicial	139,134,949	141,620,435	2,485,486	1.8%
Labor and Employment	65,399,832	65,390,011	(9,821)	0.0%
Law	12,330,132	12,657,994	327,862	2.7%
Legislature	179,000	179,000	0	0.0%
Local Affairs	208,920,557	209,056,160	135,603	0.1%
Military and Veterans Affairs	1,239,695	1,246,093	6,398	0.5%
Natural Resources	215,177,148	180,787,502	(34,389,646)	-16.0%
Personnel and Administration	13,628,813	13,272,224	(356,589)	-2.6%
Public Health and Environment	149,737,005	157,546,976	7,809,971	5.2%
Public Safety	164,734,328	175,970,508	11,236,180	6.8%
Regulatory Agencies	73,652,864	76,486,826	2,833,962	3.8%
Revenue	218,345,598	215,059,783	(3,285,815)	-1.5%
State	22,908,217	21,354,449	(1,553,768)	-6.8%
Transportation	759,829,076	748,891,518	(10,937,558)	-1.4%
Treasury	327,531,656	327,567,949	36,293	0.0%
<b>Operating Total</b>	<b>\$ 6,598,102,291</b>	<b>\$ 6,770,756,079</b>	<b>\$ 172,653,788</b>	<b>2.6%</b>
<b>Requests Submitted Pursuant to HB98-1331</b>	<b>\$ 1,460,000</b>	<b>\$ -</b>	<b>\$ (1,460,000)</b>	<b>-100.0%</b>
<b>Total Cash Funds</b>	<b>\$ 6,599,562,291</b>	<b>\$ 6,770,756,079</b>	<b>\$ 171,193,788</b>	<b>2.6%</b>

<1> Reflects common policy changes and policy adjustments for the entire Department.

## Reappropriated Funds

	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Change Over FY 2013-14	% Change
<b>Departments:</b>				
Agriculture	\$ 1,632,203	\$ 1,629,526	\$ (2,677)	-0.2%
Corrections	45,892,992	45,925,247	32,255	0.1%
Education	28,629,576	30,284,667	1,655,091	5.8%
Governor's Office:				
Gov. Lt. Gov, OSPB	20,367,250	17,874,252	(2,492,998)	-12.2%
OEDIT/OIT	139,429,883	135,044,160	(4,385,723)	-3.1%
Governor's Common Policies Changes <1>	0	3,194,354	3,194,354	N/A
Health Care Policy & Financing	10,483,522	9,685,529	(797,993)	-7.6%
Higher Education	576,697,493	635,694,785	58,997,292	10.2%
Human Services <2>	519,799,788	132,357,265	(387,442,523)	-74.5%
Judicial	25,814,561	25,814,561	0	0.0%
Labor and Employment	650,740	650,740	0	0.0%
Law	41,294,862	42,466,445	1,171,583	2.8%
Legislature	1,627,371	1,622,371	(5,000)	-0.3%
Local Affairs	8,629,582	8,651,460	21,878	0.3%
Military and Veterans Affairs	800,000	800,000	0	0.0%
Natural Resources	8,774,311	8,025,565	(748,746)	-8.5%
Personnel and Administration	151,445,199	153,901,564	2,456,365	1.6%
Public Health and Environment	29,677,710	47,811,431	18,133,721	61.1%
Public Safety	25,776,057	25,964,904	188,847	0.7%
Regulatory Agencies	4,504,371	4,643,065	138,694	3.1%
Revenue	5,068,713	5,280,197	211,484	4.2%
State	0	0	0	N/A
Transportation	19,775,304	19,775,304	0	0.0%
Treasury	0	0	0	N/A
<b>Total Reappropriated Funds</b>	<b>\$ 1,666,771,488</b>	<b>\$ 1,357,097,392</b>	<b>\$ (309,674,096)</b>	<b>-18.6%</b>

<1> Reflects common policy changes and policy adjustments for the entire Department.

<2> Please note that the FY 2014-15 budget reflects the transfer of the Developmental Disabilities program to the Department of Health Care Policy and Financing pursuant to HB13-1314. This program transfer accounts for the appearance of a funding decrease in the Department of Human Services.

**Federal Funds**

	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change Over FY 2013-14</b>	<b>% Change</b>
<b>Departments:</b>				
Agriculture	\$ 4,137,870	\$ 4,090,167	\$ (47,703)	-1.2%
Corrections	1,010,514	1,223,868	213,354	21.1%
Education	625,524,834	635,996,698	10,471,864	1.7%
Governor's Office:				
Gov, Lt. Gov, OSPB	4,299,291	4,271,322	(27,969)	-0.7%
OEDIT/OIT	2,456,330	2,521,568	65,238	2.7%
Governor's Common Policies Changes <1>	0	(439,147)	(439,147)	N/A
Health Care Policy & Financing	3,575,483,329	4,383,427,279	807,943,950	22.6%
Higher Education	19,290,300	19,701,556	411,256	2.1%
Human Services	610,833,459	614,835,608	4,002,149	0.7%
Judicial	4,425,000	4,425,000	0	0.0%
Labor and Employment	97,192,944	99,733,769	2,540,825	2.6%
Law	1,770,364	1,780,994	10,630	0.6%
Legislature	0	0	0	N/A
Local Affairs	69,956,340	70,024,549	68,209	0.1%
Military and Veterans Affairs	214,439,842	214,711,152	271,310	0.1%
Natural Resources	28,579,274	28,433,483	(145,791)	-0.5%
Personnel and Administration	0	0	0	N/A
Public Health and Environment	291,260,870	298,238,953	6,978,083	2.4%
Public Safety	55,179,379	54,749,082	(430,297)	-0.8%
Regulatory Agencies	1,323,983	1,316,119	(7,864)	-0.6%
Revenue	824,388	824,388	0	0.0%
State	0	0	0	N/A
Transportation	488,142,984	514,325,330	26,182,346	5.4%
Treasury	0	0	0	N/A
<b>Operating Total</b>	<b>\$ 6,096,131,295</b>	<b>\$ 6,954,191,738</b>	<b>\$ 858,060,443</b>	<b>14.1%</b>
<b>CMTF</b>	<b>\$ 25,000,000</b>	<b>\$ -</b>	<b>\$ (25,000,000)</b>	<b>-100.0%</b>
<b>Requests Submitted Pursuant to HB98-1331</b>	<b>\$ 10,689,728</b>	<b>\$ -</b>	<b>\$ (10,689,728)</b>	<b>-100.0%</b>
<b>Total Federal Funds</b>	<b>\$ 6,131,821,023</b>	<b>\$ 6,954,191,738</b>	<b>\$ 822,370,715</b>	<b>13.4%</b>

<1> Reflects common policy changes and policy adjustments for the entire Department.

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	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Change Over FY 2013-14	% Change
<b>Departments:</b>				
Agriculture	274.1	274.1	0.0	0.0%
Corrections	6,019.6	6,094.0	74.4	1.2%
Education	563.8	575.8	12.0	2.1%
Governor's Office:				
Gov, Lt. Gov, OSPB<1>	89.6	89.6	0.0	0.0%
OEDIT/OIT	971.3	980.3	9.0	0.9%
Health Care Policy & Financing	358.1	397.1	39.0	10.9%
Higher Education	22,842.3	22,853.8	11.5	0.1%
Human Services	4,874.9	4,849.4	(25.5)	-0.5%
Judicial	4,358.7	4,365.9	7.2	0.2%
Labor and Employment	1,012.5	1,016.0	3.5	0.3%
Law	446.5	447.0	0.5	0.1%
Legislature	272.6	272.6	0.0	0.0%
Local Affairs	164.3	168.8	4.5	2.7%
Military and Veterans Affairs	1,389.6	1,390.8	1.2	0.1%
Natural Resources	1,438.8	1,442.5	3.7	0.3%
Personnel and Administration	392.6	386.1	(6.5)	-1.7%
Public Health and Environment	1,241.3	1,242.3	1.0	0.1%
Public Safety	1,616.1	1,634.7	18.6	1.2%
Regulatory Agencies	572.7	580.6	7.9	1.4%
Revenue	1,241.7	1,291.1	49.4	4.0%
State	139.0	138.2	(0.8)	-0.6%
Transportation	3,317.5	3,326.8	9.3	0.3%
Treasury	31.9	31.9	0.0	0.0%
<b>Operating Subtotal</b>	<b>53,629.5</b>	<b>53,849.4</b>	<b>219.9</b>	<b>0.4%</b>
<b>Requests Submitted Pursuant to HB98-1331</b>	<b>16.7</b>	<b>0.0</b>	<b>(16.7)</b>	<b>N/A</b>
<b>Total FTE</b>	<b>53,646.2</b>	<b>53,849.4</b>	<b>203.2</b>	<b>0.4%</b>

**Appendix A**  
**FY 2014-15 Cash Fund Repayment Request**

<b><i>Name of Fund</i></b>	<b><i>Amount</i></b>
<b>Major Medical Insurance Fund</b>	
<i>Department of Labor and Employment</i> C.R.S. 8-46-202(1)(a)	\$97,392,241
<b>Recycling Resources Economic Opportunity Fund</b>	
<i>Department of Public Health and Environment</i> C.R.S. 25-16-106.5 (1)	\$1,500,000
<b>Waste Tire Cleanup Fund*</b>	
<i>Department of Public Health and Environment</i> C.R.S. 25-17-202.5	\$500,000
<b>Hazardous Substance Response Fund*</b>	
<i>Department of Public Health and Environment</i> C.R.S. 25-16-104.6	\$10,000,000
<b>TOTAL Cash Fund Repayments</b>	<b>\$109,392,241</b>

\* Subsequent to the transfer of revenues from these funds into the General Fund, statutes governing them changed materially. In both cases, the repaid revenues will benefit the programs and their fee payers, but statutory changes will be necessary to properly accommodate the repayments.

**Appendix B**  
**FY 2014-15 Budget Items Requiring Legislation**

<b>Department of Human Services</b>	<b>R-4, Continuation of Rehire Colorado</b> -- This request may be enhanced by legislation to extend the sunset of the program, which currently occurs on July 1, 2017.
<b>Department of Personnel</b>	<b>Reversing the Pay-Date Shift</b> -- This initiative requires legislation to allow employees' June payroll to be paid on June 30, rather than July 1.
<b>Department of Public Health and Environment</b>	<p><b>R-2, Water Infrastructure</b> -- This item requires an extension of the three-year sunset of the continuous appropriation created in H.B. 13-1191.</p> <p><b>R-1, Marijuana Research</b> <i>may</i> be enhanced and clarified by legislation to create a continuous appropriation for five years in order to allow these appropriations to accommodate the full five-year period of some suggested studies.</p>
<b>Department of Public Safety</b>	<p><b>R-1, CBI Pueblo Lab</b> -- This request requires legislation to authorize a real estate lease-purchase of a new laboratory in Pueblo.</p> <p><b>R-4, Colorado Cyber Crime Initiative</b> -- This request will require legislation to adjust CBI's jurisdictional authority, allowing it to initiate or participate in these cyber crime investigations.</p>



# EXECUTIVE BUDGET REQUEST

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

## Statewide Budget Overview FY 2014-15

### Major Budget Highlights -- General Fund Reserve & Major Issues (in Millions)

Issue	Major General Fund Issues
	<b>\$144.23</b>
FY 2014-15 General Fund Needed to Maintain 6.5 Percent Reserve Instead of the 5.0 Percent Statutorily Required Reserve	<b>\$127.90</b>
FY 2014-15 Cash Fund Transfers Pay Back	<b>\$109.39</b>
FY 2014-15 Reverse the Paydate Shift	<b>\$94.00</b>

### FY 2014-15 Major Budget Highlights (in Millions, except for FTE)

Budget Highlights	GF /1	TF	FTE	Budget Highlights	GF /1	TF	FTE
Medicaid Caseload Increases /2	\$77.96	\$163.47	0.0	<b>Economic Development Issues</b>			
K-12 Formula and Categorical	73.60	229.29	0.0	Economic Development Commission	8.88	8.88	3.1
Higher Education Increase	60.05	117.77	0.0	Tourism and Film Initiatives	7.00	7.00	0.0
Higher Education Financial Aid	40.00	40.00	0.0	Continuous Improvement and Planning	0.40	0.40	0.0
Developmental Disabled Resources	12.65	21.90	0.0	<b>Statewide Issues</b>			
Water Quality	12.00	12.00	0.0	State Employee Pay Adjustments	26.90	51.03	0.0
Driving License Offices	11.21	7.31	52.0	Community Provider Rate Increase	29.55	69.62	0.0
Division of Parole Placeholder	10.00	10.00	0.0	<b>Budget Changes By Major Area</b>	<b>GF</b>	<b>TF</b>	<b>FTE</b>
Corrections Caseload Changes	7.58	7.59	44.2	Base Budget Changes	\$9.86	\$250.26	30.0
Affordable Housing Units	4.19	4.19	2.7	Common Policy Issues	51.31	89.90	0.0
Office Early Childhood Initiatives	3.15	3.65	2.8	Mandatory Funding and Caseload Issues	259.19	558.11	44.2
Fully Fund County Tax Base Relief	1.18	1.18	0.0	Other Request Items	<u>104.96</u>	<u>208.02</u>	<u>145.7</u>
Medical Marijuana Issues	0.00	7.08	1.0	<b>Total Department Operating Change</b>	<b>\$425.32</b>	<b>\$1,106.30</b>	<b>219.9</b>

/1 General Fund columns throughout this document include both General Fund and General Fund Exempt.

/2 Includes caseload increases for the Medicaid program, Children's Basic Health Plan, and Medicare Modernization Act payments.

### FY 2014-15 Operating Budgets Request -- November 1, 2013 (in Millions)

General Fund				Total Funds			
Department	FY 2013-14 Approp	FY 2014-15 Request	\$ Change /8	Department	FY 2013-14 Approp	FY 2014-15 Request	\$ Change /8
Agriculture	\$7.72	\$8.52	\$0.80	Agriculture	\$42.67	\$43.37	\$0.70
Corrections	664.15	706.31	42.16	Corrections	751.23	793.52	42.29
Education	3,100.52	3,179.41	78.89	Education	4,648.37	4,908.00	259.63
Governor	22.07	30.77	8.70	Governor	225.37	229.47	4.10
Health Care Policy and Financing	2,063.16	2,208.77	145.61	Health Care Policy and Financing	6,537.64	7,548.16	1,010.52
Higher Education	659.06	760.89	101.83	Higher Education	3,233.19	3,395.57	162.38
Human Services	724.84	744.45	19.61	Human Services	2,214.38	1,822.03	(392.35)
Judicial /3	383.08	408.77	25.69	Judicial /3	552.45	580.63	28.18
Labor and Employment	0.10	0.27	0.17	Labor and Employment	163.34	166.04	2.70
Law /3	12.17	13.22	1.05	Law /3	67.56	70.12	2.56
Legislature /3	38.59	40.34	1.75	Legislature /3	40.40	42.14	1.74
Local Affairs	17.70	23.28	5.58	Local Affairs	305.21	311.01	5.80
Military and Veterans Affairs	7.38	7.86	0.48	Military and Veterans Affairs	223.86	224.62	0.76
Natural Resources	24.48	25.88	1.40	Natural Resources	277.51	243.12	(34.39)
Personnel and Administration	9.13	8.54	(0.59)	Personnel and Administration	174.21	175.72	1.51
Public Health and Environment	53.40	50.21	(3.19)	Public Health and Environment	524.08	553.81	29.73
Public Safety	97.40	99.26	1.86	Public Safety	343.09	355.94	12.85
Regulatory Agencies	1.70	1.77	0.07	Regulatory Agencies	81.18	84.22	3.04
Revenue	77.86	89.48	11.62	Revenue	302.10	310.65	8.55
State /3	0.00	0.00	0.00	State /3	22.91	21.35	(1.56)
Transportation	0.00	0.00	0.00	Transportation	1,267.75	1,282.99	15.24
Treasury /3	<u>106.17</u>	<u>118.04</u>	<u>11.87</u>	Treasury /3	<u>433.70</u>	<u>445.61</u>	<u>11.91</u>
<b>TOTAL /4</b>	<b>\$8,071.19</b>	<b>\$8,526.06</b>	<b>\$454.87</b>	<b>TOTAL /4</b>	<b>\$22,432.19</b>	<b>\$23,608.10</b>	<b>\$1,175.91</b>

/3 Placeholder assumption contained in the Governor's Request.

/4 May not add due to rounding errors

### Other General Fund Issues -- Currently Outside of Operating and Revenue Requests (in Millions)

Issue	Approp	Request	\$ Change /5
Other General Fund Adjustments Outside Operating Budgets (e.g. cigarette rebates; Old Age Pension Fund; Property Tax, Heat, and Rent Credit; Volunteer Firefighter Pension Plan, Amendment 35 General Fund, Interest on school loans, and Homestead Exemption)	\$109.60	\$95.54	(\$14.06)
General Fund Transfers for Capital Construction	186.72	199.28	12.57
All Other (Transfers, 1331 Budget Amendments, and Legislation Placeholder)	<u>244.40</u>	<u>179.68</u>	<u>(64.72)</u>
<b>TOTAL</b>	<b>\$540.72</b>	<b>\$474.50</b>	<b>(\$66.22)</b>
<b>Total FY 2014-15 General Fund Request (operating request plus items outside of operating request)</b>	<b>\$8,611.91</b>	<b>\$9,000.56</b>	<b>\$388.65</b>



## Major Changes in FY 2014-15 Department Operating Budgets

Reflects changes to Current FY 2013-14 Appropriations

Issue	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds	FTE
<b>Department of Corrections</b>						
Base Budget Changes	(\$859,445)	\$24,573	\$232,255	\$213,354	(\$389,263)	0.9
Other Common Policy	18,363,113	589,134	0	0	18,952,247	0.0
Caseload Issues	7,577,057	14,982	0	0	7,592,039	44.2
Community Provider Rate Increase	1,236,372	0	0	0	1,236,372	0.0
Division of Parole Placeholder	10,000,000	0	0	0	10,000,000	0.0
Sex Offender & Fugitive Apprehension	2,153,016	0	0	0	2,153,016	23.0
All Other	<u>3,691,023</u>	<u>(745,075)</u>	<u>(200,000)</u>	<u>0</u>	<u>2,745,948</u>	<u>6.3</u>
Total Changes	42,161,136	(116,386)	32,255	213,354	42,290,359	74.4
<b>Department of Education</b>						
Base Budget Changes	\$492,143	(\$1,997,631)	\$1,209,373	\$9,393,442	\$9,097,327	0.5
Other Common Policy	405,842	429,255	195,718	1,078,422	2,109,237	0.0
Total Program Increase (School Finance Formula)	73,600,000	148,701,498	0	0	222,301,498	0.0
Categorical Programs	0	6,990,344	0	0	6,990,344	0.0
All Other	<u>4,398,170</u>	<u>14,486,561</u>	<u>250,000</u>	<u>0</u>	<u>19,134,731</u>	<u>11.5</u>
Total Changes Requested for K-12 Education	<b>\$78,896,155</b>	<b>\$168,610,027</b>	<b>\$1,655,091</b>	<b>\$10,471,864</b>	<b>\$259,633,137</b>	<b>12.0</b>
<b>Department of Health Care Policy and Financing</b>						
Base Budget Changes	\$29,176,638	\$128,951,107	(\$933,165)	\$578,262,650	\$735,457,230	37.0
Other Common Policy	752,074	38,870	135,172	970,117	1,896,233	0.0
Medicaid Premiums Caseload and Cost Forecast	64,326,142	(60,431,827)	0	177,054,281	180,948,596	0.0
Medicaid Mental Health Caseload and Cost Forecast	9,087,725	(9,039,333)	0	26,875,448	26,923,840	0.0
Medicare Modernization Act State Contribution Payment	(9,403,169)	(3,709,744)	0	(24,927,282)	(38,040,195)	0.0
Children's Basic Health Plan Forecast	13,951,390	0	0	(20,318,206)	(6,366,816)	0.0
Community Provider Rate Increase	20,079,070	968,533	0	35,794,025	56,841,628	0.0
Developmental Disability Service Increases	12,651,538	0	0	9,245,213	21,896,751	0.0
Health Information Exchange	1,054,893	0	0	4,694,033	5,748,926	0.0
Medicaid Community Living Initiatives	846,787	0	0	396,414	1,243,201	2.0
All Other	<u>3,091,933</u>	<u>980,447</u>	<u>0</u>	<u>19,897,257</u>	<u>23,969,637</u>	<u>0.0</u>
Total Changes Requested for HCPF	<b>\$145,615,021</b>	<b>\$57,758,053</b>	<b>(\$797,993)</b>	<b>\$807,943,950</b>	<b>\$1,010,519,031</b>	<b>39.0</b>
<b>Department of Higher Education</b>						
Base Budget Changes	\$686,400	\$36,559	\$698,462	(\$331)	\$1,421,090	11.5
Other Common Policy	0	515,622	164,600	411,587	1,091,809	0.0
Increase for Higher Education	60,051,510	0	57,713,885	0	117,765,395	0.0
Increase for Financial Aid	40,000,000	0	0	0	40,000,000	0.0
All Other	<u>1,088,855</u>	<u>591,938</u>	<u>420,345</u>	<u>0</u>	<u>2,101,138</u>	<u>0.0</u>
Total Changes Requested for Higher Education	<b>\$101,826,765</b>	<b>\$1,144,119</b>	<b>\$58,997,292</b>	<b>\$411,256</b>	<b>\$162,379,432</b>	<b>11.5</b>
<b>Department of Human Services</b>						
Base Budget Changes	(\$10,527,250)	(\$38,140,540)	(\$390,030,140)	(\$206,440)	(\$438,904,370)	(33.8)
Other Common Policy	8,046,448	276,486	965,045	1,337,726	10,625,705	0.0
Community Provider Rate Increase	7,372,908	1,473,088	673,548	1,159,096	10,678,640	0.0
Office Early Childhood Initiatives	3,146,556	499,439	0	0	3,645,995	2.8
Office of Behavioral Health Initiatives	3,376,897	0	0	0	3,376,897	4.5
Youth Corrections	1,644,229	0	0	0	1,644,229	0.0
Fully Fund County Tax Base Relief	1,181,953	0	0	0	1,181,953	0.0
All Other	<u>5,364,509</u>	<u>7,378,650</u>	<u>949,024</u>	<u>1,711,767</u>	<u>15,403,950</u>	<u>1.0</u>
Total Changes Requested for Human Services	<b>\$19,606,250</b>	<b>(\$28,512,877)</b>	<b>(\$387,442,523)</b>	<b>\$4,002,149</b>	<b>(\$392,347,001)</b>	<b>(25.5)</b>
/1 Includes only the amount in the Human Services request. Another \$5.0 million is requested in the legislation placeholder for the Elder Abuse Task Force.						
<b>All Other Departments</b>						
Base Budget Changes	(\$9,108,513)	(\$59,012,434)	(\$14,033,930)	\$25,735,506	(\$56,419,371)	13.9
Other Common Policy	23,746,784	18,687,142	3,644,911	9,146,285	55,225,122	0.0
Community Provider Rate Increase	859,630	0	0	0	859,630	0.0
All Other Requested Changes	<u>51,269,592</u>	<u>14,096,144</u>	<u>28,270,801</u>	<u>136,079</u>	<u>93,772,616</u>	<u>94.6</u>
Total All Other Department Changes	<b>\$66,767,493</b>	<b>(\$26,229,148)</b>	<b>\$17,881,782</b>	<b>\$35,017,870</b>	<b>\$93,437,997</b>	<b>108.5</b>
<b>Total Statewide Operating Budget Request</b>						
Base Budget Changes	\$9,859,973	\$29,861,634	(\$402,857,145)	\$613,398,181	\$250,262,643	30.0
Other Common Policy	51,314,261	20,536,509	5,105,446	12,944,137	89,900,353	0.0
Community Provider Rate Increase	29,547,980	2,441,621	673,548	36,953,121	69,616,270	0.0
Mandatory Funding and Caseload Changes	259,190,655	82,525,920	57,713,885	158,684,241	558,114,701	44.2
All Other Requested Changes	<u>104,959,951</u>	<u>37,288,104</u>	<u>29,690,170</u>	<u>36,080,763</u>	<u>208,018,988</u>	<u>145.7</u>
Total Statewide Changes	<b>\$454,872,820</b>	<b>\$172,653,788</b>	<b>(\$309,674,096)</b>	<b>\$858,060,443</b>	<b>\$1,175,912,955</b>	<b>219.9</b>
<b>Outside the Operating Request (change amount only)</b>						
Controlled Maintenance	(23,000,000)	0	0	(25,000,000)	(48,000,000)	0.0
Old Age Pension	(11,100,000)	0	0	0	(11,100,000)	0.0
June 1331s	(10,748,163)	(1,460,000)	0	(10,689,728)	(22,897,891)	(16.7)
Placeholder for Budget Amendments and Legislation	8,223,353	0	0	0	8,223,353	0.0
General Fund Forecasted expenditures outside operating budgets (i.e. OAP, cigarette rebates, interest on school loans, etc.)	<u>(29,593,699)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(29,593,699)</u>	<u>0.0</u>
Total Outside the Operating Request	<b>(\$66,218,509)</b>	<b>(\$1,460,000)</b>	<b>\$0</b>	<b>(\$35,689,728)</b>	<b>(\$103,368,237)</b>	<b>(16.7)</b>
<b>TOTAL FY 2014-15 Funding Request Change from the current FY 2013-14 Appropriation</b>						
	<b>\$388,654,311</b>	<b>\$171,193,788</b>	<b>(\$309,674,096)</b>	<b>\$822,370,715</b>	<b>\$1,072,544,718</b>	<b>203.2</b>



# COLORADO

## Office of State Planning and Budgeting

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director

### General Fund Revenue Overview

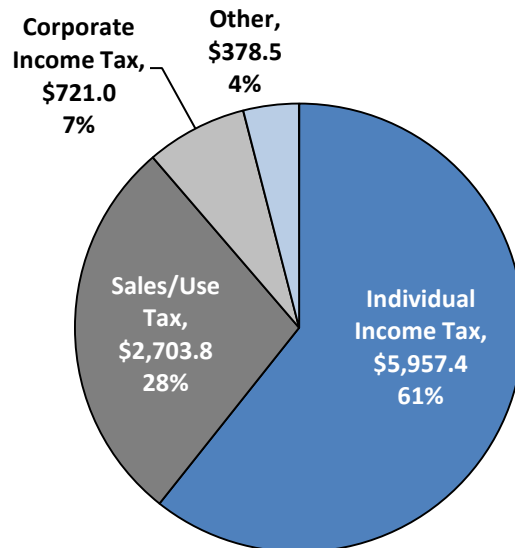
#### General Fund and State Education Fund Revenue

The General Fund is the State's main account for funding its core programs and services such as education, health and human services, public safety, and courts. It also helps fund capital construction and maintenance needs for State facilities, and in some years, transportation projects. The largest revenue sources for the General Fund are income and sales taxes paid by households and businesses in the state.

In addition to the General Fund, some State programs and services are funded from the federal government and various "cash funds." Cash funds receive revenue from certain taxes, user fees, and charges that are generally designated for specific programs. The State Education Fund is a cash fund that receives a portion of income taxes to help fund kindergarten through 12<sup>th</sup> grade education. Thus, it is like a special account in the General Fund. Federal government money is also designated for specific programs.

***Income and sales taxes are the largest sources of money used by the General Fund and State Education Fund*** — The following pie chart shows the composition of the revenue sources that go to both the State General Fund and State Education Fund projected for FY 2014-15. Income, sales, and use taxes make up 96 percent of the total.

**Graph 1. Revenue for the General Fund and State Education Fund, \$s in Millions**

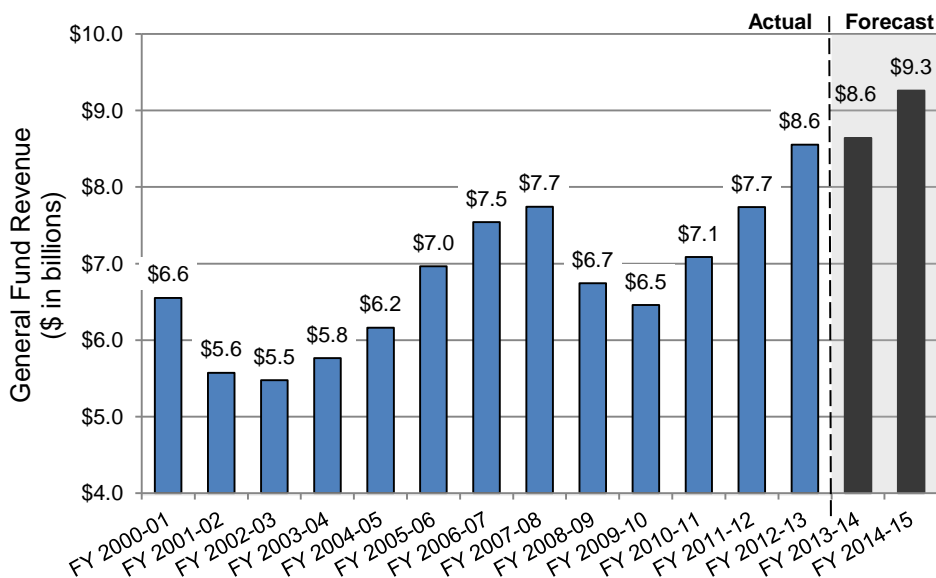


**General Fund money credited to the State Education Fund**— The State Education Fund (SEF) annually receives one-third of one-percent of total taxable income under the Colorado Constitution. Thus, a portion of revenue from income taxes is diverted from the General Fund to the SEF every year. This diversion is forecasted at \$500.9 million in FY 2014-15. The SEF also receives smaller amounts of money from other sources, most notably transfers of other money from the General Fund as specifically authorized by statute. In recent years, the SEF has received all or a portion of the money the State collects that is in excess of the required General Fund reserve amount at the end of the year.

**Revenue to the General Fund and State Education Fund is affected by the economy**— Income and sales tax collections are influenced heavily by the performance of the economy. When more people earn and spend money, and businesses experience better conditions, tax revenue grows. During economic downturns, revenue often declines, sometimes by large amounts as income and spending levels fall.

Revenue to the General Fund is illustrated in the graph below. Since 2000, Colorado’s economy was affected by two major recessions, one during the 2001 to 2002 period and one in 2008 to 2009. During each of those recessions, revenue fell by over \$1 billion, or around 16 percent. The graph includes the September forecast for General Fund revenue in FY 2013-14 and FY 2014-15. Colorado’s mix of industries and high skilled, entrepreneurial population, both of which are very favorable in today’s economy, will contribute to continued revenue growth during this time.

**Graph 2. General Fund Revenue, History and Forecast**

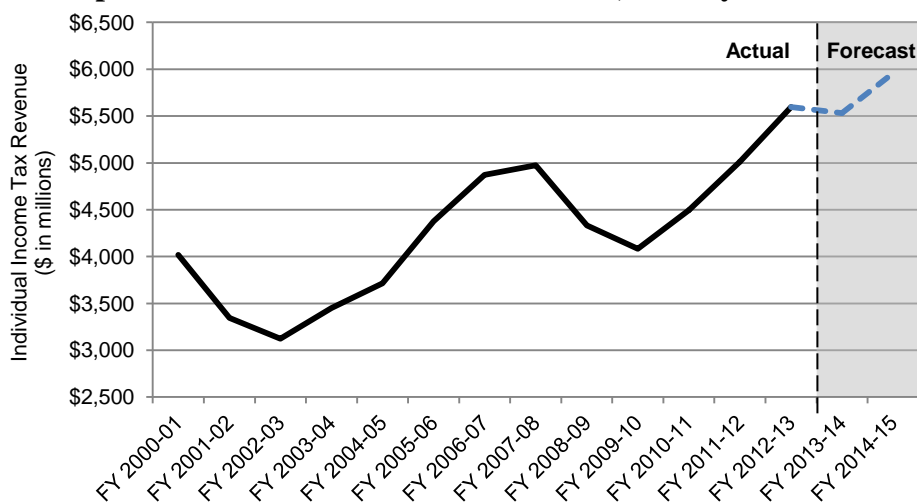


**Individual Income Tax**

Income tax paid by individuals is by far the largest source of tax revenue to the State. In FY 2014-15, income tax revenue is projected to total \$6.0 billion. Individual income tax is paid on most sources of household income, such as wages, investments, and royalties. The income that individuals receive from their businesses, except businesses that are organized as C-corporations, generally is subject to the individual income tax.

In a good economy, income tax revenue grows at a relatively steady pace from job growth and expanding business activity. Investment income received by individuals, however, can fluctuate more than the overall economy from year to year, contributing to volatility in income tax revenue. The graph on the next page shows the trends in individual income tax revenue since FY 2000-01 and includes the OSPB September 2013 forecast through FY 2014-15. The slight decline in FY 2013-14 is due to a projected decrease in investment income, as some taxpayers are expected to have shifted income from investment gains into the prior year before increases in federal income tax rates took effect. Income tax collections will rebound in FY 2014-15 with continued economic growth providing increased income-earning opportunities for Coloradans.

**Graph 3. Individual Income Tax Revenue, History and Forecast**

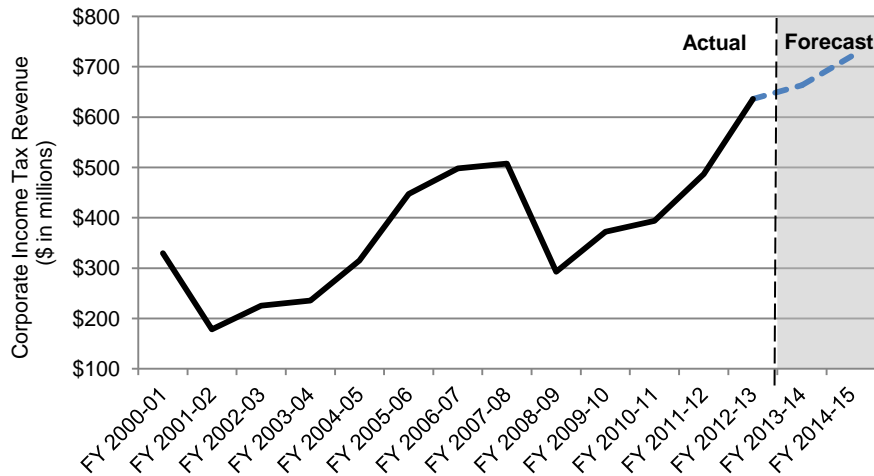


### Corporate Income Tax

Certain corporations, called C-corporations, pay income tax through the corporate income tax system if they are doing business in the state. Corporate income tax revenue is expected to total \$721.0 million in FY 2014-15. Corporate income tax collections are driven by corporate profit levels and sales in Colorado. Thus, corporate tax revenue is also highly influenced by the economy. Federal and state tax deductions and exemptions, such as on expenses and losses, can make corporate tax collections more volatile, especially during major changes in economic conditions.

As shown in the graph below, corporate income tax revenue fell 42.4 percent, or by \$215.4 million, during the Great Recession in FY 2008-09. Since then, corporate income tax revenue has more than doubled from sales growth and leaner business operations that have increased profits. As the economy continues to grow and corporations generate sales, collections will increase through FY 2014-15.

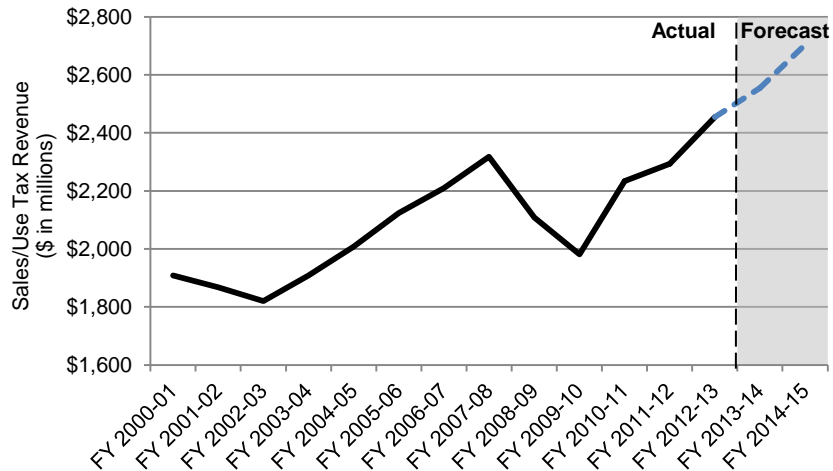
**Graph 4. Corporate Income Tax Revenue, History and Forecast**



**Sales and Use Taxes**

The State’s sales and use tax makes up around 30 percent of General Fund revenue. Most products and a small number of services are subject to the tax. Sales and use tax revenue is expected to total nearly \$2.7 billion in FY 2014-15, which equates to almost \$100 billion in taxable purchases. As shown in the graph below, sales and use tax revenue grows at a steady pace when the economy is expanding and declines during recessions. Due to continued income growth and positive expectations for the economy, state sales and use tax revenue will grow through FY 2014-15.

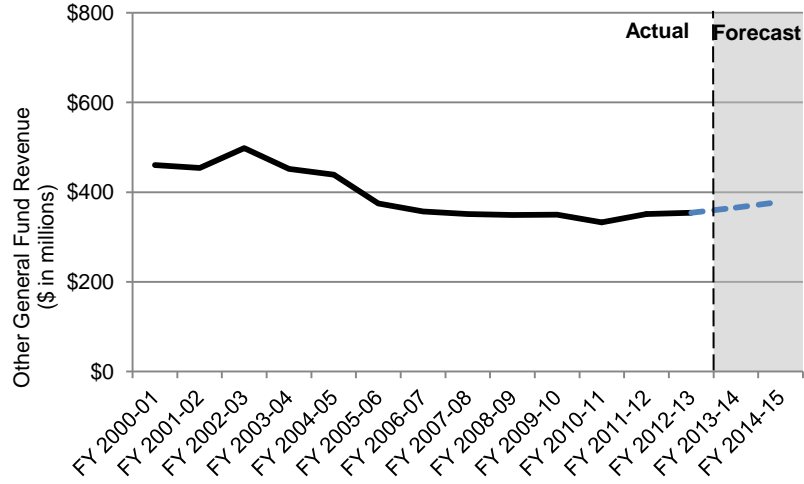
**Graph 5. Sales and Use Tax Revenue, History and Forecast**



**Other Revenue to the General Fund**

Several smaller revenue sources make up the rest of the money that goes to the General Fund. These include excise taxes on cigarette, tobacco, and liquor products, taxes paid by insurers on premiums, pari-mutuel wagering, interest income, fines and fees. Revenue to these sources has been relatively flat since FY 2000-01 as shown in the graph below.

**Graph 6. Other General Fund Revenue, History and Forecast**





# COLORADO

## Department of Agriculture

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

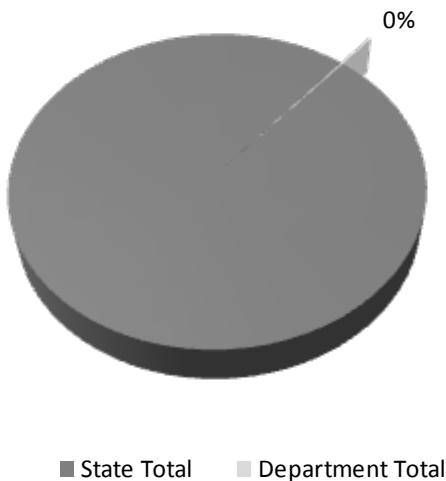
### FY 2014-15 Budget Request Fact Sheet

<u>Department of Agriculture</u>				
	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change</b>	<b>Percent Change</b>
Total Funds	\$42,670,244	\$43,369,821	\$699,577	1.6%
General Fund	\$7,723,805	\$8,524,950	\$801,145	10.4%
Cash Funds	\$29,176,366	\$29,125,178	(\$51,188)	-0.2%
Reappropriated Funds	\$1,632,203	\$1,629,526	(\$2,677)	-0.2%
Federal Funds	\$4,137,870	\$4,090,167	(\$47,703)	-1.2%
FTE	274.1	274.1	0.0	0.0%

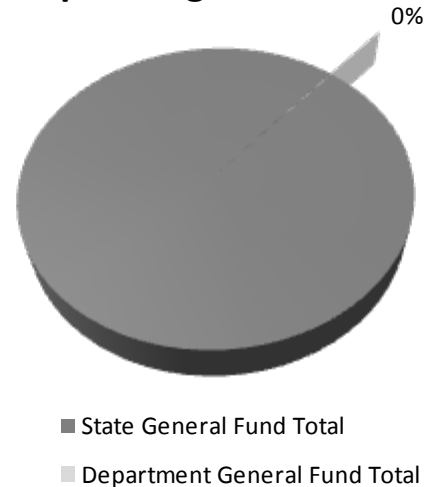
#### Department Description

Colorado's agriculture industry contributes significantly to the state's overall economy, creates employment for more than 170,000 Coloradans, and generates an estimated \$40 billion in economic activity annually. The Colorado Department of Agriculture (CDA) supports the industry and all of Colorado's citizens through a wide range of regulatory and service related activities that are delivered through the Office of the Commissioner and CDA's seven operating divisions. These divisions include the Animal Industry Division, the Brands Division, the Colorado State Fair, the Conservation Services Division, the Inspection and Consumer Services Division, the Markets Division, and the Plants Division.

**Share of FY15 Statewide Operating Total Funds**



**Share of FY15 Statewide Operating General Fund**



## **Major Factors Affecting the FY 2014-15 CDA Budget**

- The Department of Agriculture is requesting an increase of \$0.7 million total funds (1.6% percent) in its FY 2014-15 budget. This includes a \$0.8 million General Fund increase (10.4% percent). No new FTE are requested in FY 2014-15.
- The Department is requesting \$250,000 General Fund and a new line item for the Colorado State Fair to support 4H and FFA programs. State Fair revenues are insufficient and added expenditures for these programs contribute to the approximate \$300,000 annual cash shortfall. A dedicated source of funding for these programs will allow the Fair to continue support for judges, dormitories, MC's, boarding of livestock, and junior livestock sales.
- The Department's request eliminates its capitol complex line, saving \$213,608 (\$149,603 General Fund) as promised with the office consolidation. Additionally, the Department is reducing its leased space line by \$107,950 (\$39,214 General Fund) with the office consolidation. Overall the office consolidation saved \$321,558 total funds (\$188,817 General Fund) in FY 2014-15.
- Increases in common policies (e.g., Health, Life, Dental, salary survey) account for the remainder of the General Fund and total fund increases.





# COLORADO

## Department of Corrections

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

November 1, 2013

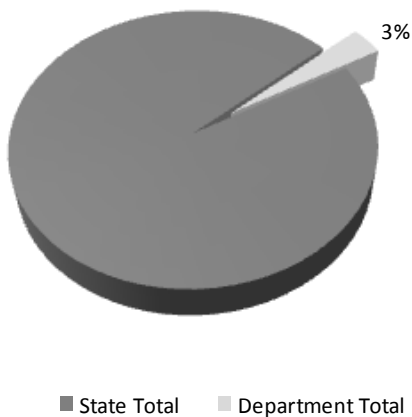
### FY 2014-15 Budget Request Fact Sheet

<u>Department of Corrections</u>				
	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change</b>	<b>Percent Change</b>
Total Funds	\$751,232,064	\$793,522,423	\$42,290,359	5.6%
General Fund	\$664,148,559	\$706,309,695	\$42,161,136	6.3%
Cash Funds	\$40,179,999	\$40,063,613	(\$116,386)	-0.3%
Reappropriated Funds	\$45,892,992	\$45,925,247	\$32,255	0.1%
Federal Funds	\$1,010,514	\$1,223,868	\$213,354	21.1%
FTE	6019.6	6094.0	74.4	1.2%

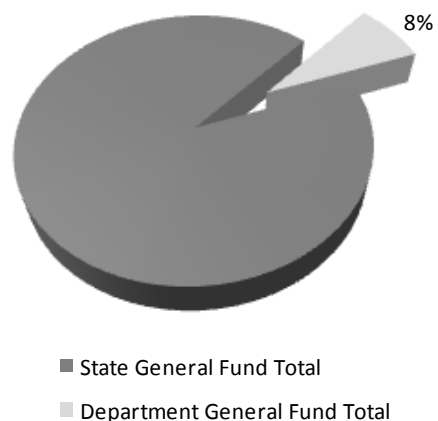
#### Department Description

The Colorado Department of Corrections (DOC) manages, supervises and operates 19 state-owned correctional facilities and contracts with private providers for additional bed space at four correctional facilities. As of September 30, 2013, the DOC is responsible for housing and supervising a total of 20,260 offenders in both state and private facilities and for supervising 8,571 parolees. The DOC budget includes 6,019.6 FTE in FY 2013-14, including correctional officers, teachers, maintenance staff, medical providers, food service staff, and administrators. The DOC also operates the Youthful Offender System which serves as a middle tier sentencing option for violent youthful offenders. In addition, the DOC operates treatment and education programs for offenders who are incarcerated and on parole to help reduce the likelihood that an offender returns to prison. The Department also operates the Colorado Correctional Industries (CCI) which is a self-funded enterprise agency within the DOC that employs offenders in various businesses.

**Share of FY15 Statewide Operating Total Funds**



**Share of FY15 Statewide Operating General Fund**



## **Major Factors Affecting the FY 2014-15 DOC Budget**

- The Department of Corrections is requesting an increase of \$42.3 million total funds (5.6 percent) in its FY 2014-15 budget. This includes a \$42.2 million increase (6.3 percent) in General Fund.
- The Department is requesting \$19.0 million total funds, including \$18.4 million General Fund for centrally appropriated line items that primarily include: state contributions for health, life and dental benefits; salary survey; merit pay; supplemental state contributions to the Public Employees' Retirement Association (PERA) pension fund; workers' compensation; and payments to the Office of Information Technology.
- The Department is requesting \$10.0 million for adjustments to the operations in the Parole Division. Two studies are currently being conducted that are evaluating and analyzing the Division. Using the results of these studies, new Department leadership is in the process of preparing specific proposals to address deficiencies. As a result, this is a placeholder request in the Department's budget. The Department will submit specific proposals through the Budget Amendment process detailing the specific funding needs.
- The Department requests \$4.8 million General Fund and 44.2 FTE for FY 2014-15 to increase offender bed capacity. The population projection from the most recent Division of Criminal Justice forecast indicates the prison population will stabilize and not decline, as previously projected. The new projection drives a need for 469 additional beds.
- The Department is requesting an increase of \$2.8 million General Fund in the Medical Services Subprogram based on projected population changes for offenders needing medical services and pharmaceuticals for FY 2014-15. The increase is primarily due to an increasing offender population, rising costs of health care and an aging offender population.
- The Department is requesting \$1.2 million General Fund and 13.0 FTE to continue efforts to revamp the Sex Offender Treatment Program. The additional resources will be used to reduce the current backlog of 1,694 offenders requiring treatment.
- The Department is requesting \$1.2 million for a 1.5 percent provider rate increase. This request is coordinated with the Department of Public Safety, the Department of Health Care Policy and Financing, and the Department of Human Services to accomplish a 1.5 percent state-wide provider rate increase.
- The Department is requesting \$1.1 million General Fund in FY 2014-15 to account for higher food service and clothing costs. The food costs include both DOC facilities and Department of Human Services' facilities on the Pueblo campus.
- The Department is requesting \$1.0 million General Fund and 10.0 FTE to continue to implement a Fugitive Unit in the Parole Division. The new unit is dedicated to apprehend offenders who are deemed to have absconded from parole supervision or community corrections centers. The number of absconders is approximately 7.2 percent of the total parole population and the Department's goal is to reduce this number by 25 percent.
- The Department is requesting \$300,000 and 2.7 FTE for FY 2014-15 for increased staffing for the Parole Board. This returns the Parole Board to pre-recession staffing levels.



# COLORADO

## Department of Education

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

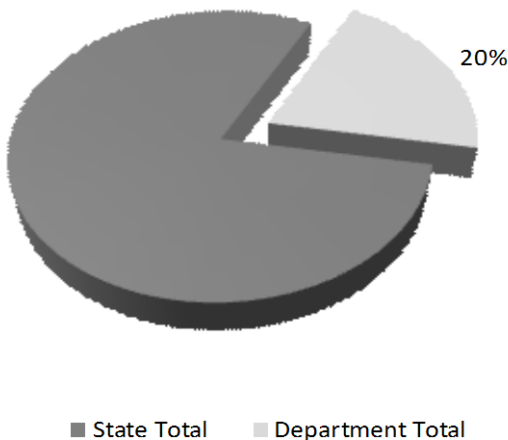
### FY 2014-15 Budget Request Fact Sheet

<b>Department of Education</b>				
	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change</b>	<b>Percent Change</b>
Total Funds	\$4,648,370,616	\$4,908,003,753	\$259,633,137	5.6%
General Fund	\$3,100,516,167	\$3,179,412,322	\$78,896,155	2.5%
Cash Funds	\$893,700,039	\$1,062,310,066	\$168,610,027	18.9%
Reappropriated Funds	\$28,629,576	\$30,284,667	\$1,655,091	5.8%
Federal Funds	\$625,524,834	\$635,996,698	\$10,471,864	1.7%
FTE	563.8	575.8	12.0	2.1%

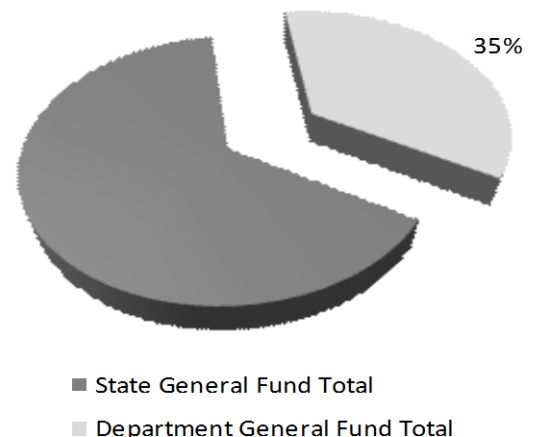
#### Department Description

The Colorado Department of Education (CDE) is the administrative arm of the Colorado State Board of Education. CDE provides leadership, resources, support, and monitoring for the state's 178 school districts, 1,600 schools, and over 130,000 educators to meet the needs of the state's 840,000 plus public school students. CDE also provides services and support to boards of cooperative educational services (BOCES), to early learning centers, state correctional facility schools and libraries, the state's library system, adult/family literacy centers, and General Education Diploma (GED) testing centers. In addition, CDE supports the Colorado School for the Deaf and the Blind and the Charter School Institute.

**Share of FY15 Statewide Operating Total Funds**



**Share of FY15 Statewide Operating General Fund**



## **Major Factors Affecting the FY 2014-15 CDE Budget**

- The Department of Education requests an increase of \$259.6 million total funds (5.6 percent) in its FY 2014-15 budget. This includes an increase of \$78.9 million (2.5 percent) to the General Fund and \$158.9 million (21.5 percent) to State Education Fund appropriations.
- The Department requests a \$222.1 million increase for the state share of the K-12 school finance formula and \$242,050 for the Hold Harmless Full-Day Kindergarten program. These increases are comprised of \$73.6 million from the General Fund, \$147.1 million from the State Education Fund and \$1.6 million from the State Public School Fund. The Department's request represents a 6.3 percent increase to the state share amount for K-12 funding when compared to FY 2013-14 appropriations. Specifically, the request provides the following:
  - An increase in projected funded pupil count of 10,680 pupils (1.3 percent). The Department also projects that at-risk pupils will increase by 6,838 pupils (2.2 percent) and requests that the Accelerating Students through Concurrent Enrollment (ASCENT) program slots be increased by 258 students (57 percent).
  - An increase of \$154.81 for base per pupil funding based on a 2.6 percent inflation increase. After inflation and all other formula adjustments are calculated, the average statewide per pupil funding amount will increase by \$223.39 (3.4 percent).
  - An increase of \$40.2 million above formula requirements. The Department's request holds the negative factor at the same dollar amount of approximately \$1.0 billion as the current FY 2013-14 appropriations. As an actual percent of Total Program appropriations, the actual negative factor dollar amount will decrease the current 15.4 percent to 14.9 percent in FY 2014-15.
  - An ending fund balance of \$700 million in FY 2014-15 for the State Education Fund.
- The Department requests an increase of \$7.0 million from the State Education Fund for education programs commonly referred to as "categorical programs". Specifically, the Department requests: (1) \$3.9 million for special education programs for children with disabilities; (2) \$1.3 for English language proficiency programs; (3) \$1.2 for public school transportation; (4) \$419,700 for career and technical education programs; and (5) \$192,000 for gifted and talented programs.
- The Department requests \$3,070,988 General Fund and 4.6 FTE in FY 2014-15 to update and maintain the Department's IT infrastructure and to respond to growing data, reporting, and analysis demands from Department staff and the larger education community.
- The Department requests \$16.0 million total funds (including \$1.2 million General Fund, \$14.5 million cash funds and \$250,000 reappropriated funds) and 6.9 FTE for various other initiatives as follows:
  - \$8.0 million cash funds to align the Building Excelling Schools Today (BEST) appropriations with current debt and grant obligations;
  - \$3.8 million for increased costs for state assessment tests;
  - \$2.8 million and 1.0 FTE to fund the ongoing costs for the early literacy assessment tool;
  - \$1.4 million and 5.9 FTE to provide better services and supports to school district programs for English language learners, college and career readiness, nutrition programs, teacher recognition and surveys, and salary increases for the School for the Deaf and Blind.



# COLORADO

## Offices of the Governor

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

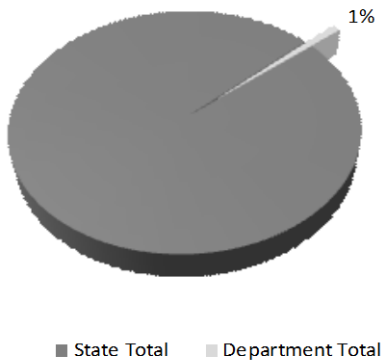
### FY 2014-15 Budget Request Fact Sheet

<b>Governor's Office</b>				
	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change</b>	<b>Percent Change</b>
Total Funds	\$225,366,541	\$229,465,460	\$4,098,919	1.8%
General Fund	\$22,073,247	\$30,774,929	\$8,701,682	39.4%
Cash Funds	\$36,740,540	\$36,224,022	(\$516,518)	-1.4%
Reappropriated Funds	\$159,797,133	\$156,112,766	(\$3,684,367)	-2.3%
Federal Funds	\$6,755,621	\$6,353,743	(\$401,878)	-5.9%
FTE	1060.9	1069.9	9.0	0.8%

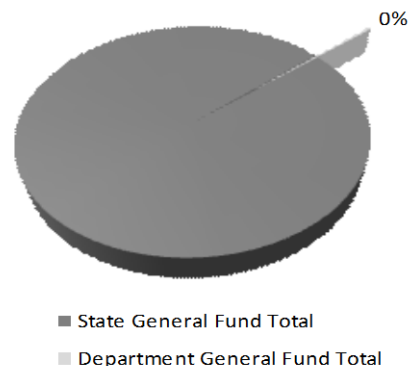
### Department Description

The Governor's Office is the administrative head of the executive branch of Colorado State Government. As Chief Executive, the Governor works to deliver services to the citizens of Colorado and to ensure effective agency operations in the Executive Branch. Offices within the Governor's Office include the Colorado Energy Office, the Lieutenant Governor's Office, the Office of State Planning and Budgeting, the Office of Economic Development and International Trade, and the Office of Information Technology. The Colorado Energy Office promotes market-based solutions for economic development in the energy industry. The Lieutenant Governor acts in the capacity of the Governor when the Governor is out of the state or is otherwise unable to perform his constitutional responsibilities. The Office of State Planning and Budgeting provides the Governor with information and recommendations to make sound public policy and budget decisions. The Office of Economic Development and International Trade assists in strengthening Colorado's prospects for long-term economic growth by providing broad-based support to Colorado businesses. Finally, the Office of Information Technology oversees technology initiatives throughout the state and implements strategies to maximize efficiencies in information technology service delivery. These strategies are provided through the application of a centralized enterprise system.

**Share of FY15 Statewide Operating Total Funds**



**Share of FY15 Statewide Operating General Fund**



## **Major Factors Affecting the FY 2014-15 Governor's Office Budget**

- The Governor's Office is requesting an increase of \$4.1 million total funds (1.8 percent) in its FY 2014-15 budget. This includes an \$8.7 million increase (39.4 percent) in General Fund. Of this General Fund total, the Office of Economic Development and International Trade (OEDIT) is requesting a total increase of \$8.1 million with the remainder of the Governor's Offices requesting a net increase of \$590,000.
- OEDIT is requesting an on-going \$5.0 million base appropriation and 1.3 FTE to continue development of the Advanced Industries Acceleration Program. Advanced Industries are prime drivers of the Colorado economy, focusing on science, technology, engineering and manufacturing. This industry accounts for nearly 30 percent of the State's wage earnings, 30 percent of the total sales revenues across all industries and approximately 35 percent of the State's total exports.
- OEDIT is requesting \$5.0 million for FY 2014-15 to expand its film incentive rebate and loan guarantee program. OEDIT estimates that \$9.84 in additional revenue is generated in Colorado for every \$1.00 invested through the program. The last \$3.4 million in incentives awarded resulted in \$33.6 million in total expenditures in the state, which generated 658 jobs and \$4.0 million in state and local tax revenue.
- The Office of Information Technology requests \$4.1 million reappropriated spending authority for the second of the State's three-year information security and risk management strategic plan. During FY 2012-13, the State was hit with an average of over 600,000 cyber security attacks per day. This program supports the State's enterprise cyber security program which is designed to protect the State's collection of data.
- OEDIT is requesting \$3.0 million General Fund to continue to provide incentives for businesses looking to expand or relocate to Colorado. This funding will help spur economic activity and is anticipated to create approximately 1,049 new jobs.
- OEDIT is requesting \$2.0 million General Fund to maintain current levels of tourism promotional activities. The funding will allow OEDIT to continue the successful "Come to Life" campaign.
- The Office of Information Technology is requesting \$1.1 million reappropriated funds for the Digital Trunked Radio System. The system provides two-way radio communications for over 1,000 local, state, tribal and federal public safety agencies across Colorado. The funds will be used for critically needed repairs, maintenance, schedule replacement and software support.
- OEDIT is requesting \$400,000 General Fund and 1.8 FTE in FY 2014-15 for the development of the Minority/Women Owned Business office. Currently, the Office lacks sufficient funds to expand beyond procurement assistance.
- The Office of State Planning and Budgeting (OSPB) is requesting \$400,000 General Fund to support continuous improvement and planning efforts for FY 2014-15. From October 2011 through June 2013, OSPB directly supported over 80 projects in 16 Executive Branch departments to improve government processes, with another 60 to 70 projects completed by departments. OSPB has also provided training for more than 2,400 state employees in Lean tools and practices. This request allows partial continuation of this program. The requested funding level represents a 59 percent decrease over the FY 2013-14 appropriation.



# COLORADO

## Department of Health Care Policy and Financing

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

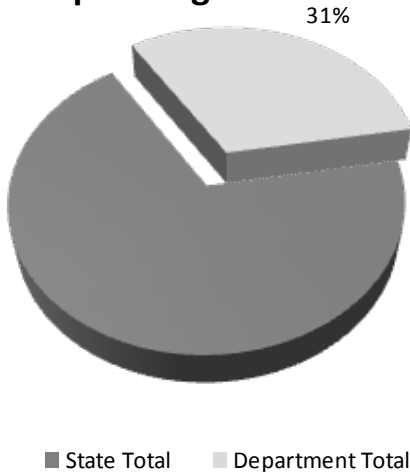
### FY 2014-15 Budget Request Fact Sheet

<b>Department of Health Care Policy and Financing</b>				
	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change</b>	<b>Percent Change</b>
Total Funds	\$6,537,643,053	\$7,548,162,084	\$1,010,519,031	15.5%
General Fund	\$2,063,159,596	\$2,208,774,617	\$145,615,021	7.1%
Cash Funds	\$888,516,606	\$946,274,659	\$57,758,053	6.5%
Reappropriated Funds	\$10,483,522	\$9,685,529	(\$797,993)	-7.6%
Federal Funds	\$3,575,483,329	\$4,383,427,279	\$807,943,950	22.6%
FTE	358.1	397.1	39.0	10.9%

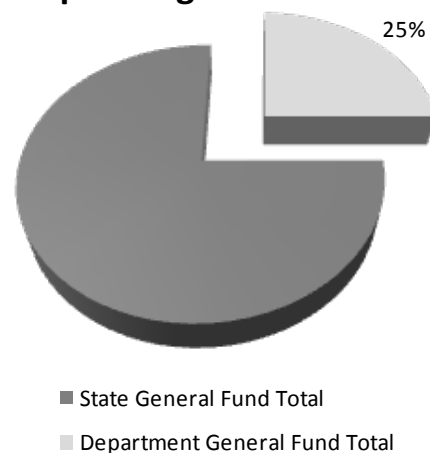
#### Department Description

The Department of Health Care Policy and Financing receives federal funding as the single state agency responsible for administering the Medicaid program (Title XIX) and the State Child Health Insurance Program (Title XXI), known as the Children’s Basic Health Plan. In addition to these programs, the Department administers the Colorado Indigent Care Program, the Old Age Pension State Medical Program, as well as the Home and Community-Based Services Medicaid Waivers. The Department also provides health care policy leadership for the state’s Executive Branch. Most of the Department’s programs are funded in part by the federal Centers for Medicare and Medicaid Services (CMS). The Medicaid program receives approximately 50% of its funding from the federal government and the Children’s Basic Health Plan receives approximately 65% of its funding from the federal government.

**Share of FY15 Statewide Operating Total Funds**



**Share of FY15 Statewide Operating General Fund**



## **Major Factors Affecting the FY 2014-15 HCPF Budget**

The Department of Health Care Policy and Financing is requesting an increase of \$1.0 billion total funds (15.5 percent) in its FY 2014-15 budget. This includes a \$145.6 million increase (7.1 percent) in General Fund.

The Department's FY 2014-15 base request includes an increase \$737.3 million total funds, \$29.9 million General Fund, to fully implement policy approved during the 2013 legislative session, which includes \$618.9 million total funds, \$4.6 million General Fund, \$7.4 million cash funds, and \$606.9 million federal funds, to continue implementation of SB 13-200, which expands Medicaid under the Affordable Care Act

### **New Funding Requests for FY 2014-15**

- The Department's FY 2014-15 request includes revised caseload estimates for Medicaid, the Child Health Plan *Plus* (CHP+), and the Medicare Modernization Act (MMA) as follows:
  - In total, the Department's request includes an increase of \$163.5 million total funds, \$78.0 million General Fund, for caseload and per capita changes for its existing programs.
  - In FY 2014-15, the average Medicaid caseload is forecast to be 682,994 higher than in FY 2012-13, and 813,250 (or 19%) higher than in FY 2013-14. The increase is predominantly driven by the implementation of SB 13-200, which expands the Medicaid income threshold from 100% FPL to 133% FPL.
  - In FY 2014-15, the average CHP+ caseload is forecast to be 79,446 lower than in FY 2012-13, and 62,904 (21%) lower than in FY 2013-14. The decrease in caseload is attributable to SB 11-008 and SB 11-250, which provided Medicaid eligibility to some clients previously eligible for CHP+. Caseload declines in CHP+ are offset by caseload increases in Medicaid as a result.
- The budget includes \$108.4 million total funds and \$37.1 million General Fund for requests that will allow the Department to pursue innovations in both policy and technology that will improve clients' health, lower costs and be responsive to the needs of clients, providers and other stakeholders. These include the following:
  - \$5.7 million total funds, \$1.1 million General Fund, to assist Medicaid providers with adopting electronic health record (EHR) systems and with connecting to Colorado's HIE network; the Department also requests funding for interfaces and electronic infrastructure that would allow Medicaid client health data to be aggregated and exchanged between provider EHR systems, the Department's Medicaid Management Information System (MMIS), and other Medicaid-related systems in the state.
  - \$21.9 million total funds, \$12.7 million General Fund, to eliminate the current waiting list for the Supported Living Services program, provide resources for individuals with developmental or intellectual disabilities in emergency situations, and restore the Family Supports Services Program to pre-recession funding levels
  - \$58.7 million total funds, \$21.2 million General Fund, in order to provide additional resources for individuals seeking to move into the community from an institutional placement, establish new methodologies to pay for specialty care, provide a 1.0% rate increase, and increase rates for targeted services.





# COLORADO

## Department of Higher Education

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

November 1, 2013

### FY 2014-15 Budget Request Fact Sheet

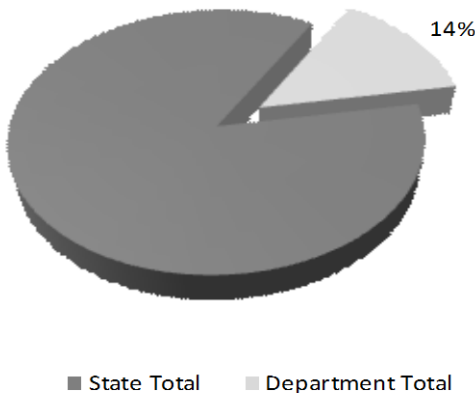
<b>Department of Higher Education</b>				
	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change</b>	<b>Percent Change</b>
Total Funds	\$3,233,189,910	\$3,395,569,342	\$162,379,432	5.0%
General Fund	\$659,062,854	\$760,889,619	\$101,826,765	15.5%
Cash Funds	\$1,978,139,263	\$1,979,283,382	\$1,144,119	0.1%
Reappropriated Funds	\$576,697,493	\$635,694,785	\$58,997,292	10.2%
Federal Funds	\$19,290,300	\$19,701,556	\$411,256	2.1%
FTE	22842.3	22853.8	11.5	0.1%

#### Department Description

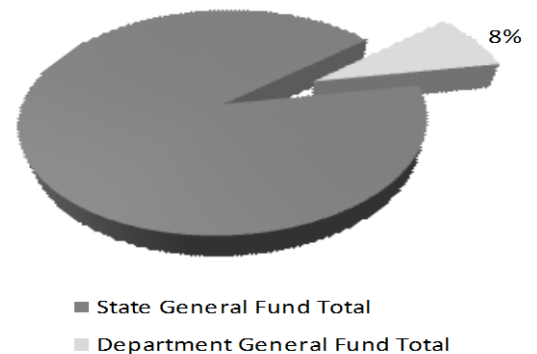
The Department of Higher Education serves as the central administrative and coordinating agency for higher education (comprised of 28 public institutions, 3 area vocational schools, over 330 occupational schools, and over 100 private degree authorizing institutions). Over 160,000 resident full-time FTE attend Colorado public institutions, with 45 percent of the students attending two-year and certificate granting institutions.

The Department oversees system-wide planning, financial aid allocations, degree and program authorizations; recommends state funding allocations to the colleges; and approves tuition flexibility plans. The Department collects and analyzes data to help inform decision makers, colleges, students, and the public and collaborates with other state agencies including the Colorado Department of Education on P-20 alignment and the Department of Labor and Employment on workforce training.

**Share of FY15 Statewide Operating Total Funds**



**Share of FY15 Statewide Operating General Fund**



## Major Factors Affecting the FY 2014-15 Higher Education Budget

- The FY 2014-15 budget request for the Department of Higher Education is for \$3,395.6 million total funds, including \$760.9 million General Fund, and 22,853.8 FTE (most of whom are in the institutions). This request is \$101.8 million General Fund (\$162.4 million total funds) higher than the FY 2013-14 appropriation. Of the \$101.8 million increase, \$101.1 million is attributable to new initiatives for students and higher education institutions, described in the bullets below, and \$0.7 million is attributable to annualization of 2013 legislation for higher education institutions.

### Students and Higher Education Institutions (\$101.1 million General Fund Increase)

- **\$60.0 million General Fund for institutions of higher education.** An increase of \$60.0 million General Fund is sought for Colorado institutions. In addition, an increase of \$57.7 million reappropriated funds is shown in this request, reflecting the increased General Fund transferred from the College Opportunity Fund to the Higher Education Governing Boards in accordance with the COF funding methodology. In addition to this request, the Governor has challenged all Governing Boards to limit undergraduate tuition increases, and has directed a hard cap of no more than 6.0 percent tuition increase for Colorado resident students.
- **\$40.0 million General Fund for financial aid for Colorado students.** The Department's request includes \$30.0 million for need-based financial aid, \$5.0 million for work-study programs, and \$5.0 million for merit-based aid. Availability of financial aid helps provide access to college and lowers student loan debt. Over 30,000 students may benefit from this \$40.0 million increase in state Financial Aid.
- **\$0.8 million General Fund/total funds for the Fort Lewis College Native American Tuition Waiver.** This statutorily required funding provides 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College.
- **\$252,000 General Fund for the Dependent Tuition Assistance Program.** This program provides funding to allow the dependents of deceased or permanently disabled national guardsmen, law enforcement officers, or firefighters to attend college.

### Common Policies (\$1.1 million total funds/\$0 General Fund)

- **\$1.1 million total funds for common policies.** This sum reflects the department impact of statewide common policy increases, and is funded from cash funds, reappropriated funds, and federal funds.

### History Colorado Funding (\$0.5 million Total Funds/Cash Funds)

- **\$0.5 million cash funds mostly from earned revenues.** This increase will assist History Colorado with its business development and public outreach efforts in order to increase the organization's self-sustainability.

Finally, please note that the Department's 11.5 FTE increase is solely attributable to the annualization of 2013 legislation (HB13-1165 Manufacturing Career Pathway). No other FTE increases are sought.



# COLORADO

## Department of Human Services

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

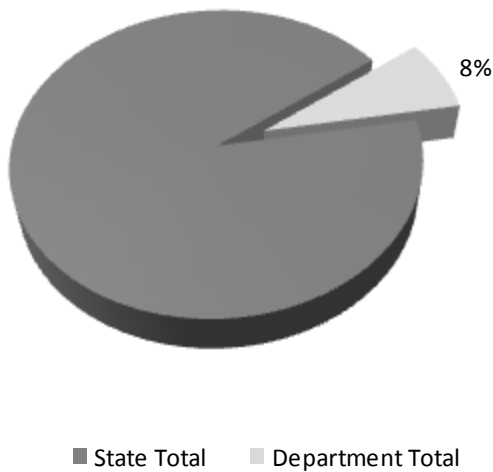
### FY 2014-15 Budget Request Fact Sheet

<u>Department of Human Services</u>				
	<u>FY 2013-14 Appropriation</u>	<u>FY 2014-15 Request</u>	<u>FY 2014-15 Change</u>	<u>Percent Change</u>
Total Funds	\$2,214,378,373	\$1,822,031,372	(\$392,347,001)	-17.7%
General Fund	\$724,844,518	\$744,450,768	\$19,606,250	2.7%
Cash Funds	\$358,900,608	\$330,387,731	(\$28,512,877)	-7.9%
Reappropriated Funds	\$519,799,788	\$132,357,265	(\$387,442,523)	-74.5%
Federal Funds	\$610,833,459	\$614,835,608	\$4,002,149	0.7%
FTE	4874.9	4849.4	(25.5)	-0.5%

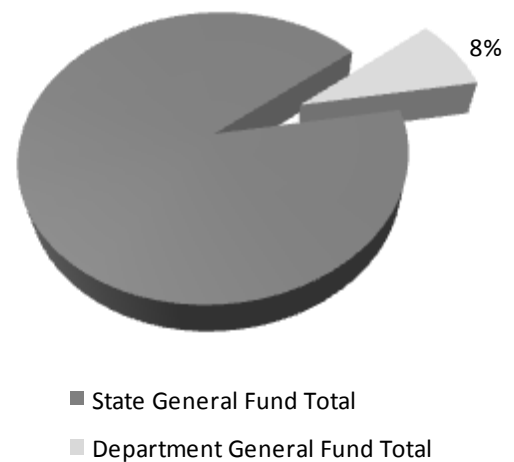
#### Department Description

The Colorado Department of Human Services serves Colorado's most vulnerable populations. It assists struggling Colorado families who need food, cash, and energy assistance to provide for their families; families in need of safe and affordable child care; children at risk of abuse or neglect; families who struggle to provide care for their adult children with developmental disabilities; youth who have violated the law; Coloradans who need effective treatment for mental illness or substance abuse issues; and families who need resources to care for their elderly parents or nursing home care for their veteran parents. The Department of Human Services has approximately 5,000 employees and a budget of \$2.2 billion in FY 2013-14.

**Share of FY15 Statewide Operating Total Funds**



**Share of FY15 Statewide Operating General Fund**



## **Major Factors Affecting the FY 2014-15 DHS Budget**

- The Department of Human Services requests a decrease of \$392.3 million total funds (-17.7 percent) in its FY 2014-15 budget. This includes a \$19.6 million increase (2.7 percent) in General Fund. The decrease results primarily from transferring the developmentally disabled Medicaid waiver programs and associated funding of \$440.7 million total funds (including \$16.8 million General Fund) from the Department of Human Services to the Department of Health Care Policy and Financing. This decrease is then offset by a net increase of \$48.4 million total funds (including \$36.4 million General Fund) for other Department budget requests.
- The Department requests an increase of 12.0 million General Fund for program enhancements to community behavioral health services and to child welfare services. Specifically, the request includes:
  - An increase of \$10.0 million General Fund to *annualize* the costs of the community mental health program enhancement implemented in FY 2013-14, including new community treatment beds and services and the crisis care system. The request also includes \$750,000 to provide grant funding to support mental health first aid training throughout the state.
  - An increase of \$2.0 million General Fund to annualize the costs of the child welfare system.
- The Department requests an increase of \$10.7 million (\$7.4 million General Fund) to provide a 1.5 percent community provider rate increase.
- The Department requests an increase of \$3.6 million (\$3.1 million General Fund) to enhance the quality of early childhood programs. Specifically, the Department requests funding to: (1) allow child care centers be inspected once every eighteen months; (2) provide quality incentive grants to early childhood care centers; and (3) promote an early literacy program.
- The Department requests \$2.6 million General Fund for investments and the Colorado Mental Health Institutes. Specifically, the Department requests funding to: (1) align outside medical cost appropriation with recent expenditures; (2) increase salaries for psychiatrists in order to retain and recruit them to work at the Institutes; and (3) begin design and implementation of an electronic health record and maintain the existing system until the new system is developed.
- The Department is requesting \$1.7 million General Fund for three initiatives to improve services provided in the Division of Youth Corrections. These include expanding parole transition services, improving career training opportunities for youth and providing a trauma-informed system of care. These initiatives will lead to better outcomes for youth and reduce recidivism.
- The Department requests \$1.3 million cash funds provide a 1.5 percent cost of living adjustment (COLA) for the Old Age Pension (OAP) program recipients.
- The Department is requesting \$1.2 million General Fund to extend the Rehire Colorado program, a statewide transitional jobs program, set to expire in December, 2014.
- The Department is requesting \$1.2 million General Fund to fully fund County Tax Base Relief.



# COLORADO

## Judicial and Elected Officials

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

### *FY 2014-15 Budget Request Fact Sheet*

<b>Judicial Department and Elected Officials</b>					
	<b>Judicial</b>	<b>Law</b>	<b>Legislature</b>	<b>Treasury</b>	<b>State</b>
Total Funds	\$580,629,984	\$70,124,044	\$42,142,585	\$445,610,418	\$21,354,449
General Fund	\$408,769,988	\$13,218,611	\$40,341,214	\$118,042,469	\$0
Cash Funds	\$141,620,435	\$12,657,994	\$179,000	\$327,567,949	\$21,354,449
Reappropriated Funds	\$25,814,561	\$42,466,445	\$1,622,371	\$0	\$0
Federal Funds	\$4,425,000	\$1,780,994	\$0	\$0	\$0
FTE	4365.9	447.0	272.6	31.9	138.2

- The Governor does not submit budget requests for the Judicial Department or for the elected officials (Law, Legislature, Treasury, and State). The budgets are directly submitted by those respective departments. However, in order to build the Governor's FY 2014-15 budget, OSPB estimates the costs for those departments in the Governor's overall budget request.
- In estimating the FY 2014-15 costs, OSPB used each department's total FY 2013-14 appropriation plus special bill annualizations to estimate a continuing FY 2014-15 base budget.
- To this base budget estimate, OSPB made additional adjustments. These adjustments include a 3.5 percent increase on the FY 2014-15 continuing base estimate of General Fund subject to the spending provisions of Section 24-75-201.1, C.R.S. This inflator drives a combined General Fund cost of \$15.7 million for these departments. In addition to the inflator, OSPB included estimated common policy costs for each department. Total compensation common policies were estimated using unadjusted July 2013 payroll data that was distributed by the Department of Personnel & Administration (DPA). Operating common policies reflect actual FY 2014-15 allocations provided by DPA and the Governor's Office of Information Technology; fund splits for all common policies were estimated using the FY 2013-14 Long Bill. In total, \$16.4 million total funds and \$12.3 million General Fund was added for the common policy costs for Judicial and the elected officials.
- These estimates do not try to anticipate caseload or other requested increases for the Judicial Department, Law, Legislature, Treasury, or State Department, nor do they represent the official budget for these departments.

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# COLORADO

## Department of Labor and Employment

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

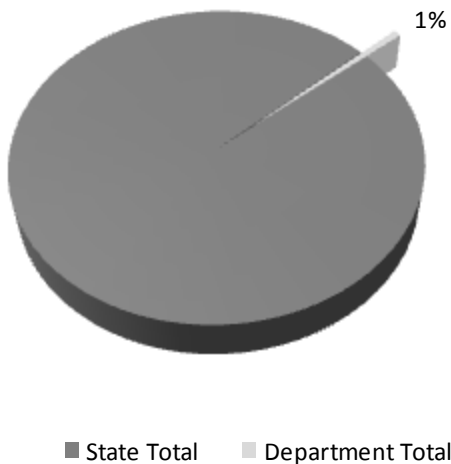
### FY 2014-15 Budget Request Fact Sheet

<b>Department of Labor and Employment</b>				
	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change</b>	<b>Percent Change</b>
Total Funds	\$163,342,035	\$166,039,836	\$2,697,801	1.7%
General Fund	\$98,519	\$265,316	\$166,797	169.3%
Cash Funds	\$65,399,832	\$65,390,011	(\$9,821)	0.0%
Reappropriated Funds	\$650,740	\$650,740	\$0	0.0%
Federal Funds	\$97,192,944	\$99,733,769	\$2,540,825	2.6%
FTE	1012.5	1016.0	3.5	0.3%

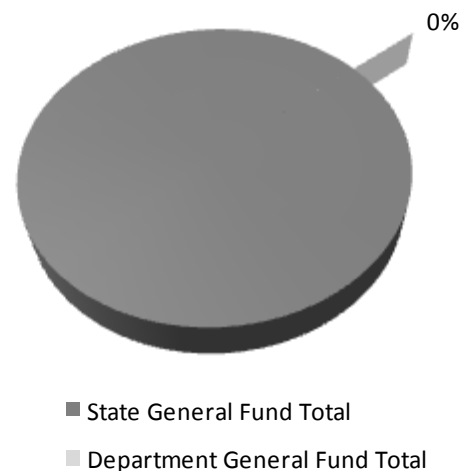
#### Department Description

The Colorado Department of Labor and Employment (CDLE) provides information and tools to help Colorado businesses and workers remain competitive. CDLE is comprised of five main divisions. These include the Division of Labor, which administers Colorado employment and labor laws; the Division of Oil and Public Safety, which is responsible for a variety of regulatory functions related to public health and safety; the Division of Workers' Compensation, which administers and enforces the provisions of the Workers' Compensation Act; the Division of Employment and Training, which includes Workforce Development Programs, the Colorado Workforce Development Council and Labor Market Information; and the newly created Division of Unemployment Insurance.

**Share of FY15 Statewide Operating Total Funds**



**Share of FY15 Statewide Operating General Fund**



## **Major Factors Affecting the FY 2014-15 CDLE Budget**

- Employment and Job Growth Update - Over the past year, Colorado's employment and jobs outlook has improved. From August 2012 to August 2013, Colorado's unemployment rate dropped from 8.0% to 7.0%. Colorado is below the current national unemployment rate of 7.2%. Over this same time period, nonfarm payroll jobs increased by 56,800, private sector payroll jobs increased by 51,800 and government increased by 5,000. The largest private sector job gains were in professional and business services, leisure and hospitality, and construction.
- The Department of Labor Employment is requesting an increase of \$2.7 million total funds (1.7 percent) in its FY 2014-15 budget. This includes a \$0.2 million increase in General Fund.
- The Department does not have any major operating funding requests for FY 2014-15. The increase in the budget will pay for statewide information technology and common policy changes.
- The Department is requesting \$5.9 million cash funds through the Capital Construction process to modernize the claims system used to provide benefits to injured workers under The Workers' Compensation Act of Colorado. The current system used is 23-year old and does not meet current demands. Funding will come from the Workers' Compensation Cash Fund with no anticipated fee or surcharge rate increase as a result of this request.





# COLORADO

## Department of Local Affairs

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

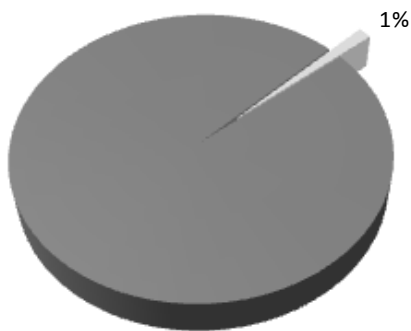
### FY 2014-15 Budget Request Fact Sheet

<u>Department of Local Affairs</u>				
	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change</b>	<b>Percent Change</b>
Total Funds	\$305,205,047	\$311,009,001	\$5,803,954	1.9%
General Fund	\$17,698,568	\$23,276,832	\$5,578,264	31.5%
Cash Funds	\$208,920,557	\$209,056,160	\$135,603	0.1%
Reappropriated Funds	\$8,629,582	\$8,651,460	\$21,878	0.3%
Federal Funds	\$69,956,340	\$70,024,549	\$68,209	0.1%
FTE	164.3	168.8	4.5	2.7%

#### Department Description

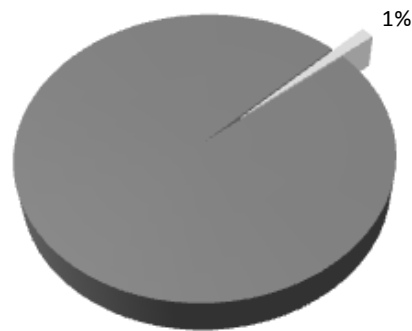
The Department of Local Affairs (DOLA) serves as the State agency link between the State and local communities. DOLA provides training, technical assistance and financial support to local communities and community leaders. Financial resources are made available to communities either through statutory formula distributions or through grants at the discretion of the Executive Director with guidance from citizen boards. Roughly 90 percent of the Department's annual budget is invested directly in local communities in the form of grants or low interest loans. DOLA provides assistance through equitable and consistent implementation of property tax laws; financial support for community needs; and safe, affordable housing.

**Share of FY15 Statewide Operating Total Funds**



■ State Total ■ Department Total

**Share of FY15 Statewide Operating Total Funds**



■ State Total ■ Department Total

## **Major Factors Affecting the FY 2014-15 DOLA Budget**

- The Department of Local Affairs is requesting an increase of \$5.8 million total funds (1.9 percent) in its FY 2014-15 budget. This includes a \$5.6 million increase (31.5 percent) in General Fund.
- The Department is requesting to refinance \$72,936 Cash Fund spending authority with General Fund in FY 2014-15. Revenues for the Board of Assessment Appeals (BAA) Cash Fund, enacted by S.B. 13-146, are projected to be lower in FY 2014-15; as a result, this refinancing is needed for the program to operate at current levels. Refinancing \$72,936 from Cash to General Fund will allow the BAA to maintain and improve on the timeliness of appeal resolution for taxpayers.
- The Department is requesting \$4.0 million General Fund for the Housing Development Grant (HDG) fund, and \$186,869 General Fund and 2.7 FTE for the development of an estimated 800 additional affordable rental housing units per year. The demand for affordable housing far exceeds the available financial resources the State can provide in housing given the growing disparity between housing cost and household income. This request puts the most immediate goal of Colorado's plan to end homelessness, Pathways Home Colorado (PHC) within reach: to end homelessness for veterans and chronically homeless individuals.
- The Department requests a reorganization of the Long Bill items for the Division of Housing (DOH) to increase transparency and more accurately reflect the DOH's current business model. The current Long Bill structure does not accurately reflect the State of Colorado's consolidation efforts and how DOH operates and administers its budget, and no longer aligns with or supports the DOH business model, which is more regionally focused. This is a cost-neutral request.
- The Department is requesting \$4,000 Reappropriated Fund spending authority in FY 2014-15 and ongoing to expend funds received from the Office of Economic Development and International Trade (OEDIT) when the two agencies partner to provide community assessments. Providing DOLA with spending authority to receive and distribute funds from OEDIT reduces the burden on communities when accepting funds for the assessments, ensures smoother service delivery, and reduces the administrative work at local and State levels.
- The Department is requesting \$50,000 in Cash Fund spending authority to provide Geothermal Energy Impact Grants to impacted local governments, primarily for use in planning for and providing facilities and services necessitated by geothermal resource development and production pursuant to Section 34-63-105, C.R.S. The Department has adopted policies and procedures incorporating Geothermal Resource grant applications and awards into the existing Energy Impact Assistance Grant Program. Prior to making awards, the Department will consult with the Colorado Energy Office and seek their input on the projects.



**COLORADO**  
 Department of Military and  
 Veterans Affairs

John W. Hickenlooper  
 Governor

Henry Sobanet  
 Director, OSPB

November 1, 2013

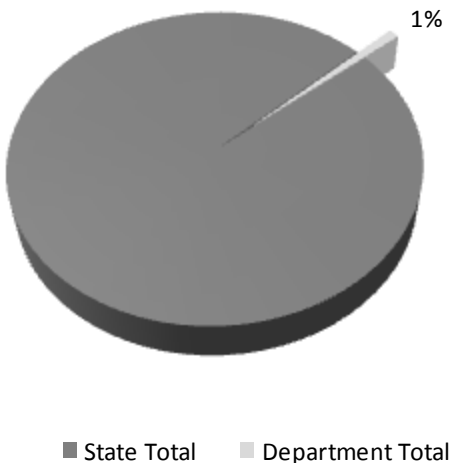
**FY 2014-15 Budget Request Fact Sheet**

<u>Department of Military and Veterans Affairs</u>				
	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change</b>	<b>Percent Change</b>
Total Funds	\$223,858,252	\$224,619,336	\$761,084	0.3%
General Fund	\$7,378,715	\$7,862,091	\$483,376	6.6%
Cash Funds	\$1,239,695	\$1,246,093	\$6,398	0.5%
Reappropriated Funds	\$800,000	\$800,000	\$0	0.0%
Federal Funds	\$214,439,842	\$214,711,152	\$271,310	0.1%
FTE	1389.6	1390.8	1.2	0.1%

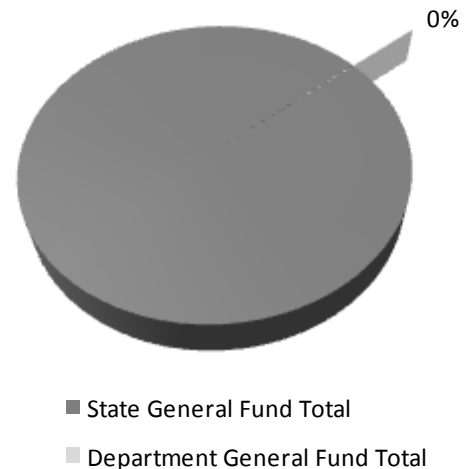
*Department Description*

The Department of Military and Veterans Affairs provides assistance and protection in the event of emergencies and disasters for the citizens of Colorado, provides assistance for Colorado veterans, and houses the state’s Civil Air Patrol. The National Guard maintains a ready military force that can augment the active duty military, and is available to the State for assistance during emergencies and disasters.

**Share of FY15 Statewide  
 Operating Total Funds**



**Share of FY15 Statewide  
 Operating General Fund**



## **Major Factors Affecting the FY 2014-15 DMVA Budget**

- The Department of Military and Veterans Affairs is requesting an increase of \$761,084 total funds (0.3 percent) in its FY 2014-15 budget. This includes a \$483,376 increase (6.6 percent) in General Fund.
- The Department is requesting \$45,547 General Fund and 0.9 FTE for FY 2014-15 to provide grounds keeping and overall facility maintenance and repair for the Veterans Memorial Cemetery in Grand Junction. Previously the cemetery has utilized seasonal employee(s) during the growing season; however, with 12 years of growth and winter snow and ice removal, support is required year round to ensure cemetery requirements are met. The new position will support the growth in interments by providing grounds keeping, snow and ice removal, grave support, and maintenance of equipment and systems. This will allow the cemetery to maintain service to Colorado's veterans and families, appearance standards, and utilization of the cemetery.
- The Department is requesting a capital appropriation of \$4,335,672 to expand the current capability of the Veterans Memorial Cemetery and provide for burial operations through FY 2024-25 and beyond. Specifically, the request includes funding for an expansion of columbaria; additional above-ground niches, single vaults and double vaults; a square footage increase for the administration building and equipment storage; improvements to the irrigation system; renovations to road surfaces; and the one-time replacement of maintenance equipment. This request benefits Colorado's veterans and their families on the Western Slope that envision this cemetery as their final resting place.
- The Department is requesting a \$277,000 General Fund increase to provide additional operations and maintenance funds for facility maintenance and repair projects, operating expenses, and utilities for the Executive Director's Office and the Colorado Army National Guard. Prior General Fund reductions are impacting the Department's ability to receive matching federal funds in order to cost share projects and maintain facilities, pay utilities, and have funds available for administrative and travel expenses. This request will partially restore the 19.1 percent reduction in General Fund from the Operating Expenses budget that was enacted through H.B. 10-1308, which reduced the line item to help balance the State's budget during the Great Recession. Additional funding will enhance the Department's ability to sustain and repair facilities, share in split projects and utilities, and provide funds for general administrative operating expenses.



# COLORADO

## Department of Natural Resources

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

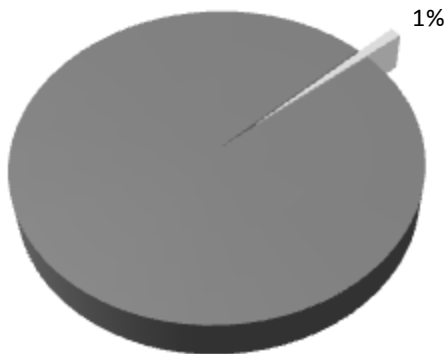
### FY 2014-15 Budget Request Fact Sheet

<b>Department of Natural Resources</b>				
	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change</b>	<b>Percent Change</b>
Total Funds	\$277,509,241	\$243,122,396	(\$34,386,845)	-12.4%
General Fund	\$24,978,508	\$25,875,846	\$897,338	3.6%
Cash Funds	\$215,177,148	\$180,787,502	(\$34,389,646)	-16.0%
Reappropriated Funds	\$8,774,311	\$8,025,565	(\$748,746)	-8.5%
Federal Funds	\$28,579,274	\$28,433,483	(\$145,791)	-0.5%
FTE	1438.8	1442.5	3.7	0.3%

#### Department Description

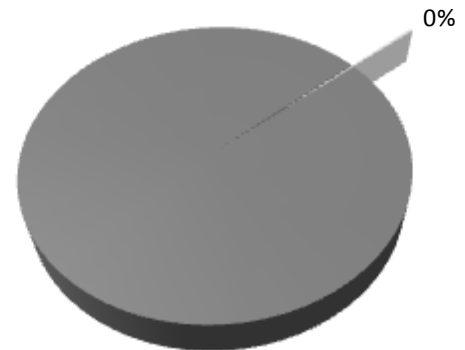
The Colorado Department of Natural Resources (DNR) is responsible for the management of the water, land, wildlife, minerals and energy, oil & gas, state trust lands, and outdoor recreation resources of the State. Its mission is to develop, preserve, and enhance Colorado's natural resources for the benefit and enjoyment of current and future citizens and visitors. This includes use or access to some resources, promotion of the responsible development of select resources, and the protection or preservation of other resources.

**Share of FY15 Statewide Operating Total Funds**



■ State Total    ■ Department Total

**Share of FY15 Statewide Operating General Fund**



■ State General Fund Total  
■ Department General Fund Total

## **Major Factors Affecting the FY 2014-15 DNR Budget**

- The Department of Natural Resources is requesting a decrease of \$34.4 million total funds (-12.4 percent) in its FY 2014-15 budget. This includes a \$900,000 increase (3.6 percent) in General Fund. The Department's FY 2014-15 request reflects a reduction of \$36.3 million Cash Funds associated with one-time funding provided in FY 2013-14 for water projects through S.B. 13-181 and for species conservation projects through H.B. 13-1283.
- The Department is requesting \$280,203 General Fund and 3.7 FTE for the Division of Water Resources (DWR) to assist in water administration statewide. The Department faces increasing water right allocation demands caused by new groundwater use rules in the Rio Grande basin, new well metering rules that necessitate additional stream flow information in the South Platte River basin, and the need to coordinate data collected statewide by field personnel.
- The Department is requesting an increase of \$327,888 Cash Funds from the Oil and Gas Conservation and Environmental Response Fund for the Oil and Gas Conservation Commission (OGCC) to effectively process regulatory and enforcement actions within the oil and gas industry. The OGCC currently uses 3,600 legal hours to support hearing and enforcement, but due to the significant growth in active wells throughout the State, the OGCC requires an additional 3,600 hours to strengthen the agency's enforcement process and allow for more timely enforcement of rule violations.
- The Department requests an ongoing adjustment to replace \$352,881 Federal Funds with severance tax revenue in order to sustain the Division of Reclamation, Mining and Safety (DRMS) Coal Regulatory Program through federal budget reductions. The Program is responsible for permitting and regulating coal mines in order to protect health and safety, and to ensure reclamation of surface acreage. Current funding for the program is 79 percent Federal Funds and 21 percent Cash Funds. There is no net fiscal impact for this request.
- The Department is requesting a reorganization of the Division of Parks and Wildlife (DPW) Long Bill line item structure to reflect the Division's new organizational structure. Pursuant to S.B. 11-208, the formerly separate Divisions of State Parks and Wildlife were merged into the Division of Parks and Wildlife. The request includes the elimination of the Wildlife Commission Discretionary Fund line item, resulting in decreased appropriations of \$160,000 Cash Funds.
- The Department is requesting \$29,503 General Fund for the Division of Water Resources to acquire three vehicles and one set of well measuring equipment for the South Platte well measurement and enforcement team. The team uses vehicles to transport well measurement equipment for investigation, measuring, compliance testing, and calibration of flow meters pursuant to the South Platte Measurement Rules. The rules were promulgated in March 2013 and become effective December 31, 2013. All three vehicles will be bi-fuel with the capability to use compressed natural gas (CNG).
- The Department is requesting a reduction to its Leased Space line item totaling \$120,158, which includes a \$36,715 General Fund increase, a \$158,743 Cash Funds reduction, and an increase of \$1,870 Federal Funds. The request allows the Department to "true up" its leased space expenditures and ensure that the Department remains accessible to the public.



# COLORADO

Department of Personnel & Administration

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

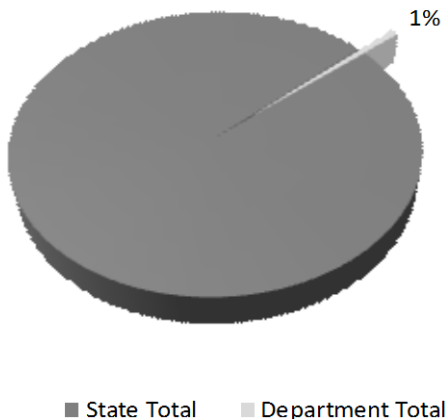
## FY 2014-15 Budget Request Fact Sheet

<u>Department of Personnel and Administration</u>				
	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Change	Percent Change
Total Funds	\$174,205,986	\$175,718,585	\$1,512,599	0.9%
General Fund	\$9,131,974	\$8,544,798	(\$587,176)	-6.4%
Cash Funds	\$13,628,813	\$13,272,224	(\$356,589)	-2.6%
Reappropriated Funds	\$151,445,199	\$153,901,564	\$2,456,365	1.6%
Federal Funds	\$0	\$0	\$0	--
FTE	392.6	386.1	(6.5)	-1.7%

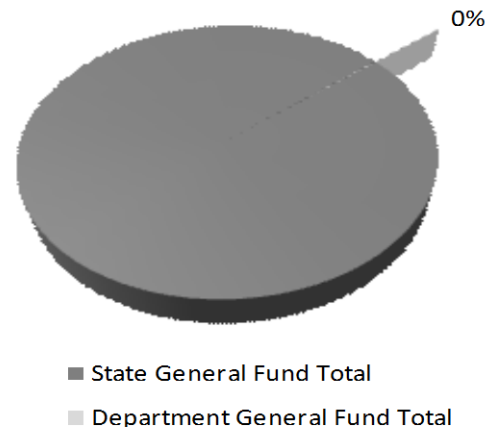
### Department Description

The Department of Personnel and Administration (DPA) provides centralized services to State agencies that are necessary for the operation of Colorado State government. These services include: supporting and maintaining the integrity of the State personnel system; managing the State's insurance pool; providing management, monitoring, and oversight of the State's financial and purchasing operations; providing administrative law judge services statewide; developing statewide total compensation and operating expense policies common to all departments; and providing statewide central services such as travel, mail, data entry, reprographics, facility maintenance and fleet.

Share of FY15 Statewide Operating Total Funds



Share of FY15 Statewide Operating General Fund



## **Major Factors Affecting the FY 2014-15 DPA Budget**

- The Department of Personnel & Administration is requesting an increase of \$1.5 million total funds (0.9 percent) in its FY 2014-15 budget. This includes a \$0.6 million reduction (-6.4 percent) in General Fund.
- The Department is requesting \$300,000 General Fund to contract with a consultant to conduct a custom compensation market study and benefit market analysis report on a biennial basis. A recent Annual Compensation Report (FY 2012-13) raised issues with employees, HR Offices, agency leaders and DPA regarding the effectiveness and accuracy of the salary surveys and data, as well as the ability to compare positions to other employers within the State. An external vendor will provide a number of benefits to the State, including the implementation of audit recommendations, creating a more reliable Annual Compensation Report, and allowing the Division of Human Resource staff to perform other duties that should be addressed per industry standard.
- The Department is requesting \$142,235 General Fund in FY 2014-15 to support the implementation of an updated Transparency Online Project (TOP) system. With the implementation of the new State accounting system, Colorado Operations Resource Engine (CORE), starting in FY 2014-15, the legacy State accounting system (COFRS) and the Financial Data Warehouse (FDW) will no longer record and report on State expenditure and revenue data. As a result, the current TOPs website will no longer function. The new TOP system will allow the State to continue to provide accessible, accurate financial data to the public, and continue to uphold its commitment to open, transparent government through the implementation of a dedicated system to ensure increased transparency to its citizens.
- The Department is requesting \$389,022 Cash Fund spending authority for FY 2014-15 to hire 3.6 temporary staff in the Central Collection Services (CCS) unit to support the increased volume of accounts collected. Recent managerial, programmatic, and systems changes within CCS have increased the volume of accounts assigned to the program, resulting in a much greater workload as well as significantly higher collections over the past few years. Temporary staff will address the increasing workload volumes, expedite collections rates and timeframes, and improve customer service delivery. The request also includes a permanent increase in operating funding.
- Department is requesting \$60,308 General Fund for FY 2014-15 to hire temporary staff (the equivalent of 1.4 FTE at the Administrative Assistant II level) to address the expanding caseload in the Address Confidentiality Program (ACP). The ACP enrolls an average of 51.1 new participants per month, each of which requires a 23 step enrollment process. The program does not have sufficient staff to handle this level of growth. Temporary staff will address the needs of the ACP's expanding caseload and enable the program to maintain or increase its ability to sort and forward mail, process incoming applicants, and perform the outreach required of a statewide program until the ACP is able to assess its permanent resource needs.





# COLORADO

## Department of Public Health and Environment

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

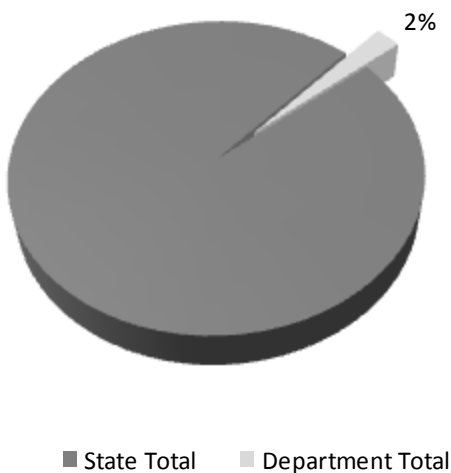
### FY 2014-15 Budget Request Fact Sheet

<u>Department of Public Health and Environment</u>				
	<u>FY 2013-14 Appropriation</u>	<u>FY 2014-15 Request</u>	<u>FY 2014-15 Change</u>	<u>Percent Change</u>
Total Funds	\$524,078,332	\$553,808,958	\$29,730,626	5.7%
General Fund	\$53,402,747	\$50,211,598	(\$3,191,149)	-6.0%
Cash Funds	\$149,737,005	\$157,546,976	\$7,809,971	5.2%
Reappropriated Funds	\$29,677,710	\$47,811,431	\$18,133,721	61.1%
Federal Funds	\$291,260,870	\$298,238,953	\$6,978,083	2.4%
FTE	1241.3	1242.3	1.0	0.1%

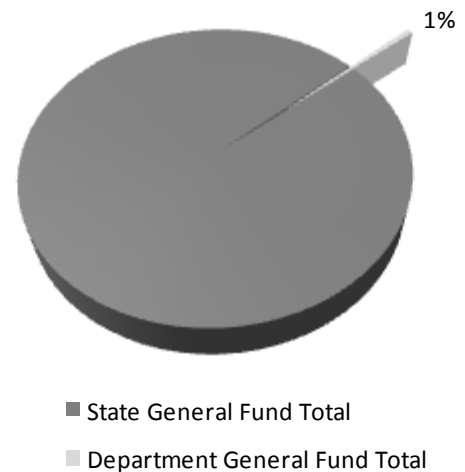
#### Department Description

The Department of Public Health and Environment is comprised of 11 divisions. These divisions are organized into three groups: 1) Administration and Support; 2) Environmental Programs consisting of the Air Pollution Control Division, Water Quality Control Division, Hazardous Materials and Waste Management Division; and 3) Environmental Health and Sustainability. Health Programs include the Center for Health and Environmental Information, Laboratory Services, Disease Control and Environmental Epidemiology, Prevention Services, Health Facilities and EMS, and the Office of Emergency Preparedness and Response. The Department of Public Health and Environment's mission is to protect and improve the health of Colorado's people and the quality of its environment.

**Share of FY15 Statewide Operating Total Funds**



**Share of FY15 Statewide Operating General Fund**



## **Major Factors Affecting the FY 2014-15 CDPHE Budget**

- The Department of Public Health and Environment is requesting an increase of \$29.7 million total funds (5.7 percent) in its FY 2014-15 budget. This includes a \$3.2 million decrease (-6.0 percent) in General Fund.
- The Department is requesting \$7.1 million from the Medical Marijuana Cash Fund and 1.0 FTE to issue grants to conduct research on the health effects of marijuana on various diseases and disorders. Certain disorders, such as post-traumatic stress disorder or seizure disorder may respond well to medical marijuana, but there is little scientific research available to support this claim at this time. In addition, the funding may be used to research any potential negative health impacts of medical marijuana, such as the impact on brain development in the pediatric population. The Medical Marijuana Cash Fund will still have a sufficient balance of approximately \$6.0 million to administer the program and fund other potential initiatives once this request is funded.
- The Department is requesting \$12 million General Fund in flexible funding for local communities to improve wastewater and drinking water infrastructure in the state and to help communities meet water nutrients standards. This funding will help communities throughout the state improve and/or rebuild their infrastructure, including those impacted by the September 2013 floods. It will both protect the public health of Coloradoans by improving water standards and will assist with overall recovery efforts throughout the state.
- The Department is requesting \$69,452 reappropriated funds and 1.0 FTE to create a centralized contract compliance position within the Department. This position will be responsible for creating a standardized risk-based monitoring process, including developing standardized policies, procedures and training for the entire Department. The Department is requesting this in response to two recent State audit findings related to its contract monitoring process, which called for stronger monitoring activities.



# COLORADO

## Department of Public Safety

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

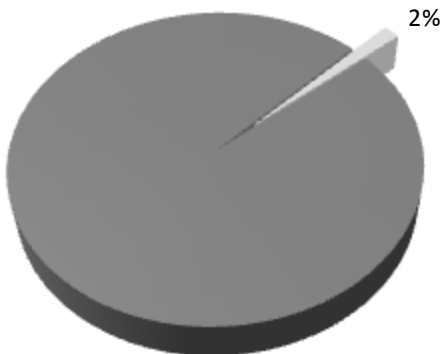
### FY 2014-15 Budget Request Fact Sheet

<b>Department of Public Safety</b>				
	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change</b>	<b>Percent Change</b>
Total Funds	\$343,086,267	\$355,941,459	\$12,855,192	3.7%
General Fund	\$97,396,503	\$99,256,965	\$1,860,462	1.9%
Cash Funds	\$164,734,328	\$175,970,508	\$11,236,180	6.8%
Reappropriated Funds	\$25,776,057	\$25,964,904	\$188,847	0.7%
Federal Funds	\$55,179,379	\$54,749,082	(\$430,297)	-0.8%
FTE	1616.1	1634.7	18.6	1.2%

#### Department Description

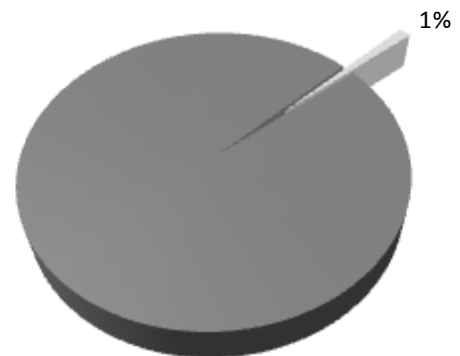
The mission of the Colorado Department of Public Safety is to provide a safe environment in Colorado by maintaining, promoting, and enhancing public safety through law enforcement, criminal investigations, fire and crime prevention, emergency management, recidivism reduction, and victim advocacy. The Department also provides professional support of the criminal justice system, fire safety and emergency response communities, other governmental agencies, and private entities. The Department's goal is to serve the public through an organization that emphasizes quality and integrity.

**Share of FY15 Statewide Operating Total Funds**



■ State Total    ■ Department Total

**Share of FY15 Statewide Operating General Fund**



■ State General Fund Total  
■ Department General Fund Total

## **Major Factors Affecting the FY 2014-15 CDPS Budget**

- The Department of Public Safety is requesting an increase of \$12.9 million total funds (3.7 percent) in its FY 2014-15 budget. This includes a \$1.8 million increase (1.9 percent) in General Fund.
- **Lease space and equipment:** The Department is requesting an increase of \$417,760 General Fund to provide ongoing funding for a 20-30 year capital lease-purchase agreement, and operating expenses, for the relocation of the Colorado Bureau of Investigation (CBI) Pueblo Regional Forensic Laboratory and Investigative Office. The CBI risks losing laboratory accreditation given the current facility's several health and safety concerns, and the landowner has not indicated a desire to renew the lease on the existing facility; loss of a facility in the Pueblo region will negatively impact evidence integrity and investigation turnaround times throughout the southern region. The Department is also requesting \$1,343,900 HUTF "Off-the-Top" to acquire 356 portable radios for the Colorado State Patrol. Existing radios do not meet interoperability standards and the age of the radios makes them difficult to repair when radio failure occurs.
- **Wildland Fire Management:** The Department is requesting an appropriation of \$4,150,000 Cash Funds from the proceeds of insurance premium taxes to the Wildfire Preparedness Fund (WPF) for the ongoing funding of wildfire suppression functions within the Division of Fire Prevention and Control (DFPC). Longer and more complex fire seasons have also necessitated the Department to request an additional \$622,004 General Fund and 7.3 FTE to support DFPC state fire engine staffing; the State Engine Program provides assistance to local jurisdictions when wildfires exceed local capabilities.
- **Intelligence and Cyber Crime:** The Department is requesting \$656,134 General Fund to ensure continued operation of the Colorado Information Analysis Center (CIAC), Colorado's Fusion Center for intelligence from federal intelligence agencies to local police departments. The Department is also requesting \$489,074 General Fund and 2.7 FTE to create a Cyber Crime Task Force with the Governor's Office of Information Technology (OIT). The Task Force will complement OIT's Secure Colorado security infrastructure by investigating attacks and prosecuting hackers.
- **Community Corrections Evidence-Based Practices implementation and provider rate increase:** The Department is requesting \$240,460 General Fund and 2.8 FTE for implementation and compliance monitoring of Evidence-Based Practices (EBP) under the Division of Criminal Justice Office of Community Corrections (OCC); implementing EBP requires additional training and data analysis, as well as increased coordination with federal standards. The Division is also requesting \$859,630 General Fund to account for a 1.5 percent community provider rate increase, which includes the Community Corrections Providers who contract with the Department of Public Safety.
- **CSP special event enforcement:** The Department is requesting a one-time increase of \$178,020 HUTF to support 43 members of the Colorado State Patrol to provide traffic enforcement and accident investigation for the 2015 World Alpine Ski Championship.



November 1, 2013

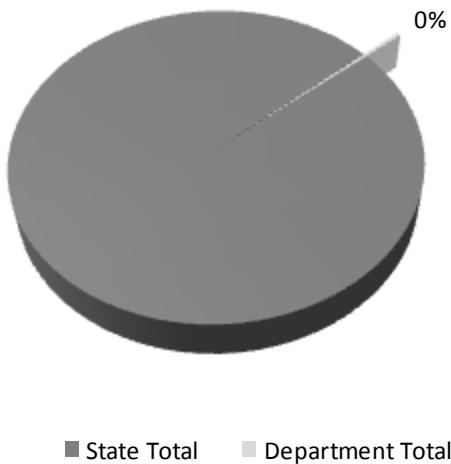
**FY 2014-15 Budget Request Fact Sheet**

<u>Department of Regulatory Agencies</u>				
	<u>FY 2013-14 Appropriation</u>	<u>FY 2014-15 Request</u>	<u>FY 2014-15 Change</u>	<u>Percent Change</u>
Total Funds	\$81,184,712	\$84,220,355	\$3,035,643	3.7%
General Fund	\$1,703,494	\$1,774,345	\$70,851	4.2%
Cash Funds	\$73,652,864	\$76,486,826	\$2,833,962	3.8%
Reappropriated Funds	\$4,504,371	\$4,643,065	\$138,694	3.1%
Federal Funds	\$1,323,983	\$1,316,119	(\$7,864)	-0.6%
FTE	572.7	580.6	7.9	1.4%

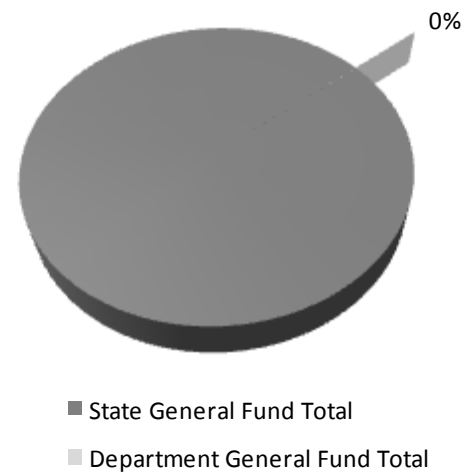
*Department Description*

The Colorado Department of Regulatory Agencies protects the citizens of Colorado from fraudulent or dangerous businesses and professionals by regulating state-chartered financial institutions, public utilities, insurance providers, and a host of professional occupations, and it enforces state civil rights laws. The Department is primarily cash funded by regulated entities and collects fees from professional licensing, registration, and public utilities, which are set based on legislative appropriations specific to operating and regulatory oversight expenses.

**Share of FY15 Statewide  
 Operating Total Funds**



**Share of FY15 Statewide  
 Operating General Fund**



## **Major Factors Affecting the FY 2014-15 DORA Budget**

- The Department of Regulatory Agencies is requesting an increase of \$3.04 million total funds (3.7 percent) in its FY 2014-15 budget. This includes a \$71,000 increase (4.2 percent) in General Fund.
- The Department requests a reallocation of \$7,017 Cash Funds from Operating Expenses to Vehicle Lease Payments to add two additional sedans to the Public Utilities Commission fleet. One vehicle will be added to the Investigations and Compliance Unit of the Motor Carrier Safety Program, and one to the Gas Pipeline Safety Section. Respectively these programs regulate motor carriers, conduct hundreds of safety audits, and complete on-site inspections and incident inspections for a vast network of existing and newly constructed gas pipelines. The additional vehicle per team will enable inspectors to meet performance targets and ensure the safety of motor carrier customers and energy professionals and consumers who would be harmed by pipeline accidents.
- The Department proposes to reduce authorized Cash Fund spending authority by \$30,000 in the Division of Financial Services' Operating Expenses line item. Although total assets under the Division's supervision continue to increase, the number of credit unions has declined in recent years due to industry consolidation. Industry consolidation requires fewer out-of-town trips for Division staff, reducing the need for overnight travel funding for field staff. The Division presently has an Operating Expenses appropriation of \$161,788, and has reverted an average of 35 percent (\$57,000) of this funding over the last three years.



# COLORADO

## Department of Revenue

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

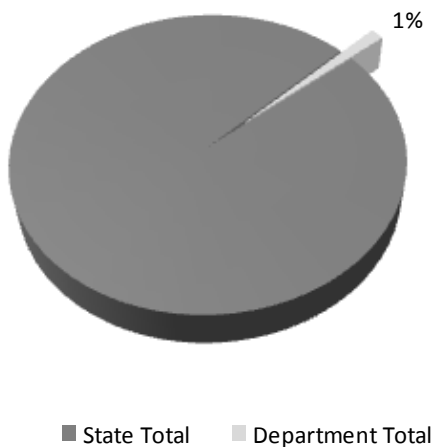
### FY 2014-15 Budget Request Fact Sheet

<u>Department of Revenue</u>				
	<b>FY 2013-14 Appropriation</b>	<b>FY 2014-15 Request</b>	<b>FY 2014-15 Change</b>	<b>Percent Change</b>
Total Funds	\$302,095,503	\$310,646,931	\$8,551,428	2.8%
General Fund	\$77,856,804	\$89,482,563	\$11,625,759	14.9%
Cash Funds	\$218,345,598	\$215,059,783	(\$3,285,815)	-1.5%
Reappropriated Funds	\$5,068,713	\$5,280,197	\$211,484	4.2%
Federal Funds	\$824,388	\$824,388	\$0	0.0%
FTE	1241.7	1291.1	49.4	4.0%

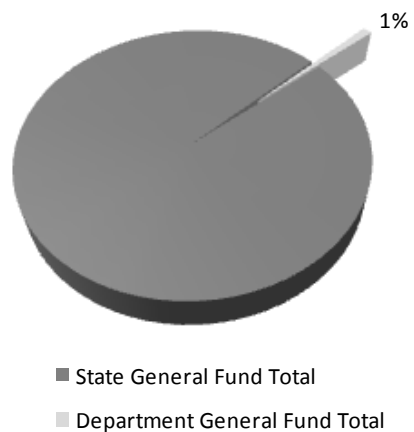
#### Department Description

The Department of Revenue’s mission is to provide quality service to customers in fulfillment of its fiduciary and statutory responsibilities while instilling public confidence through professional and responsive employees. The Department’s key responsibilities are to (1) administer, audit, and enforce taxes, fees, and licenses covered under Colorado’s laws, including the collection and distribution of more than \$12.5 billion annually; (2) issue driver licenses and identification cards, oversee the statewide vehicle titling and registration system, maintain driver records, and enforce the State’s auto emissions program through the Division of Motor Vehicles; (3) regulate individuals and entities in the liquor, tobacco, gaming, racing, auto, and marijuana industries through the Enforcement Business Group; and (4) administer the Colorado Lottery.

**Share of FY15 Statewide Operating Total Funds**



**Share of FY15 Statewide Operating General Fund**



## **Major Factors Affecting the FY 2014-15 DOR Budget**

- The Department of Revenue is requesting an increase of \$8.6 million total funds (2.8 percent) in its FY 2014-15 budget. This includes an increase of \$11.6 million (14.9 percent) in General Fund.
- The Department of Revenue is proposing a financing strategy for the Division of Motor Vehicles (DMV) that includes both budget and legislative initiatives. The Department requests a one-time General Fund appropriation totaling \$6,200,000 with a corresponding decrease of \$3,900,000 Cash Funds. This request includes \$3,900,000 to finance the structural deficit in the Licensing Services Cash Fund (LSCF), and \$2,300,000 is to ensure an adequate fund balance in the LSCF. This request provides one-time funding until the current financing structure for the DMV expires on June 30, 2015 per 42-2-114 C.R.S., at which time a more permanent financing plan would be necessary.
- The Department requests \$5,005,527 General Fund and 52.0 FTE to provide enhanced customer service at 36 state driver license offices. Specifically, the Department requests the following funding:
  - \$2,675,922 General Fund and 52.0 FTE to reduce wait times at driver license offices by nearly 20 minutes, and to reduce the percentage of customers experiencing service times of more than one hour to 25 percent, by providing the following: (1) 18.0 FTE to enhance coverage during high volume hours; (2) 15.0 FTE to provide concierge-type service and direct customer service; (3) 11.0 FTE to increase staff in regional offices to provide a floating “rapid response” capability; (4) 4.0 FTE to provide effective training management and oversight; and (5) 4.0 FTE to expand office hours in one metro Denver office.
  - \$1,492,103 General Fund for the expansion of the Wait Less queuing and data management technology to 43 driver license offices statewide. This system reduces customer waiting by providing an office management system to measure and manage the efficiency of driver license operations. The system collects vital data regarding wait times and transaction times, provides statistical information, and provides online appointment scheduling.
  - \$837,502 General Fund to finance salary increases associated with reclassifying 226 Driver License Examiner positions to the Technician class series and reclassifying regional managers to the GP V classification. These reclassifications reflect a higher level of decision making, complexity, and overall duties currently being performed. The goal of this request is to minimize turnover resulting in enhanced customer service by reducing wait times in driver license offices, increasing the amount of time managers spend on more value added activities such as customer service rather than training new hires, and contributing to a more stable, experienced, and knowledgeable workforce. Over the last five years, the average turnover rate of Driver License Examiner positions is nearly double the turnover rate of the classified state workforce and of the Department.
- The Department requests \$863,218 General Fund to replace IT-related cabling in the Capitol Annex at 1375 Sherman. The existing cabling is Category-3 and was installed in the early 1990s and is only capable of transmitting data at speeds up to 10 megabits per second. This request funds the installment of Category-5 cabling, which will transmit data at speeds of at least 10 times faster than existing cabling. With increased network speeds and performance, the Department can take full advantage of the State’s investment in the new GenTax and Tax Pipeline systems and enhance utilization of other critical applications.





# COLORADO

## Department of Transportation

November 1, 2013

John W. Hickenlooper  
Governor

Henry Sobanet  
Director, OSPB

### FY 2014-15 Budget Request Fact Sheet

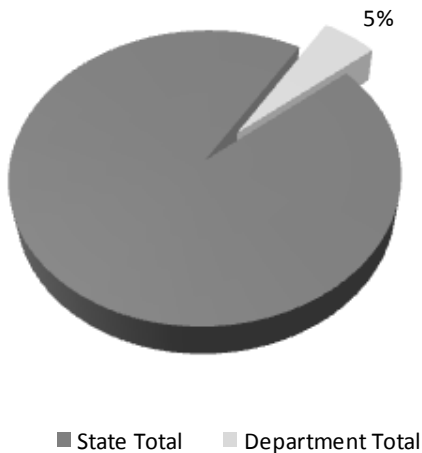
<u>Department of Transportation</u>				
	<u>FY 2013-14 Appropriation</u>	<u>FY 2014-15 Request</u>	<u>FY 2014-15 Change</u>	<u>Percent Change</u>
Total Funds	\$1,267,747,364	\$1,282,992,152	\$15,244,788	1.2%
General Fund	\$0	\$0	\$0	--
Cash Funds	\$759,829,076	\$748,891,518	(\$10,937,558)	-1.4%
Reappropriated Funds	\$19,775,304	\$19,775,304	\$0	0.0%
Federal Funds	\$488,142,984	\$514,325,330	\$26,182,346	5.4%
FTE	3317.5	3326.8	9.3	0.3%

#### Department Description

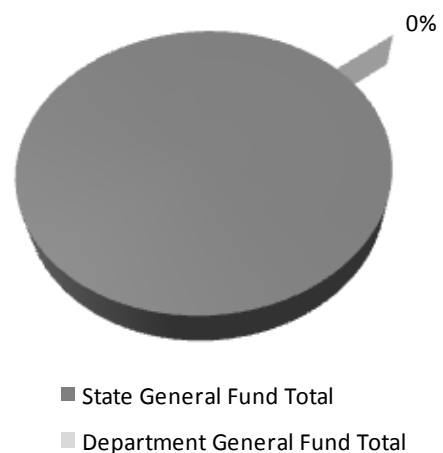
The Colorado Department of Transportation (CDOT) is the cabinet department that plans for, operates, maintains, and constructs the state-owned transportation system, including state highways and bridges. The Department coordinates modes of transportation and integrates governmental functions in order to reduce the costs incurred by the state and the public in transportation matters.

The state's transportation system is managed by CDOT under the direction of the Colorado Transportation Commission, composed of eleven members who represent specific districts. Each commissioner, appointed by the Governor and confirmed by the Senate, serves a four-year term. The commission directs policy and adopts departmental budgets and programs.

**Share of FY15 Statewide Operating Total Funds**



**Share of FY15 Statewide Operating General Fund**



## Major Factors Affecting the FY 2014-15 CDOT Budget

- The Department of Transportation is requesting an increase of \$15.2 million total funds (1.2 percent) in its FY 2014-15 budget. The Department is not requesting any General Fund in this budget.
- **Flood Recovery:** Flooding of historic proportion in September 2013 severely damaged the transportation infrastructure in multiple regions of Colorado. More than 30 highways at one point were closed due to infrastructure damage, destruction, or water standing on the highways. The flooding was the largest natural disaster affecting Colorado infrastructure since the 1965 South Platte flood. As of late October, approximately 120 bridges had been identified as needing repair. The Governor and CDOT created a CDOT Infrastructure Recovery Force to provide temporary access and passings by Dec. 1, 2013 to the affected components of the state highway system.
- **Portfolio, Cash, and Program Management:** The Portfolio, Cash, and Program Management initiative provides the management infrastructure to implement the cash-based programming and budgeting that makes possible the accelerated funding for construction related to the five-year Responsible Acceleration of Maintenance and Partnerships program (see the following bullet point for additional information about RAMP). The initiative also provides management for scheduling and monitoring the one-time, 50 percent increase in the total capital construction program using the new cash-based programming and budgeting methodology.
- **Responsible Acceleration of Maintenance and Partnerships (RAMP):** With its move to a new cash-management system for programming and budgeting, CDOT will begin funding multi-year projects based on year of expenditure. In contrast, current practice requires that the Department saves up for the full amount of a project before construction begins, meaning that money can often sit unspent when it could be used sooner. The new cash-management system provides CDOT the opportunity to develop the RAMP funding program, supported by accelerated funding for project construction of about \$1.5 billion total. This acceleration in construction activity is one-time and from existing, already encumbered dollars, not new funding sources or new transportation revenues. RAMP Partnership and Operations projects were approved by the Transportation Commission in October 2013.
- **Asset Management Focus:** CDOT's first Risk-Based Asset Management Plan is scheduled to be introduced before January 2014. The plan will focus on efficient and effective preservation of the transportation system using a risk-based/lowest lifecycle cost approach to assets including bridges, pavement, maintenance assets, buildings, vehicle fleet, tunnels, culverts, rockfall-mitigation sites, and Intelligent Transportation Systems (ITS) equipment.
- **Region Consolidation:** Effective July 2013, CDOT implemented modifications to its existing engineering regions that included reducing the number of regions from six to five. Region 6 and a portion of Region 1 combined into a new region that includes all of Adams, Arapahoe, Clear Creek, Denver, Douglas, Gilpin and Jefferson Counties. Areas of the previous Region 1 also were added to Regions 2, 3 and 4. Benefits of the changes include better aligning of regions with county boundaries. Counties will be able to coordinate with only one region, rather than two or sometimes three regions in the past, which will improve efficiency in customer service.

**Fiscal Year 2014-15  
Funding Change Requests**

Department	Priority	Title of Proposal	Total Funds	General Fund	GF Exempt	Cash Funds	HUTF "Off the Top"	Reapp. Funds	Federal Funds	FTE
Agriculture			-	-	0	-	-	-	-	-
	1	4H and Future Farmers of America (FFA) Program Funding	250,000	250,000	0	-	-	-	-	-
	NP-1	Fleet Vehicle Request	14,974	-	0	14,974	-	-	-	-
	NP-2	Secure Colorado Phase II	40,664	40,664	0	-	-	-	-	-
	NP-3	Eliminate Redundant Applications	23,888	23,888	0	-	-	-	-	-
	NP-4	Capitol Complex Network Resiliency	6,546	6,546	0	-	-	-	-	-
	NP-5	DTRS Operations Increase	3,225	3,225	0	-	-	-	-	-
	NP-6	IT Technical Development	2,036	2,036	0	-	-	-	-	-
NP-7	ITSM Ecosystem	27,882	27,882	0	-	-	-	-	-	
<b>Agriculture Total</b>			<b>369,215</b>	<b>354,241</b>	<b>0</b>	<b>14,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Corrections			-	-	0	-	-	-	-	-
	1	Offender Population Caseload	4,783,486	4,768,504	0	14,982	-	-	-	44.2
	2	Medical POPM	2,808,553	2,808,553	0	-	-	-	-	-
	3	Division of Parole Placeholder	10,000,000	10,000,000	0	-	-	-	-	-
	4	Sex Offender Treatment Monitoring	1,201,702	1,201,702	0	-	-	-	-	13.0
	5	Prison Rape Elimination Act Continuation Funding	252,006	252,006	0	-	-	-	-	2.7
	6	Fugitive Apprehension Unit	951,314	951,314	0	-	-	-	-	10.0
	7	Parole Board Staffing	258,857	258,857	0	-	-	-	-	3.6
	8	Communicable Disease Prevention	33,215	33,215	0	-	-	-	-	-
	9	Food Service Inflation	830,871	830,871	0	-	-	-	-	-
	10	Offender Clothing Inflation	220,486	220,486	0	-	-	-	-	-
	11	Technical Adjustments	(875,523)	24,477	0	(700,000)	-	(200,000)	-	-
	12	Provider Rate Increase	1,236,372	1,236,372	0	-	-	-	-	-
	NA	Annual Fleet Vehicle Request	120,707	165,782	0	(45,075)	-	-	-	-
	NP	Camp George West Utilities Transfer	-	-	0	-	-	-	-	-
		Capitol Complex Network Resiliency	138,991	138,991	0	-	-	-	-	-
		DTRS operations	408,279	408,279	0	-	-	-	-	-
		Eliminate Redundant Application	217,304	217,304	0	-	-	-	-	-
		IT Service Management Ecosystem	253,643	253,643	0	-	-	-	-	-
		IT Technical Development	23,684	23,684	0	-	-	-	-	-
	Secure Colorado Phase 2	863,428	863,428	0	-	-	-	-	-	
<b>Corrections Total</b>			<b>23,727,375</b>	<b>24,657,468</b>	<b>0</b>	<b>(730,093)</b>	<b>-</b>	<b>(200,000)</b>	<b>-</b>	<b>73.5</b>
Education			-	-	0	-	-	-	-	-
	1	Increase State Spending for Total Program (School Finance)	222,301,498	73,600,000	0	148,701,498	-	-	-	-
	2	Constitutionally Required Increase for Categorical Programs in FY 2014-15	6,990,344	-	0	6,990,344	-	-	-	-
	3	Information Technology	3,070,988	3,070,988	0	-	-	-	-	4.6
	4	State Assessments	3,845,283	75,600	0	3,769,683	-	-	-	-
	5	College & Career Readiness	234,606	234,606	0	-	-	-	-	1.8
	6	Educator Recognition and Perception	124,800	124,800	0	-	-	-	-	-

**Fiscal Year 2014-15  
Funding Change Requests**

Department	Priority	Title of Proposal	Total Funds	General Fund	GF Exempt	Cash Funds	HUTF "Off the Top"	Reapp. Funds	Federal Funds	FTE	
Education	7	State Support for English Language Learners	429,345	429,345	0	-	-	-	-	4.1	
	8	Funding for Early Literacy Assessment Tool	2,819,373	-	0	2,819,373	-	-	-	1.0	
	9	Start Smart Nutrition Program	397,505	250,000	0	(102,495)	-	250,000	-	-	
	10	BEST Gross Debt Appropriation	8,000,000	-	0	8,000,000	-	-	-	-	
	11	Salary Increase for Teachers at the Colorado School for the Deaf and Blind	126,671	126,671	0	-	-	-	-	-	
	NP	Annual Fleet Vehicle Request	(6,593)	(6,593)	0	-	-	-	-	-	
	NP -2	OIT Secure Colorado - Phase II	79,892	79,892	0	-	-	-	-	-	
	NP-3	OIT's Network Resiliency	12,861	12,861	0	-	-	-	-	-	
<b>Education Total</b>			<b>248,426,573</b>	<b>77,998,170</b>	<b>0</b>	<b>170,178,403</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>11.5</b>	
Governor			-	-	0	-	-	-	-	-	
	NP - 1	Annual Fleet Vehicle Request	8,682	1,165	0	-	-	7,517	-	-	
	NP - 2	Secure Colorado Phase II	150,137	24,172	0	-	-	125,965	-	-	
	NP - 3	Eliminate Redundant Applications	45,043	25,287	0	-	-	19,756	-	-	
	NP - 4	Capitol Complex Network Resiliency	24,168	6,646	0	-	-	17,522	-	-	
	NP - 5	IT Service Management Ecosystem	52,576	29,516	0	-	-	23,060	-	-	
	OEDIT R-1	Economic Development Strategic Fund	2,986,236	2,986,236	0	-	-	-	-	-	
	OEDIT R-2	Advanced Industries Accelerator	5,000,000	5,000,000	0	-	-	-	-	1.3	
	OEDIT R-3	Colorado Tourism Office Marketing	2,000,000	2,000,000	0	-	-	-	-	-	
	OEDIT R-4	Minority and Women Owned Business Office	400,000	400,000	0	-	-	-	-	1.8	
	OEDIT R-5	Procurement Technical Assistance Center	220,000	220,000	0	-	-	-	-	-	
	OEDIT R-6	Aerospace Strategic Plan Implementation and Aerospace Champion	175,000	175,000	0	-	-	-	-	-	
	OEDIT R-7	Colorado Office of Film, Television and Media	5,000,000	5,000,000	0	-	-	-	-	-	
	OEDIT R-8	Economic Gardening Program	100,000	100,000	0	-	-	-	-	-	
	OIT - 1	Long Bill Restructure	-	-	0	-	-	-	-	-	
	OIT - 2	Secure Colorado Phase 2	4,100,000	-	0	-	-	4,100,000	-	-	
	OIT - 3	Eliminate Redundant Applications	2,960,000	-	0	-	-	2,960,000	-	-	
	OIT - 4	Capitol Complex Network Resiliency	660,000	-	0	-	-	660,000	-	-	
	OIT - 5	Broadband Mapping & Planning Services	428,866	428,866	0	-	-	-	-	-	
	OIT - 6	IT Service Management Ecosystem	3,455,000	-	0	-	-	3,455,000	-	-	
	OIT - 7	Digital Trunked Radio (DTRS) Operations Increase	1,116,397	-	0	-	-	1,116,397	-	-	
	OIT - 8	IT Technical Development	256,620	-	0	-	-	256,620	-	-	
	OIT NP-1	CDPS, Colorado Cyber-Crime Initiative	231,061	-	0	-	-	231,061	-	1.8	
	OIT NP-2	CDHS, General Career and Technical Education	377,539	-	0	-	-	377,539	-	3.6	
	OSPB R-1	Continuous Improvement and Planning	397,965	397,965	0	-	-	-	-	-	
	<b>Governor Total</b>			<b>30,145,290</b>	<b>16,794,853</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>13,350,437</b>	<b>-</b>	<b>8.5</b>

**Fiscal Year 2014-15  
Funding Change Requests**

Department	Priority	Title of Proposal	Total Funds	General Fund	GF Exempt	Cash Funds	HUTF "Off the Top"	Reapp. Funds	Federal Funds	FTE
Health Care Policy & Finance			-	-	0	-	-	-	-	-
	NP R1	DHS 1.5% Community Provider Rate Increase	673,548	336,773	0	-	-	-	336,775	-
	NP R10	DHS OITs Network Resiliency	6,034	3,017	0	-	-	-	3,017	-
	NP R11	DHS OITs IT Service Management Eco-System	17,054	8,527	0	-	-	-	8,527	-
	NP R12	DHS OITs IT Technical Development	3,886	1,943	0	-	-	-	1,943	-
	NP R13	DHS Regional Center Capitol Outlay	420,000	210,000	0	-	-	-	210,000	-
	NP R2	Secure CO Phase II	48,982	24,491	0	-	-	-	24,491	-
	NP R3	Eliminate Redundant Applications	36,250	18,125	0	-	-	-	18,125	-
	NP R4	Capitol Complex Network Resiliency	7,885	3,943	0	-	-	-	3,942	-
	NP R5	IT Service Management Ecosystem	42,312	21,156	0	-	-	-	21,156	-
	NP R6	IT Technical Development	8,483	4,242	0	-	-	-	4,241	-
	NP R7	DHS DPA's Annual Fleet Vehicle Request	18,580	9,290	0	-	-	-	9,290	-
	NP R8	DHS OITs Secure CO - Phase II	23,066	11,533	0	-	-	-	11,533	-
	NP R9	DHS OITs Eliminate Redundant Applications	14,612	7,306	0	-	-	-	7,306	-
	R01	Medical Services Premiums	180,948,596	64,326,142	0	(60,431,827)	-	-	177,054,281	-
	R02	Medicaid Mental Health Community Programs	26,923,840	9,087,725	0	(9,039,333)	-	-	26,875,448	-
	R03	CBHP Medical & Dental Costs	(38,043,495)	(9,403,169)	-3,300	(3,709,744)	-	-	(24,927,282)	-
	R04	Medicare Modernization Act of 2003 State Contribution Payment	(6,366,816)	13,951,390	0	-	-	-	(20,318,206)	-
	R05	Health Information Exchange	5,748,926	1,054,893	0	-	-	-	4,694,033	-
	R06	County Administration Funding Changes	15,677,849	-	0	-	-	-	15,677,849	-
	R10	Specialty Care Payment Reform	537,497	224,061	0	3,479	-	-	309,957	-
	R11	Community Provider Rate Increase	56,841,628	20,079,070	0	968,533	-	-	35,794,025	-
	R12	Administrative Contract Reprocurement	4,296,940	1,148,457	0	976,968	-	-	2,171,515	-
	R13	Funding for Utilization Review Services	1,691,977	838,378	0	-	-	-	853,599	-
	R14	Family Support Services Funding Restoration	3,406,321	3,406,321	0	-	-	-	-	-
	R15	LTSS for Individuals with Complex Medical Conditions	125,000	62,500	0	-	-	-	62,500	-
	R16	New Operational & Membership Funds for DDD	172,002	86,001	0	-	-	-	86,001	-
	R17	Computer Replacement and Office Software	322,982	161,491	0	-	-	-	161,491	-
	R7	Adult Supported Living Services Waiting List Reduction & Service Plan Auth Limits Increase	15,472,452	7,736,227	0	-	-	-	7,736,225	-

**Fiscal Year 2014-15  
Funding Change Requests**

Department	Priority	Title of Proposal	Total Funds	General Fund	GF Exempt	Cash Funds	HUTF "Off the Top"	Reapp. Funds	Federal Funds	FTE
Health Care Policy & Financing	R8	DD New Full Program Equivalents	2,845,976	1,422,989	0	-	-	-	1,422,987	-
	R9	Medicaid Community Living Initiatives	1,243,201	846,787	0	-	-	-	396,414	2.0
<b>Health Care Policy &amp; Financing Total</b>			<b>273,165,568</b>	<b>115,689,609</b>	<b>-3,300</b>	<b>(71,231,924)</b>	<b>-</b>	<b>-</b>	<b>228,711,183</b>	<b>2.0</b>
Higher Education			-	-	0	-	-	-	-	-
	HC-1	Increasing the Future Sustainability of History Colorado	544,964	-	0	544,964	-	-	-	-
	NP-1	Secure Colorado Phase II (IT Security)	18,296	-	0	17,747	-	549	-	-
	NP-2	Eliminate Redundant Applications	11,698	-	0	11,698	-	-	-	-
	NP-3	Network Resiliency - CORE	2,945	-	0	2,857	-	88	-	-
	NP-4	ITSM Eco-System	13,654	-	0	13,654	-	-	-	-
	NP-5	IT Technical Development	1,018	-	0	1,018	-	-	-	-
	NP-6	Constitutionally-required Increase for CDE Categorical Programs	419,708	-	0	-	-	419,708	-	-
	R-1	Increased Financial Aid for Colorado Students	40,000,000	40,000,000	0	-	-	-	-	-
	R-2	Operational Funding Increase for Public Colleges and Universities	117,765,395	60,051,510	0	-	-	57,713,885	-	-
	R-3	Ft. Lewis College Native American Tuition Waiver	836,855	836,855	0	-	-	-	-	-
R-4	Additional Funding for the Dependent Tuition Assistance Program	252,000	252,000	0	-	-	-	-	-	
<b>Higher Education Total</b>			<b>159,866,533</b>	<b>101,140,365</b>	<b>0</b>	<b>591,938</b>	<b>-</b>	<b>58,134,230</b>	<b>-</b>	<b>-</b>
Human Services			-	-	0	-	-	-	-	-
	1	Increased Staffing for Child Care Licensing	1,348,801	1,288,801	0	60,000	-	-	-	2.8
	2	Investing in Early Care Providers	2,197,194	1,757,755	0	439,439	-	-	-	-
	3	Early Literacy Pediatrician Book Give Away Program	100,000	100,000	0	-	-	-	-	-
	4	Continuation of Rehire Colorado	1,200,000	1,200,000	0	-	-	-	-	1.0
	5	Old Age Pension Cost of Living Adjustment	1,340,400	-	0	1,340,400	-	-	-	-
	6	General, Career, and Technical Education	827,089	827,089	0	-	-	-	-	-
	7	Trauma-informed Care	254,865	254,865	0	-	-	-	-	-
	8	Talent Development and Training	357,501	357,501	0	-	-	-	-	-
	9	Parole Transition Services	562,275	562,275	0	-	-	-	-	-
	10	Outside Medical Expenses	1,598,792	1,598,792	0	-	-	-	-	-
	11	Mental Health Institutes Electronic Health Record System	350,396	350,396	0	-	-	-	-	4.5
	12	Provider Rate Increase DHS Only	10,678,640	7,372,908	0	1,473,088	-	673,548	1,159,096	-
	13	Fully Fund County Tax Base Relief	1,181,953	1,181,953	0	-	-	-	-	-
	14	Psychiatrist Base Salary Adjustment	448,580	448,580	0	-	-	-	-	-
15	Mental Health First Aid	750,000	750,000	0	-	-	-	-	-	

**Fiscal Year 2014-15  
Funding Change Requests**

Department	Priority	Title of Proposal	Total Funds	General Fund	GF Exempt	Cash Funds	HUTF "Off the Top"	Reapp. Funds	Federal Funds	FTE
Human Services	16	Windows 7 Support / MS Office Upgrade	1,370,355	1,370,355	0	-	-	-	-	-
	17	Regional Center Capital Outlay	420,000	-	0	-	-	420,000	-	-
	18	Increase Operating Funding for Critical Replacement Costs	233,083	233,083	0	-	-	-	-	-
	19	Improving Colorado Works Performance Management Capabilities	400,440	-	0	-	-	-	400,440	-
	20	Administrative Support Space Renewal	593,067	593,067	0	-	-	-	-	-
	21	Health Information Management System	229,129	229,129	0	-	-	-	-	-
	22	Title IV-E Waiver Cash Fund Spending Authority	6,000,000	-	0	6,000,000	-	-	-	-
	23	Human Services Long Bill Reorganization	-	-	0	-	-	-	-	-
	NP-3	OIT Secure Colorado - Phase II	687,509	377,068	0	8,143	-	23,066	279,232	-
	NP-4	OIT's Eliminate Redundant Applications	977,420	490,749	0	12,310	-	17,501	456,860	-
	NP-5	OIT's Network Resiliency	110,672	72,790	0	957	-	9,683	27,242	-
	NP-6	OIT's IT Service Management Eco-System	1,140,874	572,818	0	14,369	-	20,427	533,260	-
	NP-7	OIT's Digital Trunk Radio System Operations Incr	39,867	34,177	0	-	-	5,690	-	-
	NP-8	OIT's IT Technical Development	66,878	50,877	0	1,065	-	5,417	9,519	-
	NPI-1	Department of Corrections Food Service Inflation	428,529	-	0	-	-	428,529	-	-
	NPI-2	DPA Fleet Vehicle Requests	37,355	12,024	0	1,406	-	18,711	5,214	-
<b>Human Services Total</b>			<b>35,931,664</b>	<b>22,087,052</b>	<b>0</b>	<b>9,351,177</b>	<b>-</b>	<b>1,622,572</b>	<b>2,870,863</b>	<b>8.3</b>
Judicial			-	-	0	-	-	-	-	-
	NA	Capitol Complex Network Resiliency	96,132	96,132	0	-	-	-	-	-
		DTRS operations	3,677	3,677	0	-	-	-	-	-
		Secure CO Phase II	597,182	597,182	0	-	-	-	-	-
<b>Judicial Total</b>			<b>696,991</b>	<b>696,991</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Labor & Employment			-	-	0	-	-	-	-	-
	NP	Annual Fleet Vehicle Request	13,225	-	0	9,258	-	-	3,967	-
	NP #2	OIT ITSM Eco-System	247,392	2,474	0	126,170	-	-	118,748	-
	NP #3	OIT Eliminate Redundant Applications	211,948	2,195	0	108,093	-	-	101,660	-
	NP #4	OIT Secure Colorado Phase II	157,455	1,574	0	80,302	-	-	75,579	-
	NP #5	OIT IT Technical Development	22,734	227	0	11,594	-	-	10,913	-
NP #6	OIT Network Resiliency CORE	25,347	253	0	13,927	-	-	11,167	-	
<b>Labor &amp; Employment Total</b>			<b>678,101</b>	<b>6,723</b>	<b>0</b>	<b>349,344</b>	<b>-</b>	<b>-</b>	<b>322,034</b>	<b>-</b>
Law			-	-	0	-	-	-	-	-
	NA	Capitol Complex Network Resiliency	9,532	-	0	-	-	9,532	-	-
		DTRS Operations	1,806	723	0	406	-	246	431	-
		Secure CO Phase II	59,217	-	0	-	-	59,217	-	-
<b>Law Total</b>			<b>70,555</b>	<b>723</b>	<b>0</b>	<b>406</b>	<b>-</b>	<b>68,995</b>	<b>431</b>	<b>-</b>
<b>Legislature</b>			<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Legislature Total</b>			<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Fiscal Year 2014-15  
Funding Change Requests**

Department	Priority	Title of Proposal	Total Funds	General Fund	GF Exempt	Cash Funds	HUTF "Off the Top"	Reapp. Funds	Federal Funds	FTE
Local Affairs			-	-	0	-	-	-	-	-
	NA	DOLA Prelim Change Requests	-	-	0	-	-	-	-	-
	NP-1	HCPF R-7 Medicaid Community Living Initiatives	272,099	-	0	-	-	272,099	-	1.8
	NP-2	Annual Fleet Vehicle Request	12,089	12,089	0	-	-	-	-	-
	NP-3	Secure Colorado Phase II	20,298	20,298	0	-	-	-	-	-
	NP-4	Eliminate Redundant Application	17,301	17,301	0	-	-	-	-	-
	NP-5	IT Service Management Ecosystem	3,267	3,267	0	-	-	-	-	-
	NP-6	Capitol Complex Network Resiliency CORE	20,194	20,194	0	-	-	-	-	-
	NP-7	IT Technical Development	3,359	3,359	0	-	-	-	-	-
	R-1	Board of Assessment Appeals GF Refinance	-	72,936	0	(72,936)	-	-	-	-
	R-2	Housing Development Grant (HDG) Affordable Housing Program Request	4,186,869	4,186,869	0	-	-	-	-	2.7
	R-3	Division of Housing Long Bill Reorganization	-	-	0	-	-	-	-	-
	R-4	Downtown Revitalization Technical Assistance	4,000	-	0	-	-	4,000	-	-
	R-5	Geothermal Energy Impact Grants	50,000	-	0	50,000	-	-	-	-
	<b>Local Affairs Total</b>			<b>4,589,476</b>	<b>4,336,313</b>	<b>0</b>	<b>(22,936)</b>	<b>-</b>	<b>276,099</b>	<b>-</b>
Military and Veteran Affairs			-	-	0	-	-	-	-	-
	NA	DMVA Prelim Change Requests	-	-	0	-	-	-	-	-
	NP-1	Annual Fleet Vehicle Request	5,727	5,727	0	-	-	-	-	-
	NP-2	Camp George West Utilities Transfer	-	-	0	-	-	-	-	-
	NP-3	Secure CO Phase II	20,290	20,290	0	-	-	-	-	-
	NP-4	Eliminate Redundant Application	8,021	8,021	0	-	-	-	-	-
	NP-5	Capitol Complex Network Resiliency	3,266	3,266	0	-	-	-	-	-
	NP-6	IT Service Management Ecosystem	9,363	9,363	0	-	-	-	-	-
	NP-7	DTRS Operations	4,258	4,258	0	-	-	-	-	-
	NP-8	IT Technical Development	679	679	0	-	-	-	-	-
	R-1	Veterans Memorial Cemetery Growth	45,547	45,547	0	-	-	-	-	0.9
R-2	Operations and Maintenance	277,000	277,000	0	-	-	-	-	-	
<b>Military and Veteran Affairs Total</b>			<b>374,151</b>	<b>374,151</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.9</b>
Natural Resources			-	-	0	-	-	-	-	-
	NP-1	Annual Fleet Vehicle Request	457,443	(61,661)	0	508,008	-	(1,533)	12,629	-
	NP-2	Secure Colorado Phase II	202,848	28,848	0	165,102	-	4,643	4,255	-
	NP-3	Eliminate Redundant Application	191,134	27,182	0	155,567	-	4,375	4,010	-
	NP-4	Capitol Complex Network Resiliency	32,654	7,109	0	16,664	-	5,569	3,312	-
	NP-5	IT Service Management Ecosystem	223,097	31,695	0	181,392	-	5,335	4,675	-
	NP-6	Digital Trunked Radio System Technical Development	241,587	-	0	241,587	-	-	-	-
	NP-7	IT Technical Development	21,716	3,088	0	17,675	-	497	456	-



**Fiscal Year 2014-15  
Funding Change Requests**

Department	Priority	Title of Proposal	Total Funds	General Fund	GF Exempt	Cash Funds	HUTF "Off the Top"	Reapp. Funds	Federal Funds	FTE
Natural Resources	R-1	Division of Water Resources - New Personnel	280,203	280,203	0	-	-	-	-	3.7
	R-2	Oil and Gas Conservation Commission - Additional Legal Services for Enforcement	327,888	-	0	327,888	-	-	-	-
	R-3	DMRS Coal Program Refinancing	-	-	0	352,881	-	-	(352,881)	-
	R-4	Division of Parks and Wildlife Line Item Reorganization	(160,000)	-	0	(160,000)	-	-	-	-
	R-5	Division of Water Resources - New Well Rules Vehicles and Equipment	29,503	29,503	0	-	-	-	-	-
		Division of Water Resources - New Wells Rules Vehicles and Equipment	-	-	0	-	-	-	-	-
	R-6	Adjustment to Leased Space	(120,158)	36,715	0	(158,743)	-	-	1,870	-
<b>Natural Resources Total</b>			<b>1,727,915</b>	<b>382,682</b>	<b>0</b>	<b>1,648,021</b>	<b>-</b>	<b>18,886</b>	<b>(321,674)</b>	<b>3.7</b>
Personnel and Administration			-	-	0	-	-	-	-	-
	CP-0	CCLS - Controlled Maint. - DPA spending authority	-	-	0	-	-	-	-	-
	CP-1	Annual Fleet Vehicle Request	587,159	-	0	-	-	587,159	-	-
	CP-2	Camp George West Utilities Transfer	(330,643)	-	0	-	-	(330,643)	-	-
	NP-0	Camp George West Utilities Transfer	-	-	0	-	-	-	-	-
	NP-01	DOC Fugitive Unit	63,600	-	0	-	-	63,600	-	-
	NP-02	DOC Prison Rape Elimination Act	1,444	-	0	-	-	1,444	-	-
	NP-04	Secure Colorado Phase II	51,408	13,367	0	6,795	-	31,246	-	-
	NP-05	Eliminate Redundant Application	53,092	13,807	0	7,018	-	32,267	-	-
	NP-06	IT Service Management Ecosystem	61,970	16,115	0	8,191	-	37,664	-	-
	NP-07	Capitol Complex Network Resiliency	8,275	2,151	0	1,093	-	5,031	-	-
	NP-08	DTRS Operations	258	129	0	-	-	129	-	-
	NP-09	DORA New Vehicles for PUC	7,017	-	0	-	-	7,017	-	-
	NP-10	DNR New Well Rules and Equipment	5,088	-	0	-	-	5,088	-	-
	NP-11	DNR New Personnel	1,696	-	0	-	-	1,696	-	-
	NP-3	Annual Fleet Vehicle Request	(1,993)	-	0	-	-	(1,993)	-	-
	R-1	Total Compensation Vendor	300,000	300,000	0	-	-	-	-	-
	R-2	Transparency Online Project Modernization	142,235	142,235	0	-	-	-	-	-
	R-3	Central Collections Investment in Customer Service	389,022	-	0	389,022	-	-	-	-
	R-4	Address Confidentiality Program Resources	60,308	60,308	0	-	-	-	-	-
<b>Personnel and Administration Total</b>			<b>1,399,936</b>	<b>548,112</b>	<b>0</b>	<b>412,119</b>	<b>-</b>	<b>439,705</b>	<b>-</b>	<b>-</b>

**Fiscal Year 2014-15  
Funding Change Requests**

Department	Priority	Title of Proposal	Total Funds	General Fund	GF Exempt	Cash Funds	HUTF "Off the Top"	Reapp. Funds	Federal Funds	FTE
Public Health and Environ			-	-	0	-	-	-	-	-
	NP	Annual Fleet Vehicle Request	55,727	-	0	25,000	-	20,000	10,727	-
	NP-2	Secure Colorado Phase II	181,176	-	0	-	-	181,176	-	-
	NP-3	Eliminate Redundant Applications	157,733	-	0	-	-	157,733	-	-
	NP-4	Capitol Complex Network Resiliency	29,165	-	0	-	-	29,165	-	-
	NP-5	IT Service Management Ecosystem	184,110	-	0	-	-	184,110	-	-
	NP-6	DTRS operations	4,709	-	0	-	-	4,709	-	-
	NP-7	IT Technical Development	22,327	-	0	-	-	22,327	-	-
	R-1	Medical Marijuana Research	7,084,656	-	0	7,084,656	-	-	-	1.0
	R-2	Water Nutrients	12,000,000	12,000,000	0	-	-	-	-	-
	R-3	Risk-Based Contract Monitoring	69,452	-	0	-	-	69,452	-	1.0
	R-4	Indirect Cost Recoveries	13,401,111	-	0	-	-	13,401,111	-	-
<b>Public Health and Environment Total</b>			<b>33,190,166</b>	<b>12,000,000</b>	<b>0</b>	<b>7,109,656</b>	<b>-</b>	<b>14,069,783</b>	<b>10,727</b>	<b>2.0</b>
Public Safety			-	-	0	-	-	-	-	-
	1	New Pueblo Facility Lease and Operating	417,760	417,760	0	-	-	-	-	-
	2	Funding for Wildfire Preparedness Fund	4,150,000	-	0	4,150,000	-	-	-	-
	3	Sustainability of State Fusion Center	656,134	656,134	0	-	-	-	-	-
	4	Colorado Cyber-Crime Initiative	489,074	489,074	0	-	-	-	-	2.7
	5	DFPC Budget & Policy Analyst	95,095	95,095	0	-	-	-	-	0.9
	6	Community Corrections FTE Support Request	240,460	240,460	0	-	-	-	-	2.8
	7	Rulemaking Support Staff for DPS	53,311	7,632	0	-	-	45,679	-	-
	8	InstaCheck Leased Space Request	84,050	-	0	84,050	-	-	-	-
	9	DPS Vehicle Variable Rate Increase	382,797	28,488	0	8,843	335,393	10,073	-	-
	10	Acquisition of Portable Radios	1,343,900	-	0	-	1,343,900	-	-	-
	11	DFPC, State Engine Staffing	622,004	622,004	0	-	-	-	-	7.3
	12	World Alpine Ski Championship	178,020	-	0	-	178,020	-	-	-
	13	Community Corrections Information and Billing System Improvement and Maintenance	25,000	25,000	0	-	-	-	-	-
	14	Community Corrections Provider Rate Increase	859,630	859,630	0	-	-	-	-	-
	NP-01	Camp George West Utilities Transfer	-	-	0	-	-	-	-	-
	NP-02	Statewide Vehicle Lease Adjustment	1,328,553	143,256	0	68,971	1,031,365	(36,447)	121,408	-
	NP-03	Secure Colorado Phase II (IT Security)	220,594	69,083	0	15,913	124,659	10,939	-	-
	NP-04	Eliminate Redundant Applications	241,884	75,751	0	17,448	136,690	11,995	-	-
	NP-05	Network Resiliency (CORE)	35,510	31,604	0	-	3,906	-	-	-
NP-06	IT Service Management Eco-system	282,334	282,334	0	-	-	-	-	-	
NP-07	Digital Trunked Radio System Operations Increase	169,272	11,018	0	3,762	146,682	4,657	3,153	-	
NP-08	IT Technical Development	11,197	11,197	0	-	-	-	-	-	
<b>Public Safety Total</b>			<b>11,886,579</b>	<b>4,065,520</b>	<b>0</b>	<b>4,348,987</b>	<b>3,300,615</b>	<b>46,896</b>	<b>124,561</b>	<b>13.7</b>

**Fiscal Year 2014-15  
Funding Change Requests**

Department	Priority	Title of Proposal	Total Funds	General Fund	GF Exempt	Cash Funds	HUTF "Off the Top"	Reapp. Funds	Federal Funds	FTE
Regulatory Agencies			-	-	0	-	-	-	-	-
	1	Public Utilities Commission - New Vehicles	-	-	0	-	-	-	-	-
	2	Division of Financial Services, Operating Expenses Reduction	(30,000)	-	0	(30,000)	-	-	-	-
	NP-1	Annual Fleet Vehicle Request	13,819	-	0	13,819	-	-	-	-
	NP-2	Secure Colorado Phase II	78,628	3,305	0	75,323	-	-	-	-
	NP-3	Eliminate Redundant Application	58,147	2,444	0	55,703	-	-	-	-
	NP-4	Capitol Complex Network Resiliency	12,658	532	0	12,126	-	-	-	-
	NP-5	IT Service Management Ecosystem	67,871	2,853	0	65,018	-	-	-	-
NP-6	IT Technical Development	8,653	364	0	8,289	-	-	-	-	
<b>Regulatory Agencies Total</b>			<b>209,776</b>	<b>9,498</b>	<b>0</b>	<b>200,278</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue			-	-	0	-	-	-	-	-
	1	DMV Funding Deficit	2,300,000	6,200,000	0	(3,900,000)	-	-	-	-
	2	DMV Customer Service Enhancements	4,168,025	4,168,025	0	-	-	-	-	52.0
	3	DMV Driver License Examiner Reclassification	837,502	837,502	0	-	-	-	-	-
	4	Replace Capitol Annex Cabling	863,218	863,218	0	-	-	-	-	-
	5	DMV Appropriation Restructure	-	-	0	-	-	-	-	-
	6	DOR Central Department Operations Realignment	(148,136)	-	0	(148,136)	-	-	-	-
	D	DMV Mobile Service Enhancements	-	-	0	-	-	-	-	-
	NP-1	Annual Fleet Vehicle Request	52,439	24,777	0	27,662	-	-	-	-
	NP-2	OIT, Secure Colorado Phase II	170,410	114,582	0	55,828	-	-	-	-
	NP-3	OIT, Capitol Complex Network Resiliency	27,432	18,445	0	8,987	-	-	-	-
	NP-4	OIT, Service Management Ecosystem	450,217	302,723	0	147,494	-	-	-	-
	NP-5	OIT, DTRS Operations Increase	13,547	1,187	0	12,360	-	-	-	-
	NP-6	OIT, Technical Development	36,035	24,230	0	11,805	-	-	-	-
<b>Revenue Total</b>			<b>8,770,689</b>	<b>12,554,689</b>	<b>0</b>	<b>(3,784,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52.0</b>
State			-	-	0	-	-	-	-	-
	NA	Secure CO Phase II	16,090	-	0	16,090	-	-	-	-
		Capitol Complex Network Resiliency	2,590	-	0	2,590	-	-	-	-
<b>State Total</b>			<b>18,680</b>	<b>-</b>	<b>0</b>	<b>18,680</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transportation			-	-	0	-	-	-	-	-
	1	Reinstatement of FY12 Funding Cuts	-	-	0	-	-	-	-	9.3
	2	Transfer of OIT budget from CMO line to Administrative line	-	-	0	-	-	-	-	-
	3	Increase 1st Time Drunk Driver amount per CRS 42-2-132.5 (4)(a)(II)	500,000	-	0	500,000	-	-	-	-
	NP	OIT DTRS Operations Increase R-7	-	-	0	-	-	-	-	-
		OIT Eliminate Redundant Applications R-3	-	-	0	-	-	-	-	-
		OIT ITSM Eco-System R-6	-	-	0	-	-	-	-	-
	OIT Network Resiliency - CORE R-4	-	-	0	-	-	-	-	-	

**Fiscal Year 2014-15  
Funding Change Requests**

Department	Priority	Title of Proposal	Total Funds	General Fund	GF Exempt	Cash Funds	HUTF "Off the Top"	Reapp. Funds	Federal Funds	FTE
Transportation	NP	OIT Security R-2	-	-	0	-	-	-	-	-
		OIT Technical Development R-8	-	-	0	-	-	-	-	-
<b>Transportation Total</b>			<b>500,000</b>	<b>-</b>	<b>0</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.3</b>
Treasury			-	-	0	-	-	-	-	-
	NA	Capitol Complex Network Resiliency	655	655	0	-	-	-	-	-
		Secure CO Phase II	4,071	4,071	0	-	-	-	-	-
<b>Treasury Total</b>			<b>4,726</b>	<b>4,726</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>			<b>835,749,959</b>	<b>393,701,886</b>	<b>-3,300</b>	<b>118,955,030</b>	<b>3,300,615</b>	<b>88,077,603</b>	<b>231,718,125</b>	<b>####</b>



### ***Cost and FTE***

- The Department requests \$250,000 General Fund dedicated for 4H and Future Farmers of America (FFA) programs at the Colorado State Fair in FY 2014-15 and beyond.

### ***Current Program***

- The Colorado State Fair obligates approximately \$340,000 of its budget to 4H and FFA programs.
- Expenditures in support of these programs include the operation and maintenance of facilities, judges, equipment and supplies, MC's, and sponsorships in the form of advertising and in-kind assistance such as the Junior Livestock Sale.
- A 2011 economic study of year-round operations estimates the economic impact of State Fair programs at over \$30 million, generating approximately \$1.7 million of General Fund revenue.

### ***Problem or Opportunity***

- While one of the primary functions of the Colorado State Fair is to promote and support Colorado Agriculture, including these critical programs for youth, the Colorado State Fair lacks sufficient revenue to maintain the support of these youth programs.
- Unlike many of the events and programs held at the fairgrounds, these youth programs do not generate revenue. Therefore, the Colorado State Fair has been forced to absorb the costs needed to support them.

### ***Consequences of Problem***

- The Colorado State Fair experiences an annual budget deficit of approximately \$300,000. As a result, the Treasury pool serves as a backfill to cover expenses while charging the Fair interest.
- A lack of sufficient funding has resulted in the Colorado State Fair being unable to maintain the 4H and FFA facilities, resulting in fewer youth willing to attend and stay at the fairgrounds.
- If the issue remains unresolved, the program will continue to degrade, making it very difficult for the Colorado State Fair to continue to support these programs within its current budget.

### ***Proposed Solution***

- The dedicated \$250,000 General Fund for youth programs will provide the following key benefits: (1) maintenance and support of 4H and FFA programs, ensuring participation of 4H and FFA youth and success of the Junior Livestock Sale; (2) enhancement of the financial sustainability of the State Fair, and (3) provide transparency to the budget to directly reflect the actual cost of the programs.



#### ***Cost and FTE***

- The Department requests \$4,783,486 General Fund and Cash Funds and 44.2 FTE for FY 2014-15 to increase offender bed capacity. The Department's change request annualizes to \$4,948,268 and 48.3 FTE in FY 2015-16.

#### ***Current Program***

- The Department protects the citizens of Colorado with the effective management of criminal offenders in controlled environments that also provide meaningful work and self-improvement opportunities to assist offenders with community re-entry.
- Private providers are utilized for housing offenders in excess of the Department's physical capacity.
- The Department's budget supports an operational capacity of 16,892 state and private facility beds for offenders in FY 2014-15.

#### ***Problem or Opportunity***

- The population projection from the summer 2013 Colorado Division of Criminal Justice interim forecast indicates the prison population will stabilize and not decline, as previously projected.
- The Colorado Prison Utilization Study recommended the Department adopt the common practice of including a vacancy rate when calculating available beds.
- The combined changes drive an additional 393 male and 76 female offender beds.
- This request marks a reversal in a downward trend in the state's prison population. Since 2009, the Department eliminated funding for over 3,000 offender beds to keep pace with past population decreases.

#### ***Consequences of Problem***

- The Department will not have sufficient beds for housing male and female offenders based on the most recent population forecast.
- Housing offenders in overcrowded units or at inappropriate custody levels decreases safety levels for both offenders and staff.
- A delay in assigning an offender to a bed can also slow placement into various treatment and training programs that facilitate an offender's eventual re-entry into the community.

#### ***Proposed Solution***

- This request will add 393 state beds and 76 private facility beds to meet offender operational capacity requirements in FY 2014-15.
- The request proposes reopening 317 state male beds at a daily rate of \$17.97 per offender.
- The Department applied the same methodology as used in the Prison Utilization Study to determine operational capacity requirements.



# COLORADO

Department of Corrections

*Priority: R-2*  
*Medical Per Offender Per Month Rate Increase*  
*FY 2014-15 CHANGE REQUEST*

## ***Cost and FTE***

- The Department requests a net General Fund increase of \$2,808,553 in FY 2014-15 in the Medical Services Subprogram appropriations. The funding will address increasing Per Offender Per Month (POPM) rates in the Purchase of Medical Services from Other Facilities and Catastrophic Medical Expenses lines.

## ***Current Program***

- The Department is statutorily mandated to provide medical care for offenders. The recipients of medical services are offenders housed in correctional facilities (both State and private), including those in the Youthful Offender System (YOS), less jail, return-to-custody, and community corrections populations. Private prison and pre-release parole revocation populations are further excluded to calculate the eligible recipients of pharmaceuticals.
- For FY 2014-15, the Department projects an eligible population of 17,233 offenders for medical purchased services and 13,681 for pharmaceuticals.

## ***Problem or Opportunity***

- Costs for medical services continue to escalate. The Department estimates an increase of \$1.51 in the Purchase of Medical Services POPM rate compared to the FY 2013-14 funded levels, along with an increase of \$15.60 in the Catastrophic Medical Expenses POPM.
- The offender population continues to age; in FY 2011-12, 40 percent of the population was over age 40 and 17 percent was over age 50. In comparison to FY 2006-07, 36 percent of the population was over age 40 and 11 percent was over 50. In FY 2001-02, those figures were 32 percent for age 40+ and 9 percent for age 50+.
- As offenders age, their medical needs increase. In FY 2011-12, 23 percent of offenders had medical needs levels of M3-M5 (with higher levels indicating more needs), as compared to 17 percent in FY 2010-11 and 15 percent in 2009-10.

## ***Consequences of Problem***

- Without the requested increase in funding, the Department risks overexpenditure in its Total Purchase of Medical Services from Other Medical Facilities and Catastrophic Medical Expenses lines.
- The Department is mandated by the Colorado State Statute to provide a full range of health care to offenders; not providing medical coverage puts the Department at risk for litigation.

## ***Proposed Solution***

- This request for additional funding to meet increasing medical POPM needs will allow the Department to provide statutorily-mandated health care to the offender population.



# COLORADO

Department of Corrections

*Priority: R-3*

*Division of Parole Placeholder  
FY 2014-15 CHANGE REQUEST*

## ***Cost and FTE***

- The Department is requesting that \$10 million in General Fund be reserved to implement significant adjustments in the Division of Parole. All parole operations are currently being analyzed and evaluated. The Department will submit specific proposals through the Budget Amendment process. The \$10 million placeholder represents a 24.8% increase in total funding for the Division of Parole.

## ***Current Program***

- For FY 2013-14, the Community Services programs (including Parole, Intensive Supervision Parole (ISP), Community, Community ISP, Youthful Offender System Aftercare, and Re-Entry Programs) were budgeted \$39,442,603 and 381.6 FTE for personal services, operating expenses, and contract funding for the benefit of parolees, offenders and the citizens of Colorado.

## ***Problem or Opportunity***

- New Department leadership is in the process of preparing specific proposals to address program deficiencies throughout the Parole Division.
- The National Institute of Corrections (NIC) conducted an independent outside evaluation of the Division in the areas of policy, training, and electronic monitoring. The reports were released August 30, 2013 and are being reviewed by the Department for recommended suggestions and implementations.
- The Division has contracted for a Time and Workload Study of Community Parole Officers with the National Center for State Courts (NCSC) to review internal policies and procedures. Each parole officer will be tracked over a one-month period to help determine how much time is, and should be, spent supervising parolees versus other duties and assignments. A final report is expected in January or February 2014.

## ***Consequences of Problem***

- Division resources, structure, and operations, in some instances, are not properly positioned to manage the significant risk inherent within the parole population.
- Current facility/re-entry preparation is inadequate to ameliorate offenders sufficiently to meet the demands of parole.

## ***Proposed Solution***

- Effective changes based upon study recommendations and overall program analysis will incorporate industry best practices. It is essential that changes result in trained staff that are proficient in best practice implementation and provide for overall quality assurance and fidelity to program goals.
- The extent and overall comprehensive nature of the request will be based on the outcome of the analysis and will be detailed in upcoming budget amendments.
- The Department estimates that approximately \$10.0 million is needed as a placeholder amount to address needed programmatic changes. Budget amendments may include: additional parole officers for caseload ratio adjustments, staff and/or training for implementation of industry best practices such as motivational interviewing, additional funding for pre-release/re-entry programs, equipment, electronic monitoring, data/research/tracking needs, specialized treatment capacity, and structural reorganizations of the Division to benefit the parolees and offenders assigned to the Department.





# COLORADO

Department of Corrections

*Priority: R-4*  
*Sex Offender Treatment Monitoring*  
*FY 2014-15 CHANGE REQUEST*

## ***Cost and FTE***

- The Department requests \$1,201,702 General Fund and 13.0 FTE to continue the funding for revamping of the Department's Sex Offender Treatment and Monitoring Program (SOTMP) in FY 2014-15, and \$1,209,082 General Fund and 13.0 FTE in FY 2015-16.

## ***Current Program***

- The Sex Offender Treatment and Management Program is a form of mental health treatment with the goal of changing the pattern of behavior of sex offenders who are incarcerated in correctional facilities for sexual offenses. Within the restructured program and current funding levels, the Department serves approximately 550 offenders annually. However, there has been a significant increase in offenders requiring treatment, which has led to a backlog.
- The Department was appropriated \$3,163,351 and 42.8 FTE for the SOTMP in FY 2013-14, and an additional 13.0 FTE and \$956,795 was allocated via a 1331 request for FY 2013-14.

## ***Problem or Opportunity***

- Currently, there is a backlog of 1,694 offenders within four years of their parole eligibility date (PED) awaiting required sex offender treatment. In many cases treatment is a necessary condition for Parole and potential release.

## ***Consequences of Problem***

- With previous resource levels, the current backlog (July 31, 2013) of 1,694 could take 20 years or more to process.
- With limited resources for treatment, offenders will be incarcerated longer, which will increase costs, and there would be more litigation filed regarding treatment availability. Costs for defending access to treatment litigation would rise substantially.

## ***Proposed Solution***

- This request is to annualize funding from the FY 2013-14 1331 supplemental for sex offender treatment within the revamped program, which is based upon recommendations of an independent evaluation requested by the Joint Budget Committee in the 2012 Legislative session. The evaluation was conducted by Central Coast Clinical and Forensic Psychology Services. With the requested FTE, DOC estimates that approximately 120 additional sex offenders will be treated annually.
- Faster treatment times and processing will benefit the State by reducing incarceration costs.



# COLORADO

Department of Corrections

Priority: R-5

*Prison Rape Elimination Act Continuation Funding*

*FY 2014-15 CHANGE REQUEST*

## ***Cost and FTE***

- The Department requests a General Fund increase of \$252,006 and 2.7 FTE in FY 2014-15, a 5.2 percent increase in the Inspector General subprogram. FY 2015-16 annualizes to \$273,552 General Fund and 3.0 FTE, and beyond. The request replaces expiring federal funds and creates additional compliance activities.

## ***Current Program***

- The Prison Rape Elimination Act (PREA) is federally and state mandated to prevent, detect, respond to and investigate incidents of sexual abuse, sexual assault, and sexual harassment in correctional facilities.
- Offenders receive PREA education upon entering the prison system at Denver Reception and Diagnostics Center (DRDC), and again when they are assigned to a permanent facility.
- New staff receive PREA training during basic training by Training Academy staff. Annual PREA refresher training is required of all staff via online training (over 6,000 FTE in FY 2012-13).
- Grant-funded PREA staff conduct training with contractors, private prison staff, and community corrections facilities where DOC offenders might be housed.

## ***Problem or Opportunity***

- The PREA program in DOC started in 2005 with federal grant funds. The Department received additional federal funding from October 2011 to September 2013 and is requesting a one year extension of the grant funding to cover FY 2013-14. However, without this request funding for PREA compliance activities will not be available in FY 2014-15.
- PREA compliance is ongoing and fluctuating based on the evolving requirements from the Department of Justice, requiring updated training.

## ***Consequences of Problem***

- There may be safety risks for staff, offenders, and the general public if sexual abuse/assault victims are not offered treatment/services and sexual aggressors are not held accountable.
- Without continuance of these full-time positions, PREA compliance is jeopardized. If the Governor cannot certify full compliance, the State is subject to a five percent loss (approximately \$280,000 for DOC) of any Department of Justice grant funds for prison purposes(42 U.S.C 15607).

## ***Proposed Solution***

- Continued funding of the existing 2.0 FTE will help DOC meet State and Federal PREA requirements to manage the program.
- DOC requests an additional 1.0 FTE for a PREA compliance auditor to conduct annual internal audits to assist with meeting implementation, reporting, and compliance requirements. This position would conduct preliminary investigations of reported sexual harassment.



### ***Cost and FTE***

- The Department requests continued funding of \$951,314 General Fund (GF) and 10.0 FTE in FY 2014-15 for a Fugitive Unit in the Parole Subprogram; this represents a 1.07 percent increase over current base.

### ***Current Program***

- For FY 2013-14, the Parole and Parole Intensive Supervision Program (ISP) were budgeted \$26,585,761 and 253.2 FTE to supervise approximately 8,824 parolees.
- The purpose of the Division is to provide for public safety through the structured supervision and accountability of offenders released to the community by the Board of Parole.
- In addition to the regular staff, the Department received authorization for the creation of a 10.0 FTE Fugitive Apprehension Unit (FAU) via a 1331 supplemental request for FY 2013-14. This unit is dedicated to the apprehension of absconders and fugitives and creates a more focused response when a parolee absconds. Absconders are parolees who fail to report to their Community Parole Officer (CPO), change his/her residence of record without the CPO's knowledge and consent, and whose whereabouts and activities are unknown.

### ***Problem or Opportunity***

- Of the 1,801 absconders in FY 2011-12 and 2,120 absconders in FY 2012-13, 19 percent were ISP offenders and 67 percent were considered high safety risks to the public (Parole and ISP). As of July 2013, the average daily number of unaccounted for absconders was 672, which represented 7.2 percent of the entire parole population (relatively consistent percent over three years) and a potential danger to public safety.
- Without funding for the specialized unit, CPO's will be required to divert focus from activities associated with active case supervision to look for fugitives. Some of those active supervision duties include interacting with offenders in the office and the field, monitoring compliance with supervision conditions, referring offenders for treatment and other support services, and other evidence-based practices designed to positively impact offender change.

### ***Consequences of Problem***

- Public safety risks remain higher as this relatively risky population is not adequately addressed.
- Without this unit, officers are required to divert their focus from their active caseloads in order to focus on absconder/fugitive apprehension.

### ***Proposed Solution***

- This is a request for the continuation of funding for the FAU received in FY 2013-14.
- In Colorado, the absconders/fugitives equal approximately 7.2% of the parole population. The goal of the new FAU is to reduce the percentage of parole fugitives statewide by 25% or from the current rate of 7.2% to 5.4% of the total parole population by the end of FY 2014-15.
- This will ultimately allow regular parole officers to have more focus on their active caseload of parolees.
- The proposal creates teams made up of Community Parole Officers (CPO) that would be assigned to apprehend offenders who are deemed to have absconded from parole supervision or walked away/escaped from community corrections centers and the intensive supervision program to minimize the safety of the public.



### ***Cost and FTE***

- The Department requests \$258,857 General Fund and 3.6 FTE in FY 2014-15 for the Parole Board, which represents a 16 percent increase over current Parole Board funding.

### ***Current Program***

- For FY 2013-14 the Parole Board was budgeted \$1,574,853 General Fund and 13.5 FTE (7.0 Parole Board Members and 6.5 support staff).
- For calendar year 2012, 25,790 hearings were held and 6,794 other actions were completed (such as file reviews) by the parole board members and contract hearing officers. Of the total 25,790 hearings, 17,899 hearings were conducted by parole board members, of which, 48.6% were done by video, 18.1% by phone, 8.2% by file review, and 20.9% in person (mainly in the Denver area).
- Enhancing the Board's ability to access and analyze data is essential to further incorporating evidenced-based practices.

### ***Problem or Opportunity***

- Due to the Great Recession, the Parole Board support staff was reduced from 10.5 to 6.5 FTE in FY 2010-11, a 38% decrease. This has created an overload on current staff, who processed 25,790 cases in calendar year 2012 (3,968 per staff). While this 2012 workload was down 11.8% from 2010 hearings (28,208 cases or 2,686 per staff), the overall number of cases processed per support staff *increased* 48% between 2010 and 2012 (2,686 to 3,968) due to the support staff reduction.
- The Department has insufficient staff to fully incorporate data analysis into the Parole Board's decision making process or to refine evidence-based practices for successful offender reintegration.

### ***Consequences of Problem***

- The lack of dedicated resources to collect and analyze necessary data impedes the Board's ability for full implementation of best practices.
- Currently, Board members in Denver must divert their focus from holding hearings and other ongoing statutory responsibilities to day-to-day administrative tasks.

### ***Proposed Solution***

- Hire a Parole Board Administrator to oversee all administrative and ministerial functions of the Board, and serve as primary liaison between the Board Chairperson and the DOC.
- Hire a seasoned Data Analyst to track all Parole Board decisions, recidivism, recommitments for new crimes, relationships between discretionary and mandatory parole, and new crimes committed to improve decision making and potentially lead to lower recidivism of discretionary releases.
- Hire 2.0 additional administrative staff to support the Parole Board in the Denver area.
- With adequate staffing and detailed analysis of data, the Board can more effectively utilize best practices to assist the State in meeting its goal to reduce recidivism.



# COLORADO

Department of Corrections

*Priority: R-8*  
*Communicable Disease Prevention*  
*FY 2014-15 REQUEST*

## ***Cost and FTE***

- This Department requests \$33,215 General Fund in FY 2014-15 and ongoing to coordinate and track a Communicable Disease Prevention Program throughout the Department. This represents an 11.61% increase over the FY 2013-14 funded levels.

## ***Current Program***

- The Department employs approximately 6,000 employees throughout the state. None of these employees are screened for tuberculosis (TB) or given hepatitis B vaccines upon hire.

## ***Problem or Opportunity***

- Providing staff with TB screening and hepatitis B vaccines are standards outlined by the American Correctional Association (ACA) and derived from recommendations from the Centers for Disease Control (CDC). The Department strives to maintain accreditation with ACA in order to comply with best practices for corrections.
- Infectious diseases can spread rapidly within the correctional facility environment. In early 2013, Sterling Correctional Facility was in isolation status due to an outbreak of influenza (flu) impacting departmental operations as well as the health and well-being of staff and offenders.

## ***Consequences of Problem***

- Not providing TB screenings and vaccinations for hepatitis B increases the risk of contracting infectious diseases for staff as well as offenders.
- The Department will not be in full compliance with all ACA standards, which can result in the Department being required to develop a plan of action to meet compliance during ACA accreditation panels. Colorado is the only fully ACA-accredited state that does not have a program nor an action plan in place. Private facilities operating within the state are also compliant.

## ***Proposed Solution***

- This request will allow for staff screenings for TB and vaccinations for hepatitis B. The screenings will be conducted by the Department's clinical staff.
- Implementation of the requested Communicable Disease Prevention Program will benefit both staff and offender wellness by reducing the risk of spreading highly contagious, infectious diseases.
- All Department staff would receive annual TB screenings. New hires would be offered the hepatitis B vaccine during training. Providing TB screenings and vaccinations for hepatitis B would also impact offender wellness and help minimize the spread of infectious diseases.



# COLORADO

Department of Corrections

*Priority: R-9*

*Food Service Inflation*

*FY 2014-15 CHANGE REQUEST*

## ***Cost and FTE***

- The Department requests an \$830,871 General Fund (GF) increase in FY 2014-15 as a result of raw food inflation. Specifically, \$402,342 is needed for food costs at DOC facilities and \$428,529 for DOC's food service contract with the Department of Human Services (DHS) which serves inmates at the Pueblo facilities. This represents a 5.4% increase in the DOC Food Service operating and contract budget.

## ***Link to Operations***

- The DOC spent \$13,191,290 for raw food in FY 2011-12 (15,735,150 offender meals) and \$12,996,773 in FY 2012-13 (14,796,735 meals). Estimated raw food costs in FY 2013-14 are projected at \$13,411,385 for over 15,184,000 meals provided to approx 13,867 offenders by 311.9 FTE (237 directly involved in meal prep and 74 with security functions).
- DOC contracts with CMHIP for meals served at the Pueblo facilities (approximately 1,116,000 in FY 2012-13). Inflationary food costs have also been absorbed by CMHIP food service, which has restricted spending in other operational areas.
- DOC is required by American Correctional Association (ACA) standards to provide nutritionally adequate meals to offenders housed in State operated prisons.

## ***Problem or Opportunity***

- The United States Department of Agriculture and the Consumer Price Index are projecting 2014 food costs to increase between 2.5% and 3.5% over 2013 prices.
- From FY 2005-06 through FY 2007-08, food inflation increases were Joint Budget Committee (JBC) common policy. Since then departments must request inflationary changes.
- Since 2007-08, food costs have seen a compounded annual growth rate of 6.2%. DOC received a 3.5% increase for raw food inflation in FY 2013-14.
- CMHIP has not adjusted the meal charges on the inter-agency contract with DOC since FY 2006-07.

## ***Consequences of Problem***

- Inadequate funding does not allow either Department to address the repair and/or replacement of aging equipment. Deferred replacement results in inefficient equipment and higher operating costs.
- With insufficient funding, it is difficult to provide adequate and nutritious meals to the offenders in accordance with American Correctional Association (ACA) standards.
- Reduced meal quality could lead to facility unrest, which may be a security and safety issue.

## ***Proposed Solution***

- Fund an inflationary increase for raw food costs for DOC and DHS. This will provide resources for continuous nutritious meals and avoid funding restrictions for equipment maintenance and repair.



# COLORADO

Department of Corrections

*Priority: R-10  
Offender Clothing Inflation  
FY 2014-15 CHANGE REQUEST*

## ***Cost and FTE***

- The Department is requesting a General Fund operating increase of \$220,486 in FY 2014-15 and ongoing to address a 56% average inflationary increase in raw materials for manufacturing offender clothing. This is a 6.3% increase in the Laundry Operating Expenses line item and a 13.2% increase in the Superintendents Dress Out line.

## ***Current Program***

- The Department is responsible to clothe 17,379 offenders (as of June 30, 2013) and provide clothing when an offender is released into the community. In FY 2012-13 the Department released over 10,500 offenders that required dress out clothing.
- The Department also provides clothing to offenders housed in the private prison facilities.
- All offender clothing is manufactured through Colorado Correctional Industries programs at Limon and Denver Women's Correctional Facilities. These programs employ approximately 185 offenders.

## ***Problem or Opportunity***

- Correctional Industry's cost of goods sold for manufacturing offender clothing is outpacing revenue due to the textile inflationary cost increases. As a result, they will need to increase prices to DOC for the first time since 2006.
- In 2006, the raw material cost for a pair of men's large green pants was \$4.78; the raw material cost is now \$8.08, a 69% increase.
- In FY 2005-06 the Department released approximately 8,952 offenders, which is 17% fewer (1,554) than those released in FY 2012-13. Over the last two years, numbers of releases have remained flat, (2012: 10,657 releases; 2013: 10,506 releases). However, increases in releases since 2006 coupled with the 56% average increase in textiles during the same time period has created a funding gap.

## ***Consequences of Problem***

- The Superintendent Dress Out line funds dress out clothing, as well as bus tickets and release money for releasing offenders. The clothing cost increases threaten to crowd out statutorily mandated funding to provide a bus ticket within Colorado and \$100 release funds.
- In addition, the Laundry Operating Expenses line will have insufficient funding available for required services (clothing, bedding, laundry supplies, maintenance, and purchasing of replacement equipment) for the offenders within the correctional environment.

## ***Proposed Solution***

- Increase funding for the Superintendent Dress Out line for released offender clothing, and the Laundry Operating line for offender clothing and coats. The increase would sufficiently cover the increased raw material costs for a viable and self-sustaining program.



# COLORADO

Department of Corrections

*Priority: R-11  
Technical Adjustments  
FY 2014-15 CHANGE REQUEST*

## ***Cost and FTE***

- This request is for a \$24,477 General Fund increase in FY 2014-15 and ongoing to increase dispatch services, and for a permanent reduction to both cash fund and reappropriated fund spending authority of \$700,000 and \$200,000, respectively, to match projected revenues. The total request is a net *reduction* of \$875,523, which is less than 1% of the Department's budget.

## ***Current Program***

- Education Operating Expenses include cash and reappropriated fund spending authority to expend revenues earned from offender vocational education programs. These programs include culinary arts, construction technology, welding, cosmetology, and floral design.
- The Department of Public Safety (DPS) provides reimbursable dispatch services to the Department, currently at \$200,000 per year.
- The Offender Re-employment Center includes funding for building lease costs.

## ***Problem or Opportunity***

- Several programmatic changes have a combined impact that will decrease revenue earnings for vocational education programs. Education Operating cash fund and reappropriated fund spending authority will need to be reduced by \$700,000 and \$200,000 respectively to reflect the changes.
- DPS has informed the Department that dispatch services billings will increase from \$200,000 to \$224,477 in FY 2014-15.
- The annual lease costs (\$264,000) for the Offender Re-employment Center are appropriated in the Community Re-entry subprogram rather than from the Leased Space funding line under the Executive Director's Office (EDO) subprogram. All other departmental leased space costs are paid from the EDO Leased Space funding line.

## ***Consequences of Problem***

- Appropriations do not reflect accurate projection of revenue earnings.
- The Department will have insufficient appropriations to pay for dispatch services.
- The Department is not consistent in where it pays for building lease expenses.

## ***Proposed Solution***

- Reduce Education Operating Expense cash fund spending authority by \$700,000 and the reappropriated fund spending authority by \$200,000 to be in line with estimated revenue earnings for vocational education programs.
- Increase Dispatch Services funding by \$24,477 General Fund in order to match DPS billings. Realign \$264,000 General Fund from the Community Re-entry/Offender Re-employment Center funding line to the EDO/Leased Space funding line.





# COLORADO

Department of Corrections

*Priority: R-12  
Provider Rate Increase  
FY 2014-15 CHANGE REQUEST*

## ***Cost and FTE***

- This request is for \$1,236,372 General Fund to support a 1.5% external capacity provider rate increase in FY 2014-15.

## ***Current Program***

- The Department receives funding in the Payments to House State Prisoners Subprogram to pay for the costs of housing offenders externally. The types of beds provided in this program include those found at county jails, private prison facilities, and community corrections facilities.

## ***Problem or Opportunity***

- Provider rates remained static during the economic downturn.
- The 2% provider rate increase funded in FY 2013-14 was the first sustained increase for external capacity providers since FY 2007-08.
- A 1.5% provider rate increase is requested for FY 2014-15 in order to keep pace with inflationary increases.

## ***Consequences of Problem***

- Should this request not be funded, external capacity providers will be forced to continue to absorb cost increases, potentially harming the spirit of cooperation that currently exists between the Department and its private providers.

## ***Proposed Solution***

- Increase Payments to House State Prisoners funding by \$1,236,372 to support a 1.5% increase in daily per diem rates paid to county jails, private prisons, and community corrections facilities.
- All funding changes are on-going and do not require a statutory change.



### ***Cost and FTE***

- The Department requests an increase of \$222.3 million total funds in FY 2014-15 for adjustments to the state share portion of the K-12 school finance formula and the Hold Harmless Full-Day Kindergarten Program. The Department's request represents a 6.3 percent increase to the state share amount for K-12 funding from the FY 2013-14 appropriations.

### ***Current Program***

- Colorado's 178 school districts are funded for 828,045 pupils statewide. Most of the revenues used to support public schools in Colorado are provided by the Public School Finance Act. Based on the formulas and requirements contained in this Act, the Department estimates the state share for funding public schools will increase by \$222.3 million in FY 2014-15.

### ***Problem or Opportunity***

- In FY 2014-15, the Department projects that total student enrollment will increase by 1.3 percent (10,680 pupils). The Department also projects at-risk students will increase by 2.2 percent (6,838 pupils). The Department requests a 57 percent increase to the Accelerating Students through Concurrent Enrollment (ASCENT) enrollment slots (an increase of 258 students).
- The FY 2014-15 inflationary factor is 2.6 percent based on the Office of State Planning and Budgeting (OSPB's) September 2013 Economic Forecast.
- Based on the formulas and requirements contained in the School Finance Act and State Constitution, the growth in pupil enrollment and inflation results in an increase to the state share of funding for public schools of \$222.3 million in FY 2014-15.

### ***Consequences of Problem***

- In order to finance the \$222.3 million increase for public schools, the Department requests an increase of \$73.6 million General Fund, \$147.1 million from the State Education Fund, and \$1.6 million from the State Public School Fund.

### ***Proposed Solution***

- Public schools will receive funding to support pupil enrollment growth and inflation increases in FY 2014-15. The negative factor remains at \$1.0 billion but as an *actual* percentage of Total Program funding, it is reduced from 15.4 percent in FY 2013-14 to 14.9 percent in FY 2014-15. This provides an additional \$40.2 million to support public schools above formula requirements.
- The Department's request preserves a \$700 million fund balance in the State Education Fund.



### ***Cost and FTE***

- The Department requests an inflationary increase of \$7.0 million from the State Education Fund in FY 2014-15 and beyond for education programs commonly referred to as “categorical programs”.

### ***Current Program***

- In addition to funding provided to public schools from the School Finance Act formula, Colorado school districts may also receive funding to pay for specific categorical programs designed to serve particular groups of students or particular student needs. Total funding appropriated for these programs in FY 2013-14 is \$435.7 million. Of this amount, \$141.8 million is General Fund, \$127.5 million is from the State Education Fund, \$101,800 are funds transferred from other state agencies, and \$166.3 million is from federal funds.
- The programs that receive this funding include special education programs for children with disabilities, English language proficiency education, public school transportation, career and technical education programs, special education for gifted and talented children, expelled and at-risk student grants, small attendance centers, and comprehensive health education.

### ***Problem or Opportunity***

- Section 17 of Article IX of the State Constitution requires that the General Assembly provide inflationary increases for categorical programs each year. The Office of State Planning and Budgeting’s September 2013 Economic Forecast indicates a 2.6 percent inflationary rate adjustment for FY 2014-15.

### ***Consequences of Problem***

- A 2.6 percent inflationary rate results in a \$7.0 million increase in the state funding for categorical programs. The State Education Fund has sufficient revenues to pay for this cost increase.

### ***Proposed Solution***

- The Department recommends the \$7.0 million funding increase be allocated to the categorical programs with the greatest needs. Specifically the Department requests an increase of \$3.9 million for special education for children with disabilities, \$1.3 million for English language proficiency programs, \$1.2 million for public school transportation, \$419,700 for career and technical education and \$192,100 for special education for gifted and talented students.



### ***Cost and FTE***

- The Department requests \$3,070,988 General Fund and 4.6 FTE in FY 2014-15 with ongoing costs of \$1,678,615 General Fund and 5.0 FTE in FY 2015-16 and beyond to update and improve the Department's information technology systems.

### ***Current Program***

- The Information Management Systems (IMS) function is one of the most important functions of the Department. The IMS Unit is charged with providing and processing timely, accurate information about the quality and performance of the State's schools and districts.
- IMS maintains systems that collect, synthesize and report student, financial and performance information for the entire state.
- One of the most urgent and pressing projects is the Educator Effectiveness system, which will electronically match up over 60,000 teachers with over 800,000 students statewide.

### ***Problem or Opportunity***

- The current information technology infrastructure is outdated and in danger of failure. The hardware system used to collect student count and district financial data is obsolete and no longer supported by the vendor.
- Database and network hardware is at the end of or past its estimated useful life.
- Programming and network support staff are required for support and development of the internal and external systems that directly support schools, districts, and Department staff.

### ***Consequences of Problem***

- Increased system downtime or degradation of service due to equipment failure leading to lost productivity at both districts around the State and the Department.
- Failure to meet desired implementation targets for key initiatives such as School Accountability (SB09-163) and Educator Effectiveness (SB10-191).
- Missed reporting deadlines which could jeopardize state and federal funding.

### ***Proposed Solution***

- The Department's request will address obsolescence in critical systems, implement key legislation, and support internal and external IMS customers across the state.
- This request will allow the Department to provide reliable, timely and accurate education data.



### ***Cost and FTE***

- The Department requests \$3.8 million total funds for increased costs associated with administering the State's new education assessment tests in FY 2014-15 and beyond.

### ***Current Program***

- Student education growth and achievement is measured by administering standardized tests on specific education content areas. Currently, Colorado is transitioning from the prior assessment tests used under the Transitional Colorado Assessment Program (TCAP) to new assessment tests that were developed to align with the new Colorado Academic Standards implemented during the 2013-14 school year. The new assessment tests were designed by the Partnership for Assessment of Readiness for College and Careers (PARCC), a consortium of states that partnered together to develop common academic standards and assessment tests.

### ***Problem or Opportunity***

- The PARCC assessments will require that an additional grade (11<sup>th</sup> grade) be tested that was not previously tested under the TCAP program.
- For the most part, the PARCC assessment will be administered online. However, a paper-based exam (which is more expensive than the online version) has also been developed for those schools or districts that may not be able to administer an online test.
- The number of Colorado K-12 students is expected to increase by 1.3 percent in FY 2014-15, adding to the costs of administering standardized tests.

### ***Consequences of Problem***

- Adding the 11<sup>th</sup> grade testing and the option for a paper-based test is expected to cost \$3.4 million.
- The growth in the number of students taking the American College Testing (ACT) and English Language Proficiency test (ACCESS) will cost \$329,400.
- Lastly, the Department also requests \$75,600 in one-time funding to align the Colorado Growth Model and the Department's accountability systems with the new assessments.

### ***Proposed Solution***

- Providing a \$3.8 million appropriation increase will ensure the Department has the resources necessary to administering and evaluating the new PARCC assessments as required by State law.
- The PARCC assessments will allow the State to measure student academic progress under the new Colorado Academic Standards.



### ***Cost and FTE***

- The Department requests \$234,606 General Fund and 1.8 FTE to provide additional technical support to school districts regarding recent college and career readiness education reforms. In subsequent fiscal years, the cost for this request is \$245,290 General Fund and 2.0 FTE.

### ***Current Program***

- The Department's Office of Postsecondary Readiness currently has 2.0 federally funded FTE supporting school districts to improve their high school programs for the 21<sup>st</sup> Century economy. The Department's current resources are insufficient to meet the technical support demands from school districts implementing Individual Career and Academic Plans (ICAPs), concurrent enrollment, new diploma requirements, and innovation status programs.

### ***Problem or Opportunity***

- In recent years, the General Assembly has enacted several education reforms to improve how secondary schools prepare students for college and careers. As these reforms are implemented, school districts are requiring more technical assistance from the Department.
- As of 2012, only 40 percent of Colorado high schools have fully implemented ICAPs. The State original goal was implementation by all districts and schools no later than the 2012-13 school year.
- Participation in concurrent enrollment has shown outstanding results in raising college participation rates after high school graduation. During the 2011-12 school year, 24,000 (19 percent) of high school students took a dual enrollment course, an increase of 3,000 from the prior school year.

### ***Consequences of Problem***

- Graduation Guidelines setting higher requirements for high school diploma have heightened awareness around the college and career education reform programs. Without appropriate technical supports for ICAP, concurrent enrollment, and innovation status programs, students may unintentionally be harmed through lack of access to these opportunities, inappropriate practices, or incorrect implementation of statute and regulations. Ultimately, districts fear this could result in a drop in the statewide on-time graduation rates.

### ***Proposed Solution***

- Provide districts with more technical support for college and career-ready initiatives, concurrent enrollment, ICAP implementation, and Innovation Status requirements to ensure these reforms are implemented in a consistent manner statewide and in accordance with State statute and regulations.



### ***Cost and FTE***

- The Department requests \$124,800 General Fund in FY 2014-15 and \$24,800 General Fund in FY 2015-16. Specifically, the request provides \$24,800 to permanently fund educator recognition programs and \$100,000 to pay for the State's biennial educator perception survey (Teaching, Empowering, Leading, and Learning – TELL survey).

### ***Current Program***

- The Department has three primary ways to recognize and celebrate outstanding educators in Colorado: (1) the Teacher of the Year program; (2) the John Irwin Award School and Governor's Distinguished Improvement Awards; and (3) Centers of Excellence Awards.
- The TELL survey is an anonymous statewide survey of licensed, school-based educators to assess teaching conditions at the school, district and State Level. This survey is done once every two years.

### ***Problem or Opportunity***

- Currently, neither the Teacher of the Year and other recognition programs nor the TELL survey have State appropriations.
- These programs play a key role in the State's educator effectiveness system by recognizing the State's most talented teachers, and obtaining actionable feedback on working conditions and challenges faced by educators throughout the State.

### ***Consequences of Problem***

- Without a stable funding source for these programs, the State may lose the opportunity to recognize and support excellence in education and to obtain information about the working conditions in the State's public schools.

### ***Proposed Solution***

- Provide an appropriation in FY 2014-15 and in subsequent years as necessary, to ensure these programs can recognize the State's outstanding educational achievements and provide information that may lead to teacher effectiveness improvements throughout the State's schools.



### ***Cost and FTE***

- The Department requests \$429,345 General Fund and 4.1 FTE in FY 2014-15 to provide additional support to school districts for their English Language Learner (ELL) programs. The ongoing funding in FY 2015-16 and subsequent years is \$441,612 and 4.5 FTE.

### ***Current Program***

- Districts around the State require additional support to build capacity to meet the needs of the State's English Language Learners (ELL) students. In 2013, Colorado public schools served 124,701 ELL students coming from homes where over 235 different languages are spoken.
- Although there has been progress in increasing achievement among Colorado's ELL students, the achievement gaps between ELLs students and other student subgroups are still too significant.

### ***Problem or Opportunity***

- The majority of ELL students in the State are enrolled in school districts that have been identified as Priority or Turnaround Improvement under the Colorado's system of educational accountability.
- Over the past 10 years, from FY 2002-03 to FY 2012-13, Colorado's ELL student population has increased by over 38,000 students (44.7 percent).

### ***Consequences of Problem***

- Without adequate systems, supports, and programs at their schools, ELL students will continue to lag in achievement and the performance of schools and districts will be impacted.
- At the Department's current level of funding, the Department is unable to provide the level of service and support required by the ELPA statutes, and as requested by the schools and school districts throughout the State.

### ***Proposed Solution***

- With the additional funding requested, the Department will be able to meet the needs and demands from schools and school districts to provide high quality linguistic and academic services to their pupils needing ELL services.





### ***Cost and FTE***

- The Department requests \$2.8 million from the State Education Fund and 1.0 FTE in FY 2014-15 to provide funding for the early literacy assessment tool and the Department's associated administrative costs to manage the contract.

### ***Current Program***

- The 2012 School Finance Act provided funding to develop an online early literacy assessment tool to quickly access the reading skills for children in kindergarten through third grade. Schools from 118 of 178 of Colorado's school districts will begin using this assessment tool during the 2013-14 school year.

### ***Problem or Opportunity***

- Although the statute (Section 22-2-141 (4), C.R.S.) requiring the on-line assessment indicates the assessments are an on-going program, Department received funding only for the initial implementation year.
- Additionally, the Department did not receive the associated administrative costs needed to provide contract management and to train the personnel conducting the literacy assessments.

### ***Consequences of Problem***

- Without ongoing state funding for the Early Literacy Assessment Tool program, many school districts will need to pay for the assessments from their own funding or lose the ability to provide the assessments.
- Without adequate administrative funding, the Department will not be able to support the 5,000 educators using the tool annually to assess over 96,000 students across the State.

### ***Proposed Solution***

- The Department requests ongoing funding of \$2.7 million to provide ongoing funding for the Early Literacy Assessment Tool program so that educators can access to this important tool for assessing the early reading skills of young learners and to provide earlier interventions earlier to help these young learners be successful in school.
- The request also provides \$124,700 and 1.0 FTE to provide technical assistance to the school personnel administering this assessment and to manage the contract with the vendor.



### ***Cost and FTE***

- The Department requests a \$250,000 General Fund appropriation into the Start Smart Nutrition Program Fund in FY 2014-15 and beyond. The Department's request also appropriates the associated funding from the Start Smart Fund to the program (as reappropriated funds) and reduces the cash fund appropriation from the Start Smart Nutrition Program's reserves by \$102,495.

### ***Current Program***

- Student participation in the Start Smart school breakfast program has increased between 1.39 to 1.28 percent annually over the past several years. Most recently, the Program experienced a 7.25 percent growth from FY 2011-12 to FY 2012-13. In FY 2014-15, this growth will result in the reimbursement of over 900,000 more breakfasts than five years ago.

### ***Problem or Opportunity***

- Based upon recent growth trends, the Start Smart Nutrition Program does not have adequate spending authority or adequate General Fund moneys appropriated to the Start Smart Nutrition Program Fund line item in FY 2013-14 or FY 2014-15.

### ***Consequences of Problem***

- This request benefits local school districts and families. If this request is not funded, the Colorado Department of Education will not have sufficient funding to reimburse school districts for breakfasts provided to eligible participating students. Districts would be required to cover the \$.30 co-payment for reduced price breakfast meals or require families to pay the co-payment directly.
- This request also helps improve student achievement by providing low-income, food-insecure children access to a healthy and nutritious breakfast. Children who begin their days with a nutritious breakfast are more likely to achieve academic success. Furthermore, students participating in breakfast programs show greater improvements in math scores, attendance, and punctuality, as well as reduced depression, anxiety, and hyperactivity.

### ***Proposed Solution***

- More closely align the General Fund moneys appropriated to the Start Smart Nutrition Program Fund and Cash Funds appropriations to the projected Start Smart reimbursements and available fund balance, respectively.



### ***Cost and FTE***

- The Department requests an \$8.0 million increase from the Public School Capital Construction Assistance Fund in FY 2014-15 so that appropriations for the Building Excelling Schools Today (BEST) Program comply with the Program's Certificates of Participations (COPs) Lease Purchase Agreements.

### ***Current Program***

- The six approved BEST lease purchase grants project for FY 2013-14 include school replacements or major school renovations in the following districts: South Conejos RE-10, Kim 88, Limon RE-4J, Creede 1, Haxtun RE-2J, and Moffat 2. These six projects address critical health, safety, and welfare concerns including security concerns, fire code violations, HVAC concerns, water damage, ADA compliance issues, structural problems, electrical system issues, and poor learning environments. These grant projects are dependent upon local bond elections in November 2013.

### ***Problem or Opportunity***

- The BEST COP Lease Purchase Agreements require the State to appropriate an amount greater than or equal to the gross base rent payment. The gross base rent payment includes the state share of the COP payment, the local education agency (LEA) matching money lease payments, and the federal subsidies from the use of Build America Bonds (BABs), Qualified School Construction Bonds (QSCBs).

### ***Consequences of Problem***

- Without this appropriation increase, the State will not be able to finance the approved 2013-14 BEST lease purchase grants and will be out of compliance with the legal obligations of the BEST COP Lease Purchase Agreements. Failure to annually appropriate the gross base rent payment is an event of default under the Lease.

### ***Proposed Solution***

- To appropriate the amount of \$65.0 million in FY 2014-15 (an \$8.0 increase from current appropriations) to cover the entire anticipated gross base rent amount due in FY 2014-15 per the COP Lease Purchase Agreement. The full appropriation would only be required in the rare event that the federal subsidies from the Build America Bonds (BABs) and Qualified School Construction Bonds (QSCBs) were to be eliminated by U.S. government legislative action and LEA matching money bond payments were not to be made.



### ***Cost and FTE***

- The Department requests an increase of \$126,671 General Fund in FY 2014-15 for salary increases for the teachers employed the Colorado School for the Deaf and Blind. Of this amount, on \$16,356 is a continuing cost in FY 2015-16.

### ***Current Program***

- According to Section 22-80-106.5, C.R.S. the Colorado School for the Deaf and Blind is required to compensate teachers based on the El Paso District 11 salary schedule, salary policy, or combination salary schedule and salary policy. Consequently, Colorado School for the Deaf and Blind (CSDB) teachers are compensated according to the District 11 salary policy, rather than the State of Colorado's policy.

### ***Problem or Opportunity***

- The District 11 scale employees will not receive any State of Colorado across-the-board or merit salary increases for FY 2014-15, as they are compensated in accordance with the provisions of the salary schedule, salary policy and combination salary adopted by the Colorado Springs District 11 Board of Education as of January 1 of the previous fiscal year. The CSDB District 11 scale employees did not receive the two percent (2%) across-the-board or merit increases in FY 2013-14.
- As a result, it is necessary to request a separate appropriation for salary increases for CSDB teachers.

### ***Consequences of Problem***

- If not funded, CSDB will still be required to compensate the District 11 scale employees based on that salary policy but will be forced to reduce services in other areas to fund the increases.

### ***Proposed Solution***

- The Department proposes funding the 4% one-time, non-recurring across the board compensation and educational increases for FY14-15 based on the El Paso District 11 FY13-14 pay scale.
- The educational increases will become part of the following year's base pay but the 4.0% across the board compensation would be a one-time compensation.



# COLORADO

Office of Economic Development  
and International Trade

Priority: R-1  
General Economic Incentives and Marketing  
FY 2014-15 Change Request

## *Cost and FTE*

- The Office of Economic Development and International Trade (OEDIT) requests a \$2,986,236 General Fund increase for FY 2014-15 and beyond to support the Economic Development Commission Strategic Fund Cash Incentive program; the program helps create new jobs in Colorado. The General Assembly approved a one-time appropriation for FY 2013-14. This request will allow the program to maintain approximately the same level of funding as FY 2013-14.

## *Current Program*

- The Economic Development Commission – General Economic and Incentives Marketing line item was appropriated \$5.2 million for FY 2013-14. Approximately 74% of this funding is used as a cash incentive for companies expanding or relocating to Colorado which creates jobs for the state's economy.
- Companies must create and keep new jobs for a minimum of one year and at a salary of 110% above the average county wage before the incentive is paid. The balance of the funding is used for strategic marketing initiatives that enhance economic development in Colorado, such as the Icelandair Marketing Initiative fund that helped bring Icelandair to Denver and expand DIA's international exposure with direct flights to and from Reykjavik in Iceland.

## *Problem or Opportunity*

- The opportunity is to make funding available that can be used to provide performance-based job creation incentives to businesses, thus making Colorado more competitive in attracting businesses to the state. Since 2007, performance-based Job Creation incentives supported 8,057 jobs for 32 companies with an average incentive per job of \$2,113 and an average annual wage of \$57,166.

## *Consequences of Problem*

- There is intense competition among states to retain and attract expanding and relocating companies. Colorado has modest amounts of cash incentives compared to many competing states such as Texas and Arizona, which have more than \$30,000,000 per year in job creation incentives.

## *Proposed Solution*

- The proposed solution is for the State to maintain a total of approximately \$5.0 million General Fund ongoing in continued base level funding available annually to the EDC to support Colorado's efforts to compete with other states and countries for job creation opportunities.



# COLORADO

Office of Economic Development  
and International Trade

Priority: R-2  
Advanced Industries Accelerator  
FY 2014-15 Change Request

## *Cost and FTE*

- The Office of Economic Development and International Trade (OEDIT) requests \$5.0 million General Fund for FY 2014-15 and beyond for the Advanced Industries Accelerator (AIA) Program. This would maintain the same level of funding for the program on an on-going basis as created in H.B. 13-1001. Additionally, OEDIT requests 1.3 FTE to manage the overall AIA programs and specific grants.

## *Current Program*

- The AIA Program, established in H.B. 13-1001, was created to promote growth and sustainability in advanced industries by providing grants to emerging, high-tech companies.
- The AIA grants will help drive innovation, accelerate commercialization, encourage public-private partnerships, increase access to early stage capital and create a strong ecosystem that increases the State's global competitiveness.

## *Problem or Opportunity*

- Colorado's advanced industries are research and development intensive; they focus on science, technology, engineering and manufacturing ("STEM"). The high-tech focus provides opportunities for high-wage jobs and increased exports, which bring in economic benefits for the State.
- The economic impact of the Advanced Industries accounts for nearly 30 percent of the State's wage earnings, 30 percent of the total sales revenues across all industries within the State and, approximately 35 percent of the State's total exports. Such industries also represent more than 500,000 high-paying jobs.

## *Consequences of Problem*

- If continued funding is not provided, the AIA program will be limited in the number of grants awarded and the broad vision of H.B. 13-1001 will not be realized.

## *Proposed Solution*

- The solution is to continue the funding of the AIA to accelerate and capitalize on one of Colorado's strengths – its advanced industries. Such funding will create incentives for such industries and Colorado research institutions to work together and collaboratively to create technologies, products and new start-ups that provide the widest impact for Colorado.



# COLORADO

Office of Economic Development  
and International Trade

Priority: R-3  
Colorado Tourism Office  
FY 2014-15 Change Request

## *Cost and FTE*

- This request is for \$2.0 million General Fund for the Colorado Tourism Office (CTO), which resides in the Colorado Office of Economic Development & International Trade (OEDIT), to market Colorado and increase tourism to the state. This request would perpetually extend one-time funding that was received for this purpose in FY 2013-14.

## *Current Program*

- The goal of the current Colorado marketing campaign, “Come to Life”, is to boost economic development in Colorado through tourism. It has been extremely successful with a Return on Investment (ROI) of \$228 to \$1 based on calculations and research from Strategic Marketing and Research, Inc. (SMARI).

## *Problem or Opportunity*

- For FY 2013-14, the General Assembly appropriated \$2.0 million General Fund for tourism promotional activities and the development of a fully integrated branding platform. However, this funding was one-time. This request is to extend funding for FY 2014-15 and ongoing, and enable the CTO to continue to market Colorado to a wider audience and attract more people to the state, which is the primary goal of the CTO. Based on the results from SMARI, the potential Return on Investment of \$228 to \$1 could yield \$456.0 million in private sector spending and an estimated increase of \$32.0 to \$36.0 million in state and local tax revenues if current trends continue.

## *Consequences of Problem*

- If additional funding is not provided, CTO will not be able to continue to expand Colorado’s marketing reach and frequency, and will not participate in the additional revenue generated by increased tourism.

## *Proposed Solution*

- The \$2.0 million will be used to increase CTO’s marketing contract from \$9.1 million to \$11.1 million, thereby increasing Colorado’s marketing reach and frequency. The goal is to continually increase annual incremental visits to the state by 15 million tourists in FY 2014-15 and 15.2 million tourists in FY 2015-16 per OEDIT’s performance management plan.
- CTO will use funding to purchase additional air/cable time in primary markets, national magazine ads in top producing publications, bill boards in primary markets, and digital (internet) ads in primary markets, thus, enhancing the campaign’s reach and frequency, which will produce a higher conversion rate of travelers to Colorado.



# COLORADO

Office of Economic Development  
and International Trade

Priority: R-4  
Minority/Women Owned Business Office  
FY 2014-15 Change Request

## ***Cost and FTE***

- This request is for \$400,000 General Fund and 1.8 FTE in FY 2014-15 for the Minority Business Office (MBO) to develop and implement an integrated Minority and Women-Owned Business (MWB) strategy for Colorado. The request will annualize to \$750,000 General Fund and 2.0 FTE in FY 2015-16.

## ***Current Program***

- Currently, the focus of the MBO is on State procurement opportunities for MWBs. Activities include holding an annual State procurement fair and providing guidance on procurement questions.

## ***Problem or Opportunity***

- MBO requires funding to implement a strategic business plan for the integration and development of Minority and Women-Owned Businesses into the economic blueprint for Colorado.
- Currently, MBO does not have a budget directly allocated to advance the work of the MBO. The salary of staff is funded through the General Business Development Fund, which has limited the impact of the MBO's initiatives.
- Investment in this office will allow economic growth through partnership with Small Business Development Centers that are geared toward MWBs, and opportunities with medium and large businesses to gain access to vendor contracts.

## ***Consequences of Problem***

- Without a direct budget, the MBO will continue to operate one-dimensionally focused only on State procurement opportunities for MWBs, thus limiting its impact.

## ***Proposed Solution***

- The proposed solution is to fund the MBO from General Fund in the amount of \$400,000 in FY 2014-15, and \$750,000 in FY 2015-16
- The goal is to integrate the MWB into the economic development ecosystem by providing access to capital, opportunity, and resources to help ensure their long-term viability and growth. This comprehensive approach to economic development will support a thriving MWB community and will also positively impact the opportunities for overall business development.
- This will be accomplished by establishing year-round training programs, statewide summits/expos, providing critical data and research and enhancing technological infrastructure to advance the opportunities for MWB's .





# COLORADO

Office of Economic Development  
and International Trade

Priority: R-5  
Procurement Technical Assistance Center  
FY 2014-15 Change Request

## ***Cost and FTE***

- This request is for \$220,000 General Fund for FY 2014-15 and beyond to support the continuation of the Procurement Technical Assistance Center (PTAC) program. This is the same level of funding as provided in FY 2013-14 and no FTE is required.

## ***Current Program***

- The Office of Economic Development and International Trade (OEDIT), through the Economic Development Commission (EDC), funded PTAC (a 501(c) (3) organization) approximately \$250,000 annually for four years through FY 2012-13. The PTAC provides technical assistance in obtaining government contracts to both contractors and subcontractors, from a small subcontractor that supplies cleaning services to a large defense contractor (such as Raytheon) that handles major federal contracts. Industry areas include aerospace or high-tech, industries that drive the creation of new jobs.

## ***Problem or Opportunity***

- The opportunity that this request addresses is how to continue to provide the technical assistance to Colorado businesses in obtaining federal, state and local government contracts that will enable those businesses to create jobs and generate additional tax revenues. Due to the intense competition among states to obtain government contracts, virtually all other states provide public funding for their PTACs. In addition to the above advantages of maintaining a PTAC, the State will be matched 3 to 1 with federal and locally-raised funds.

## ***Consequences of Problem***

- Without the PTAC, jobs created and retained from Colorado businesses obtaining government contracts will decrease, and tax revenues associated with those jobs created and retained would also decrease for the State. If the request is denied, Colorado businesses will be at a notable disadvantage in obtaining government contracts compared to businesses in other states that have access to PTACs and the State will lose out on the opportunity to leverage federal funds.

## ***Proposed Solution***

- The proposed solution is to maintain PTAC in Colorado to ensure that Colorado businesses have an equal opportunity to compete for government contracts with businesses from other states. As a result of the PTAC investment, jobs created and retained will continue to grow and Colorado businesses will maintain the same level of technical assistance opportunities to obtain government jobs, based on prior years of experience.



# COLORADO

Office of Economic Development  
and International Trade

Priority: R-6  
Aerospace Strategic Plan Implementation and  
Aerospace Champion  
FY 2014-15 Change Request

## ***Cost and FTE***

- This request is for a \$175,000 General Fund increase to continue the implementation of the Aerospace Strategic Growth plan. This is the same level of funding that was provided in FY 2013-14.

## ***Current Program***

- Through the Colorado Blueprint, the Governor's Office of Economic Development and International Trade (OEDIT) has convened stakeholders from across Colorado's key industries for the purpose of creating industry strategic growth plans. Significant work and effort was devoted to creating valuable strategic growth plans for the Aerospace and Military industry. Colorado partnered with Brookings Institution to create a national report entitled "Launch! Taking Colorado's Space Economy to the Next Level". Through its normal strategic planning process, OEDIT used this report as the foundation for creating an Aerospace Strategic Growth Plan.

## ***Problem or Opportunity***

- One of the largest issues identified in the Aerospace strategic plans was the need for a single industry "voice" or Aerospace Champion. The Aerospace Champion is responsible for being single-mindedly focused on the aerospace and defense industry. As such, the position is responsible for overseeing the implementation of the state's aerospace strategic plan and developing and implementing strategies surrounding the state's military bases, including leading efforts surrounding all Base Realignment and Closure ("BRAC") activities. The Champion will be a super-connector, strong voice, and passionate advocate and network builder that will unite the various industry networks and groups within aerospace and defense.

## ***Consequences of Problem***

- If funding is not provided for FY 2014-15, full implementation of the strategic growth plan will not take place which could negatively impact the growth of the aerospace industry in Colorado.

## ***Proposed Solution***

- FY 2014-15 funding will be used to continue to fund the Aerospace Champion position to enable completion of the implementation of prioritized action items contained in the Aerospace strategic plans. Funds will be used to align stakeholders and execute on prioritized strategic items set forth in the plans, including the alignment of our military assets in preparation of consolidation in the industry, workforce training and other priorities for the industry.



# COLORADO

Office of Economic Development  
and International Trade

Priority: R-7  
Colorado Office of Film, Television and Media  
FY 2014-15 Change Request

## ***Cost and FTE***

- This request is for an increase of \$5.0 million General Fund in FY 2014-15 to expand the Colorado Office of Film, Television, and Media (COFTM) incentive and rebate programs to incentivize production companies to Colorado. The request does not include additional FTE.

## ***Current Program***

- The Colorado Film Incentives Cash Fund was established by the General Assembly in 2006. The Fund was established to provide a performance-based incentive rebate on qualified local expenditures to approved production companies. This incentive rebate program was designed to encourage film production in Colorado and is administered by the Colorado Office of Film, Television, and Media (COFTM). The mission of COFTM is to promote Colorado as a location for making feature films, television shows, television commercials, and digital games.

## ***Problem or Opportunity***

- Content creation for film production is an important and growing international business. Colorado was once a leader in the film and television business and has seen its market share of people employed in the industry decline significantly. The decline is directly related to the implementation of incentives in other states that have left Colorado in a noncompetitive position. Currently, film and TV productions are overwhelmingly located in states that offer significant production incentives. The states that offer the highest levels of incentives are capturing the largest percentage of the nation's productions and as a result, reaping the economic benefits in their state.
- As of September 12, 2013, approximately 14 months since the new program took effect; the projects through COFTM have generated \$33,626,248 in total expenditures from production activities, 649 jobs throughout the state and an estimated \$4,032,290 in state and local tax revenue.

## ***Consequences of Problem***

- The funding for the past two fiscal years has been effectively deployed or committed for incentives to attract production companies to Colorado. To continue to attract production companies to Colorado, it is critical to continue to fund the film incentive programs.

## ***Proposed Solution***

- The proposed solution is to continue to fund the COFTM and increase funding for FY 2014-15 to \$5.0 million General Fund in order to continue to incentivize production activities in Colorado. Funding will allow for growth in the program, and generate approximately \$49.0 million in economic activity.



# COLORADO

Office of Economic Development  
and International Trade

Priority: R-8  
Economic Gardening Pilot Program  
FY 2014-15 Change Request

## ***Cost and FTE***

- This request is for \$100,000 General Fund in both FY 2014-15 and FY 2015-16 to fund the second and third year of the Economic Gardening Pilot Program created in H.B. 13-1003.

## ***Current Program***

- H.B. 13-1003 appropriated funds for the creation of an economic gardening pilot project in the Colorado Office of Economic Development and International Trade (OEDIT) over a three year period. Statewide economic prosperity and job creation are advanced significantly by creating, promoting and retaining local start-up companies and small businesses with high growth potential. Such businesses can benefit from specialized business assistance to refine core strategies and form access to in-depth market research, competitor analyses, geographic information systems and other strategic information which is the goal of the Economic Gardening Pilot Program.

## ***Problem or Opportunity***

- Creating and implementing the Economic Gardening Pilot Program includes educating team members and staff, developing a certification process, and coordinating and gathering services, resources, and partners. Funding for these activities is only appropriated for FY 2013-14.
- Funding subsequent years of the program vastly increases the return on investment as the cost, time, and resources will be focused directly on assisting businesses, and no longer on start-up and certification processes.

## ***Consequences of Problem***

- If the proposed solution is not approved, the State will not benefit from the time and resources spent on project implementation in FY 2013-14. Funding in subsequent years greatly increases the viability of the program and the potential return on investment.

## ***Proposed Solution***

- The proposed solution is to fund the second and third year of the Economic Gardening Pilot Program pursuant to H.B. 13-1003; \$100,000 General Fund is being requested each year for a total of \$200,000.
- The subsequent two years of the Program are strictly execution-based; therefore, funding is vital to the Program's success and the ability to measure its economic impact. The return on investment will be measured by in the number of jobs created, capital formation, sales, and exported goods for the selected Colorado second-stage companies.



# COLORADO

Office of Information Technology

Priority: R-1  
Long Bill Restructure  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Office of Information Technology requests a realignment of its appropriations structure in the annual Long Bill consistent with the method IT funds are appropriated in Departments. This request does not increase spending authority or FTE.

## ***Current Program***

- The Office of Information Technology (OIT) provides services and support to all 19 Executive Branch Departments and each branch of the Colorado State Government. For FY 2013-14 OIT was appropriated \$141,484,954 and 920.0 FTE to provide these services.
- OIT provides financial reporting and rates for services to all Departments, OSPB, JBC, the Federal Government, and the Information Technology Oversight Committee.

## ***Problem or Opportunity***

- The current Long Bill structure largely predates OIT's consolidation and does not align with OIT's current organization, service delivery, or billing structure.
- The present structure inhibits OIT's ability to effectively use financial and personnel resources.
- The current True-Up process can result in the need for negative appropriations.

## ***Consequences of Problem***

- Senior management is unable to make budget-based decisions because their service portfolios are in multiple appropriations lines, which are shared with other senior management.
- Budget and accounting have increased opportunities for errors because services and appropriations are not in alignment. This has a spillover effect on the ability for customers to understand the OIT rate structure on specific services.
- The current structure does not allow for expansion of services or best utilization of funds because of the forced division between personal services and operating.
- The structural problem inhibits the ability for OIT to act quickly when specific needs are identified because of the barrier to utilizing personal service vacancy savings to purchase equipment during an emergency or unforeseen event.

## ***Proposed Solution***

- Restructure OIT's Long Bill format to be more in line with existing operations which supports OIT's strategy for IT service management, particularly with the inclusion of program lines.
- Restructure the Common Policy line items in department appropriations to consolidate from five IT lines to a single "Payments to OIT" line.
- The restructuring of the requested line items will enable OIT to meet the changing needs of its customers while providing transparency through regular reporting.
- This budget neutral solution combines small program appropriations with the services supported, and otherwise aligns budgets by organizational structure and services provided.
- Outcomes will be measured through visibility in reporting and rate calculation.
- Provide relevant and reliable data to support annual planning, budget, and reporting.



### ***Cost and FTE***

- The Office of Information Technology requests \$4.1 million Reappropriated spending authority beginning in 2014-15 for the Information Technology Security Program.

### ***Current Program***

- This budget request directly supports Secure Colorado Phase II, the second of the State's three-year information security and risk management strategic plan. This program supports the State's enterprise cyber security program and protecting the State's collection of data.
- The Office of Information Security Program is the single state source for cyber security awareness, monitoring, and defense. This program supports the State's enterprise cyber security program and protecting the State's collection of data. The mission of the OIS is to safeguard the state's information assets and citizen information against unauthorized use, disclosure, modification, damage, or loss.

### ***Problem or Opportunity***

- Key security equipment has reached end-of-life and needs to be replaced. / The current IT infrastructure, tools, and resources are not sufficient to protect the State from the more than 600,000 daily attacks currently hitting systems and are no longer sufficient for new, more advanced attacks.
- Funding for information security has not been sufficient to implement industry recommended critical security controls, meet state and federal regulatory requirements, or maintain an appropriate level of risk.

### ***Consequences of Problem***

- Failure to refresh the State's core security infrastructure and implement critical security controls will result in increased network and system downtime, data loss, and potential fraud and abuse.
- Funding is required to achieve the goals contained in Secure Colorado, the State's three-year strategic plan for addressing the evolving cyber threat and reducing risk, fraud, and abuse.

### ***Proposed Solution***

- Continued funding of the Secure Colorado Program will provide for new hardware to refresh/upgrade firewalls; refresh/upgrade the State's domain name servers; and procure network traffic analyzers, access control appliances, and incident detection and response tools.
- New software – application layer monitoring and defensive software to identify and stop layer 7 attacks and outages (a more sophisticated and less identifiable type of attack). Cyber threats to Colorado include attacks or threats to data, applications, host servers/network, internal networks, perimeter, physical attacks, and policies/procedures/awareness.
- Procure managed security services (contractors) to install, tune, and monitor security infrastructure.



### **Cost and FTE**

- The Office of Information Technology requests \$2,960,000 in Reappropriated funds in FY 2014-15, and \$1,985,000 in FY 2015-16 to eliminate redundant applications existing throughout the state to standardize, consolidate, and/or retire similar applications residing in multiple Departments.

### **Current Program**

- OIT supports over 1,200 different applications statewide; as defined by State agency program areas, over 200 of these are deemed either “mission critical” or “essential.”
- 80 percent of OIT resources are dedicated to operating and maintaining legacy applications; this encompasses 640.0 FTE and \$56.0 million annually. Requested funding is 5 percent of this amount.

### **Problem or Opportunity**

- OIT has the opportunity to provide the following: improve customer service and overall efficiency, given that current OIT staff is dedicated to maintaining old systems with aging technology that often fails.
- Reduce ongoing expenses for hardware, software, and maintenance within Agency program areas currently using “one-off” applications through migration to statewide enterprise solutions.
- Reduce business training and support requirements given streamlined and consistent user interfaces.
- Create the potential for State agency programs to configure and manage their own service offerings.

### **Consequences of Problem**

- Many State agencies have antiquated technology and systems. They will need to bear the burden of improving such systems individually and repeatedly without an enterprise view of the solution.

### **Proposed Solution**

- “Think Stately, Act Locally” – OIT will collaborate with 14 State agency partners to eliminate at least 120 redundant State agency applications through consolidation into enterprise solutions.
- OIT will partner with vendors and contractors to configure, convert, and confirm State agency program functionality, business process, and personnel. Services run in parallel until customer signoff.
- OIT will initiate a lean process project with each Department to collaboratively identify potential efficiencies, identify applications for retirement, identify applications for consolidation, current application support, and current life cycle stage of the application.
- OIT will develop an individualized State agency program plans to implement the Application Portfolio Management Roadmap, thereby achieving improved efficiency.
- OIT will receive Department approval of the roadmap and consent to retire or consolidate applications.
- OIT will provide a common database and user interfaces allow for streamlined business processes and resident interaction with State staff delivering services. Synergies identified for future collaboration.
- The request is for FY 2014-15 and FY 2015-16.



### ***Cost and FTE***

- This request is for an increase in a state wide augmentation and upgrade of the Capitol Complex equipment connecting to the Colorado State Network (CSN) supporting the Governor's Office of Information Technology (OIT) Cloud Strategy and Enterprise Architecture (EA) initiative. The request is for \$660,000 in FY2014-15 and \$95,000 in ongoing annual operating expenses. Funds requested are to be re-appropriated, and are to be used for critically needed upgrades and maintenance of the CSN.

### ***Current Program***

- In June 2011 the Governor's OIT entered into a new partnership with CenturyLink to upgrade the state's aging wide area network, previously referred to as the Multi-Use Network (MNT). The new contract brings with it significant cost savings, 21st century technology, and notable improvements to the statewide network.
- The CSN offers bundled services inclusive of network services (MPLS, MOE, Wave, Ethernet, etc.) as well as WAN CPE (Customer Premise Equipment), maintenance, and CSN network monitoring and management.

### ***Problem or Opportunity***

- There are areas in both the wide area network (WAN) and the new Virtualized Multiservice Data Centers (VMDC) of the CSN, within the Capitol Complex, requiring attention to mitigate implementation flaws, primarily single points of failure of key network equipment, the upgrade of key existing equipment to support new features and services required by the WAN and VMDC's, and the appropriate service and maintenance support for key hardware and software components.

### ***Consequences of Problem***

- OIT estimates the failure of a single non-redundant key network component without appropriate maintenance can cost the State over \$184,000 in revenue and repair due to a single 12 hour failure.
- Not upgrading key existing equipment will delay the migration of some agencies to the vBlock™ Infrastructure Platform and possibly stop the migration of others. This will result in anticipated total cost of ownership (TCO) reductions to not be delayed or even eliminated.
- The ongoing process of retrofitting older equipment for modern requirements of the CSN results in extreme inefficiencies of OIT personnel.
- Network service availability and performance problems will increasingly produce negative and more severe impacts to the citizens of Colorado.

### ***Proposed Solution***

- Proceed with detailed project planning for the phased replacement of critical equipment, within the Capitol Complex area, and to evaluate and begin urgent phased augmentation of major single points of failure of the CSN.
- Complete enterprise network management system (NMS) contract and begin immediate deployment of new toolsets.





### ***Cost and FTE***

- This request is for \$428,866 General Fund to refinance and fund an existing 6 FTE to continue the broadband mapping, planning, and integration efforts begun through the federal State Broadband Initiative (SBI) Grant program. That grant ends October 2014 and this request would be effective at its conclusion. This request will annualize to \$554,347 General Fund in FY 2015-16 and beyond.

### ***Current Program***

- Currently the SBI programs funds 7.5 FTE to map broadband availability throughout the state, develop statewide standards for public safety, assist local governments to develop and implement regional broadband plans, integrate broadband technologies throughout various State and local agencies, and promote and coordinate Distance Learning opportunities across the State. The program works with over 150 private broadband carriers, 20 public safety entities and local officials in over 50 counties.

### ***Problem or Opportunity***

- Broadband has become an essential infrastructure for economic development, healthcare, education and public safety. Many areas in Colorado lack the sufficient broadband capacity or coverage to effectively deliver on these services. Continuing the current program is essential to make necessary policy decisions regarding broadband and support broadband expansion across the state.
- The current federal grant funding ends in October 2014.

### ***Consequences of Problem***

- If this work is not continued, the state will be forced to make critical public policy decisions without clear and accurate data while many parts of Colorado will continue to lack adequate broadband.

### ***Proposed Solution***

- The proposed solution is to continue and refine the efforts started through the SBI program. The requested funding will allow OIT to further customize the program to meet Colorado specific needs.
- The specific positions impacted by the expiring federal grant include 6.0 FTE:
- Broadband Communications Manager (1.0 FTE) to continue the planning efforts with local, regional and state level governments;
- 3.0 FTE to continue and expand the broadband mapping efforts and also provide GIS services;
- Address Data Coordinator (1.0 FTE) to continue the efforts to develop accurate address data for both state and local public safety needs; and
- Broadband Architect (1.0 FTE) to develop technical and architectural standards for broadband.



### ***Cost and FTE***

- The Office of Information Technology requests \$3,455,000 Reappropriated Funds in FY 2014-15 for software, licensing, training and professional services to complete and implement a comprehensive enterprise service management system.
- OIT further requests \$645,000 to finish implementation and pay for maintenance and support in FY 2015-16. \$345,000 per year (a 6% increase) would be required for ongoing, for software maintenance and licensing starting in FY2016-17.

### ***Current Program***

- The Statewide IT Management program is responsible for the oversight, management, and centralization of IT services with the state government.
- OIT owns eight of the 12 essential IT Service Management Ecosystem components. The existing eight require upgrade and the remaining four require purchasing. The goal is to fully integrate all 12 into a fully leveraged IT Operating Model. This model defines and provides data for the services provided, resource planning, rate setting for common policy, and full asset management. This complex system describes and classifies the assorted personnel, technical, and workload data of the operations and domains in order for OIT to accomplish its mission.

### ***Problem or Opportunity***

- A subset of OIT Service Management Ecosystem components have been purchased and implemented as standalone; these components do not “speak to each other” providing a frustrating customer experience.
- No single repository for data exists which creates an inability to quickly respond to requests and an inability for users to generate reports automatically. As a result, manual processes and inefficiencies abound within OIT and State agencies.
- As a service provider, OIT established a Service Catalog where agencies request services; however, that Service Catalog is not automated and does not link with other systems to provide seamless deployment and tracking (including FTE, hardware, software, operations, and maintenance).

### ***Consequences of Problem***

- OIT will continue to face challenges reporting expenses, resource allocation, common policy billing, asset management, and service delivery with limited Department visibility into OIT data.

### ***Proposed Solution***

- Purchase of the four remaining “OIT mission control” components; fully configure, populate, and implement a standardized and process-driven IT Service Management (ITSM) Ecosystem (software tools linking disparate IT systems together) to drive operational efficiencies, link financial information directly to services, and improve overall service delivery.
- Integrate OIT systems across business programs and processes enabling OIT to deliver a standardized customer experience, streamlined timelines, and increased transparency.
- Create forecasts and plans directly tied to State agency strategies and OIT resource allocation.
- A single data repository links financial data to assets and services, and to State agency programs.
- Linked tools and processes make IT budgeting easier, standardized, and transparent.



### ***Cost and FTE***

- The Office of Information Technology requests an ongoing increase to enhance the statewide public safety two-way radio communications. The request would increase funding for the Digital Trunked Radio System (DTRS) by \$1,116,397. The funds will be used for critically needed repairs, maintenance, scheduled replacement and software support for the DTRS.

### ***Current Program***

- The DTRS provides two-way radio communications for over 1,000 local, state, tribal and federal public safety agencies across Colorado. All Colorado citizens and visitors are served by the DTRS each time a 9-1-1 call is placed and police, fire and EMS services are requested. There are currently over 70,000 first responders across the State carrying radios utilizing the DTRS for emergency and non-emergency operations and communication interoperability 24-hours a day, 365 days a year.
- OIT administers the DTRS; regional engineers and technicians provide repair service, maintenance and monitoring of the DTRS, including 221 transmitter sites and microwave connectivity. The base level funding for this program is: Personal Services - \$3,727,491; Operating Expenses - \$183,231, Training - \$22,000; Utilities - \$183,768; Local Systems Development - \$121,000; and Indirect Cost Assessment - \$67,827.

### ***Problem or Opportunity***

- Current operational funding fails to meet minimum requirements for sustaining the daily operations of critical public safety communications network. The DTRS has grown exponentially over the past decade due to population increases and demand for expanded and improved public safety radio coverage. While the DTRS has continued to grow, the funding has remained the same level for over a decade. This request in funding will address the current budgetary shortfall for minimum operations and will allow OIT to initiate replacement of some of the obsolete electronic components of the system.

### ***Consequences of Problem***

- OIT is statutorily required to provide a public safety radio system to State public safety agencies - State Patrol, Corrections, Natural Resources, Transportation, Judicial, and others. OIT will be unable to meet this mandate, resulting in potential critical mission service outages that could, inevitably, result in catastrophic communication failures of the communications.
- The current funding shortfall has resulted in some local agencies losing of confidence in the State's ability to maintain the DTRS. Some local agencies are splintering off from the DTRS, which is creating a dangerous loss of public safety first responder ability to achieve statewide communications interoperability (the ability of police, fire and EMS first responders to communicate with each other on demand, and without dispatch intervention). As a result, there will be silos of local effort to create and sustain local radio systems not integrated with the DTRS.

### ***Proposed Solution***

- Develop project plan to address phased replacement of critical electronic components and renew expired software licenses for monitoring, asset and time management; re-instate Motorola Technical Support and Security Update Service agreements for Zone Master Sites.



# COLORADO

Office of Information Technology

Priority: R-8  
IT Technical Development  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Office of Information Technology (OIT) requests \$256,620 Reappropriated Funds beginning in FY 2014-15 for the purpose of IT technical training and certification for OIT staff.

## ***Current Program***

- This budget request directly supports the Governor's Office of Information Technology (OIT) that is responsible for the operation and delivery of information and communications technology services and innovation across all Executive Branch agencies in the State of Colorado as well as the customers of those agencies, the citizens of Colorado.

## ***Problem or Opportunity***

- Employees are operating in a new work environment characterized by increased complexity and interdependence. Key equipment and technology has reached the end-of-life stage, and new technology is in demand. OIT has experienced on average 16% turnover of skilled information technology (IT) professionals and 27% of OIT professionals are eligible to retire.
- Employees lack the education and technical experience to build and maintain State systems with the new technology and security needs, but also lack the education and experience to manage the employees who work on them. Funding for information technology has not been sufficient to implement industry recommendations for professional development. Currently U.S. organizations and businesses spend \$1,182 per employee as reported by the American Society for Training & Development.

## ***Consequences of Problem***

- The lack of certified professionals' results in OIT not being able to meet contemporary and future technological and security needs to effectively and efficiently serve customers.
- Agency customers will continue to experience delays and service gaps as agencies transition more systems, operating platforms and technologies.

## ***Proposed Solution***

- OIT requests \$256,620 annually for learning and development including 23 technical trainings, certifications and re-certifications for approximately 60 percent of OIT's workforce.



# COLORADO

Office of State Planning and  
Budgeting

Priority: OSPB R-1  
Continuous Improvement and Planning Program  
FY 2014-15 Change Request

## *Cost and FTE*

- The Office of State Planning and Budgeting (OSPB) is requesting \$397,965 General Fund in FY 2014-15 to support continuous improvement and planning efforts, representing a 59% decrease in funding from the FY 2013-14 appropriation supporting the continuous improvement program.

## *Link to Operations*

- OSPB works with most state departments on operational improvement and planning efforts, including process improvements and department performance management systems. This request would provide ongoing support, leadership and skill development for departments to continue improving services.

## *Problem or Opportunity*

- Initiatives supported by OSPB aimed at improving government services and operational efficiencies have resulted in significant and targeted changes. The overhaul of the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act focused on the delivery of government services to customers and constituents, reinforcing a perspective on operational improvement and performance expectations.
- OSPB has been at the forefront of these efforts, providing training, support, subject matter expertise and consultative services to most departments, working with all levels of the organizations and generating significant operational efficiencies and improvements across state services.
- Funding to support these OSPB services will cease in June 2014. An opportunity exists to fund a Continuous Improvement and Planning Program on an ongoing basis.

## *Consequences of Problem*

- Supporting important initiatives with dedicated resources at OSPB reflects a commitment to the core values of a continuous improvement program. Lack of resources to centrally design, prioritize and coordinate activities will hinder systemic and organizational improvements among state departments.

## *Proposed Solution*

- With dedicated resources, OSPB will continue to provide training courses, support services and subject matter expertise to state departments, oriented around customer-focused service improvements and operational planning and performance. Specifically, OSPB proposes ongoing funding to support two full time positions plus contractual training and project support.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-1  
Medical Services Premiums  
FY 2014-15 Change Request

## *Cost and FTE*

- The Department requests an increase of \$180,948,596 total funds, \$64,326,142 General Fund, in FY 2014-15.

## *Link to Operations*

- Medical Services Premiums is part of an entitlement program and ensures that both State and federal funding is available to cover the health care costs and preventive care needs of Colorado's Medicaid population.

## *Problem or Opportunity*

- Changes in caseload and per capita costs put the Department at risk for expenditure over the Department's FY 2014-15 spending authority for Medicaid physical health programs.

## *Consequences of Problem*

- This problem creates a high risk for over-expenditure due to changes in actual program usage and costs compared to those previously expected.

## *Proposed Solution*

- The Department requests \$180,948,596 total funding in addition to the current FY 2014-15 spending authority to lessen the risk of over-expenditure.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-2  
Behavioral Health Community Programs  
FY 2014-15 Change Request

## *Cost and FTE*

- The Department requests \$26,923,840 total funds, \$9,087,725 General Fund, for FY 2014-15. No additional FTE is needed.

## *Link to Operations*

- The Behavioral Health Community Programs benefit is part of an entitlement program that ensures the Medicaid population receives adequate treatment for mental health disorders.

## *Problem or Opportunity*

- Caseload and per capita costs are constantly changing over time which can lead to either an over or under expenditure for the program.

## *Consequences of Problem*

- This problem creates a risk of either over or under expenditure on a yearly basis.

## *Proposed Solution*

- The Department requests \$26,923,840 total funds, \$9,087,725 General Fund, for FY 2014-15 to lessen the risk of an over-expenditure.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-3  
Children's Basic Health Plan  
FY 2014-15 Change Request

## *Cost and FTE*

- The Department requests a decrease of \$38,043,495 total funds, \$9,406,469 General Fund, in FY 2014-15.

## *Link to Operations*

- Children's Basic Health Plan is an entitlement program that ensures that qualified children in Colorado receive medical and dental care.

## *Problem or Opportunity*

- Caseload has decreased and per capita costs have changed, putting the Department at risk for expenditure under the Department's FY 2014-15 spending authority for the Children's Basic Health Plan program.

## *Consequences of Problem*

- This problem creates a high risk for under-expenditure due to changes in actual program usage and costs compared to those previously expected.

## *Proposed Solution*

- The Department requests a decrease in funding from the current FY 2014-15 spending authority to lessen the risk of under-expenditure.





# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-4  
MMA State Contribution Payment  
FY 2014-15 Change Request

## *Cost and FTE*

- The Department requests an increase of \$13,951,390 General Fund and a reduction of \$20,318,206 federal funds, for a net reduction of \$6,366,816 total funds to the Medicare Modernization Act of 2003 State Contribution Payment line item for FY 2014-15. This request does not require any additional FTE.

## *Link to Operations*

- The Department serves clients who are eligible for both Medicaid and Medicare.
- Dual-eligible clients are provided prescription drug coverage through the federal Medicare program.
- The State then is required to reimburse the federal government for what the federal Centers for Medicare and Medicaid Services (CMS) determines the State's obligation to be.

## *Problem or Opportunity*

- The State's obligation varies from year to year and is affected by changes in caseload and the per member per month (PMPM) rate, which is also determined by CMS.
- The Department must annually forecast both anticipated caseload and PMPM rate to ensure the State is adequately funded to meet its reimbursement obligation to the federal government.

## *Consequences of Problem*

- If this request is not approved and the State is unable to meet its reimbursement obligation to the federal government, the Department would be at risk of having the amount due for the clawback payment – plus interest – deducted from the federal funds received for the Medicaid program, generating overexpenditures on other line items.

## *Proposed Solution*

- The Department requests \$13,951,390 General Fund and a reduction of \$20,318,206 federal funds, for a net reduction of \$6,366,816 total funds to the Medicare Modernization Act of 2003 State Contribution Payment line item for FY 2014-15.
- If approved, the Department would be able to meet the State's obligation to the federal government and ensure the Department would not have the amount of payment plus interest deducted from the federal funds received for the Medicaid program.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-5  
Medicaid Health Information Exchange  
FY 2014-15 Change Request

## ***Cost and FTE***

- FY 2014-15: \$5,748,926 total funds, \$1,054,893 General Fund, and \$4,694,033 federal funds;
- FY 2015-16: \$9,716,176 total funds, \$1,451,618 General Fund, and \$8,264,558 federal funds;
- FY 2016-17: \$6,657,176 total funds, \$1,445,718 General Fund, and \$5,211,458 federal funds;
- FY 2017-18 and ongoing: \$4,442,176 total funds, \$1,222,218 General Fund, and \$3,199,958 federal funds.

## ***Link to Operations***

- Enhancing the Department's and Medicaid providers' ability to exchange and aggregate Medicaid client health-related information would result in improved care coordination and client experience, better-informed care decisions, expanded opportunities for preventative care, and advanced clinical and cost analytics to identify Medicaid cost-savings opportunities.

## ***Problem or Opportunity***

- Health-related information about Colorado Medicaid clients is fragmented and isolated in doctors' offices, clinics, hospitals, labs, and state government databases.
- The Department has a unique opportunity to build a shared Medicaid health information resource for relatively little state investment by utilizing time-limited enhanced federal matching funds and leveraging the infrastructure of Colorado's health information exchange (HIE) network.
- This would enable the Department and Medicaid providers to aggregate and exchange their Medicaid client health-related information; this would improve care coordination and client experience; prevent duplicative and unnecessary treatments; create new opportunities to identify health risks and provide preventative services; and generate novel data analytics that could identify the most effective health care services for the least cost, providing a basis for payment reform.

## ***Consequences of Problem***

- Without this resource, the Department has a compromised ability to proactively understand and improve client health and measure the effectiveness of Medicaid services; Medicaid providers have a compromised ability to coordinate care and avoid duplicative or unnecessary treatments.

## ***Proposed Solution***

- The Department requests funding to assist Medicaid providers with adopting electronic health record (EHR) systems and with connecting to Colorado's HIE network; the Department also requests funding for interfaces and electronic infrastructure that would allow Medicaid client health data to be aggregated and exchanged between provider EHR systems, the Department's Medicaid Management Information System (MMIS), and other Medicaid-related systems in the state.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-6  
Eligibility Determination Enhanced Match  
FY 2014-15 Change Request

## *Cost and FTE*

- The Department requests an increase of approximately \$15.7 million total funds in FY 2014-15, an approximate 30% increase over the current appropriation. This amount is comprised of a \$15.7 million increase to federal funds. No additional General Fund is requested.

## *Link to Operations*

- Counties and the Department's Eligibility and Enrollment Services for Medical Assistance Program (EEMAP) contractor, Maximus, are responsible for processing most Medicaid and other major federally funded public assistance programs applications.

## *Problem or Opportunity*

- Counties continue to be reimbursed below cost for the processing of Medicaid and other major federally funded public assistance programs applications. For Medicaid programs, counties are required to contribute 20% of the total cost of processing applications.
- The Department is able to draw a 75% federal match for application processing services under the Affordable Care Act (ACA). This would free up General Fund and Hospital Provider Fee dollars which could be appropriated to offer incentives to counties for processing online Medicaid applications and incent other application sites to move towards online applications and create a pool of funding to assist any site with technology to do so.
- Medical Assistance (MA) sites and other sites are not currently paid for processing applications.

## *Consequences of Problem*

- Counties continue to be paid below their total cost, which has lead to application processing delays and lawsuits against the state.
- The Department is not currently able to incentivize counties to keep up with system and processing changing and caseload associated with the ACA; if counties and other eligibility assistance sites cannot process applications timely, clients are delayed from receiving services, which may lead to additional lawsuits.

## *Proposed Solution*

- The Department requests to repurpose General Fund from the enhanced match to: fund incentives for counties for improvement in application processing; fund Medical Assistance (MA) sites; and establish coordinated payment methodologies for all Medicaid application processing sites.
- With proper financial incentives, trainings, and resources, the Department would help counties reduce costs, increase reimbursement and make application processing more efficient.
- By improving funding methodologies to MA and other eligibility sites, the Department would ensure timeliness and accuracy in application processing while offering clients alternative sites to enroll in Medicaid.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-7  
Supported Living Services Waiting List  
Elimination and Service Plan Authorization  
Limits Increase  
FY 2014-15 Change Request

## *Cost and FTE*

- \$15,472,452 total funds, \$7,736,227 General Fund, and 0.0 FTE in FY 2014-15; \$30,082,871 total funds, \$15,041,435 General Fund, and 0.0 FTE in FY 2015-16 and beyond.

## *Link to Operations*

- Home and Community Based Services-Supported Living Services (HCBS-SLS) are for adults with developmental disabilities who can either live independently with limited to moderate supports or who need more extensive support provided by other persons such as their family

## *Problem or Opportunity*

- There are 1,526 people on the waiting list for HCBS-SLS services (based on June 30, 2013 waiting list data). This includes those on the HCBS-SLS waiting list who have indicated they would accept HCBS-DD enrollment if available.
- The HCBS-SLS program support levels are determined, in part, through Service Plan Authorization Limits (SPALs 1-6) representing six levels of service based on the individual's level of need. Service levels are capped and are not sufficient for some individuals who would benefit from additional services.
- This request is critical as people with developmental disabilities are waiting for needed services. The need for more costly Residential Habilitation in the Home and Community Based Services for People with Developmental Disabilities (HCBS-DD) waiver is avoided by serving people through HCBS-SLS.

## *Consequences of Problem*

- Without new funding people will continue to wait for an enrollment to become available through attrition, which cannot keep up with demand, therefore growing the waiting list.
- Individuals waiting to receive services may experience deterioration in their medical or behavioral conditions and their quality of life may suffer as a result.

## *Proposed Solution*

- The request is for 1,526 enrollments to eliminate the HCBS-SLS waiting list, increase each SPAL by 20%, and increase the maximum service limit to \$45,000.
- The SPAL increase will better meet the needs of clients by providing them access to more units of service or other services that could not be authorized under the current limits of the SPAL.
- Increasing the overall waiver cap and SPAL amounts will enable people to receive needed services in the frequency they need them to live safe and self-determined lives in their own homes and communities.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-8  
Developmental Disabilities New Full Program  
Equivalents  
FY 2014-15 Change Request

## ***Cost and FTE***

- \$2,845,976 total funds, \$1,422,989 General Fund, and 0.0 FTE in FY 2014-15, and for \$5,660,020 total funds, \$2,830,010 General Fund, and 0.0 FTE in FY 2015-16 and beyond.

## ***Link to Operations***

- Home and Community Based Services (HCBS) for Persons with Developmental Disabilities (HCBS-DD) are provided to meet the needs of adults with developmental disabilities who require extensive supports and who do not have the resources available to meet their needs.
- HCBS Supported Living Services (HCBS-SLS) are for adults who can either live independently with limited to moderate supports or who need more extensive support provided by other persons.

## ***Problem or Opportunity***

- Funding is needed for youth who are transitioning from children's services into the adult HCBS Waiver services for continuity of care. Individuals transitioning from institutional settings to the community also require continuation of services through HCBS Waiver services.
- Emergency enrollments are needed when an individual becomes at risk for homelessness or experiences circumstances or crises requiring immediate services. The waiting list may include those requiring emergency enrollments as well as those transitioning out of institutional settings.

## ***Consequences of Problem***

- Without additional Full Program Equivalents (FPE), people with developmental disabilities will transition to other less appropriate, more costly settings or become vulnerable to abuse, neglect or homelessness.
- The waiting lists for HCBS services will grow and demand for services will remain unmet.

## ***Proposed Solution***

- The proposed solution will address the most critical need by providing funds (FPE) for:
- 55 youth transitioning out of foster care from the Child Welfare system into HCBS-DD;
- 61 youth transitioning from the HCBS Children's Extensive Support (HCBS-CES) to HCBS-SLS;
- 40 emergency enrollments through HCBS-DD; and
- 30 individuals transitioning out of institutional settings into HCBS-DD.
- The request includes funding for Targeted Case Management, Quality Assurance, Utilization Review, and Supports Intensity Scale assessments.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-9  
Medicaid Community Living Initiatives  
FY 2014-15 Change Request

## *Cost and FTE*

- The Department requests \$1,243,201 total funds, \$846,787 General Fund and \$396,414 federal funds. This amount includes funding for 2.0 FTE for the Department of Local Affairs.

## *Link to Operations*

- The Department actively promotes transitioning clients out of institutions and into the community; living in the community is generally better for clients' social needs and health outcomes, and is a less costly alternative than institutionalization in a nursing facility.

## *Problem or Opportunity*

- The Department lacks the infrastructure to provide and pay for clients to receive counseling for community living options.
- The Department of Local Affairs was not a recipient of a HUD housing grant for transitioning clients out of institutions in FY 2013-14, jeopardizing savings included in the Department's budget.
- The Department estimates that 75% of clients that wish to transition out of institutions are lacking affordable housing options, and thus, remain in institutions.
- Because the Department does not have any dedicated resources for overseeing home modifications, these modifications are being overseen by case managers lacking training and experience.

## *Consequences of Problem*

- Inadequate referral systems for transitions and lack of housing options for clients result in clients remaining institutionalized. This drives additional state expenditure and jeopardizes the Colorado Choice Transitions (CCT) program, which puts the state at risk for losing federal funding dedicated to deinstitutionalizing clients and the savings achieved from serving clients in a less costly setting.
- Insufficient oversight of home modifications leaves the state at risk for waste and abuse that is both costly and detrimental to clients receiving the benefit.
- Without affordable housing and home modifications that allow individuals with disabilities to live in their own home, many clients are at high risk for placement in a nursing facility.

## *Proposed Solution*

- The Department requests \$469,962 in order to create infrastructure for clients interested in transitioning by contracting with Adult Resources for Care and Help (ARCH) to respond to Nursing Facility referrals for options counseling.
- The Department requests \$773,239 in order to partner with the Division of Housing in the Department of Local Affairs to provide both housing vouchers for CCT Program clients and to oversee the home modification benefit.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-10  
Primary Care Specialty Collaboration  
FY 2014-15 Change Request

## *Cost and FTE*

- The Department requests \$537,497 total funds, \$224,061 General Fund, \$3,479 cash funds, and \$309,957 federal funds.

## *Link to Operations*

- The Accountable Care Collaborative serves as the Department's platform for ensuring coordinated care and promoting practice transformation in Colorado. To date, efforts in the program have focused on primary care.
- Many Medicaid clients have conditions requiring a level of specialty expertise beyond primary care.

## *Problem or Opportunity*

- The Department has identified opportunities to improve coordination and access to specialty care services. Currently, there are barriers (geography, reimbursement, coordination, primary care education, client transportation constraints, and technological) to appropriate utilization of specialty services.

## *Consequences of Problem*

- A lack of appropriate care may result in worsened health outcomes and marked increases in treatment costs from emergency department (ED) visits and hospitalizations. Simultaneously, unnecessary utilization of specialty care inflates costs and further reduces available access for critical needs.

## *Proposed Solution*

- The Department proposes to leverage the Accountable Care Collaborative infrastructure and technological innovations to address access and utilization issues associated with specialty care.
- The Department requests funds to implement telemedicine technology to allow primary care physicians to exchange patient information with specialist physicians without the need for an in person patient visit with the specialist. The technology would allow specialists to virtually screen clients to see if specialty care is necessary for their case.
- To further address access and reimbursement issues in the long term, the Department requests \$300,000 in contractor funding to facilitate extensive stakeholder engagement, conduct research, and provide evidence based and stakeholder informed recommendations on payment reform options for specialty services through the Accountable Care Collaborative.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-11  
Community Provider Rate Increase  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests \$56,841,628 total funds, including \$20,079,070 General Fund in FY 2014-15.

## ***Link to Operations***

- Provider reimbursement for most Medicaid services does not change over time absent increases or decreases to appropriation by the General Assembly. Subsequently, rates for many services do not change based on the costs of providing the service. Provider costs can increase with inflation and other economic factors, or decrease with new technology and efficiencies.
- In FY 2012-13, the General Assembly appropriated funds to partially restore reimbursement to prerecession levels as providers experienced multiple rate reductions since FY 2009-10.

## ***Problem or Opportunity***

- For some services, reimbursement is insufficient to maintain provider participation in the long run.
- An inconsistent, fixed fee schedule that has not been updated to account for changes in costs and potential efficiencies can create incentives for providers to utilize higher cost, less effective, and less efficient services.

## ***Consequences of Problem***

- Reduced provider participation reduces clients' access to health care. Reduced access to health care can, in turn, result in poor client outcomes and subsequent higher costs for the State.
- Incentives for providers created by insufficient and/or inconsistent reimbursement can result in utilization of services that are inefficient, less effective, and more costly. As with access issues, there are negative impacts for client outcomes and fiscal impacts for the State.

## ***Proposed Solution***

- The Department requests \$56,841,628 in total funds for FY 2014-15 to increase provider rates by 1.5%. Of this amount, 1% would be an across-the-board increase for certain eligible providers. The Department would reserve funding equal to a 0.5% rate increase to better align reimbursement for select services in a coordinated and targeted manner.
- Investing in adequate provider rates and aligning payment with high value services would result in better outcomes for clients and lower costs for the State.





# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-12  
Administrative Contract Re procurements  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests \$4,296,940 total funds, including \$1,148,457 General Fund, \$976,968 cash funds, and \$2,171,515 federal funds, for enrollment broker, eligibility determinations and enrollment services (EEMAP), and consumer-directed attendant support services (CDASS). This funding is only for FY 2014-15 and does not require any additional FTE.

## ***Link to Operations***

- The Department conducts a number of contractor-delivered services, including:
- Enrollment broker for Medicaid clients, which enrolls and disenrolls qualified Medicaid clients in an appropriate program;
- Eligibility determinations and enrollment services (EEMAP) for all Medicaid and CHP+ clients, ensuring only eligible individuals are enrolled in the Medicaid program; and
- CDASS, which allows long-term care clients to receive less-expensive, community-based care at the hands of a care provider of the client's choice.

## ***Problem or Opportunity***

- The current contracts for these services expire in 2015, and the Department is required to competitively reprocure each of the contracts.
- To assure a smooth transition between vendors, the Department must overlap contract periods and temporarily assign a transition manager to oversee each transition. Past transitions that did not include overlapping contracts resulted in delayed service delivery, longer processing periods, clients having to resubmit information, and loss of client data.

## ***Consequences of Problem***

- If this request is not approved, clients may experience delayed services, longer processing periods, or be forced to resubmit data, which means delayed or absent services, leading to poorer outcomes and higher costs. In some cases, it may violate federal law if clients are unable to obtain services.

## ***Proposed Solution***

- The Department requests: \$2,514,857 total funds for enrollment broker and EEMAP services and \$1,782,083 total funds for consumer-directed attendant support services (CDASS).
- If approved, this request would fund a one-time increase to the lines associated with these contracts to allow for a transitional overlap between vendors with a temporary transition manager for each contract who would be charged with ensuring the transition occurs in a timely and successful manner.
- The incoming vendor would be able to transition into the contractual obligations with assistance from the outgoing vendor, and affected clients should notice little to no change in service delivery.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-13  
Funding for Utilization Review Services  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests \$1,691,977 total funds, including \$838,378 General Fund and \$853,599 federal funds to the Department's Utilization and Quality Review Contracts Long Bill group.

## ***Link to Operations***

- The Department conducts utilization review of Medicaid services, including review of clients who receive long-term services and supports (LTSS) and review of prescription drug therapy. These services are delivered by contracted vendors.

## ***Problem or Opportunity***

- The Department's budget for utilization review for LTSS remains unchanged since 2002, despite increases both in caseload and scope of work.
- The increase in clients and requirements causes delays in service delivery. As prospective clients wait, their medical conditions may worsen and require a greater amount of care and be more expensive to treat.
- The Department's current budget for drug utilization review does not allow for analysis of complex prescription drug cases. Clients may be receiving unnecessary or duplicative drug regimens that could be modified to reduce the cost and improve the health of the client.

## ***Consequences of Problem***

- Clients who require long-term services and supports or necessary drug reviews are subject to longer processing periods, potentially necessitating more costly health care services.
- If cases are not processed within an appropriate period of time, the Department could face federal fines or litigation filed on behalf of clients for services not received in a timely manner.
- Without additional funding for LTSS utilization reviews, the Department does not believe it would be able to procure another vendor after the current contract expires on June 30, 2014.

## ***Proposed Solution***

- The Department requests \$1,313,360 total funds for LTSS utilization review and \$378,617 total funds for drug utilization review. These would be ongoing increases to the funding for these contracts.
- This request would allow for more resources to process LTSS applications and reviews, resulting in faster decisions, elimination of the current backlog, and clients receiving services before their condition worsens and becomes more costly.
- This request would also allow for thorough analysis of complex prescription drug cases to be performed, ensuring clients are not receiving unnecessary or duplicative drug treatment while ensuring all costs are appropriate and necessary.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-14  
Family Support Services Funding Restoration  
FY 2014-15 Change Request

## *Cost and FTE*

- \$3,406,321 General Fund in FY 2014-15, FY 2015-16 and beyond, 0.0 FTE, 4.6% Increase (Family Support Services line item).

## *Link to Operations*

- The Family Support Services Program (FSSP) provides funding for flexible and responsive services and supports to families who provide care for a family member with a developmental disability in the home. Examples of these services include assistive technology; home/vehicle modifications; medical and dental expenses; professional services such as counseling; respite care; and transportation.
- FSSP funding is allocated to Community Centered Boards (CCBs). The CCBs determine the amount of services and supports an individual or family requires. Services provided under FSSP are identified in each family's Individualized Family Support Plan; families then select services from providers in the community.

## *Problem or Opportunity*

- FSSP funding has been reduced over a period of several years to address budget shortfalls and over-expenditures in other program areas for individuals with intellectual and developmental disabilities.
- There are 5,945 individuals with developmental disabilities on the waiting list for FSSP requesting services as soon as available or by June 30, 2015. The demand for services exceeds available funding.

## *Consequences of Problem*

- Individuals with intellectual and developmental disabilities in Colorado are experiencing delays in receiving needed FSSP services by remaining on the waiting list.

## *Proposed Solution*

- The Department requests General Fund to restore FSSP funding to the FY 2009-10 levels. Funds are allocated to CCBs to be used as a pool of funds to serve those in need of support services not provided under other programs; therefore, funding does not directly correlate to the number of FPE that can be served.
- FSSP will provide families with the most need and who are caring for a child or individual with a disability the support they need for services that are above and beyond those typically incurred by a family for child rearing or daily expenses.
- FSSP supports families in their role as primary caregivers to provide individuals with developmental disabilities the support needed to enable them to enjoy typical lifestyles in the community.



# COLORADO

Department of Health Care Policy  
and Financing

*Priority: R-15  
Long-Term Services and Supports for  
Individuals with Complex Medical Conditions  
FY 2014-15 Change Request*

## ***Cost and FTE***

- The Department requests \$125,000 total funds, \$62,500 General Fund in FY 2014-15.

## ***Link to Operations***

- The Department's Hospital Back-Up program serves as placement for medically-complex clients who can be discharged from a hospital but require high level skilled nursing facility care.
- The program fails to incorporate modern medical and technological advances to their best use to allow clients with more severe conditions to receive care in alternative settings.
- The Hospital Back-Up program is currently the only option for providing this level of care, creating a gap in the continuum of care as there may be more appropriate alternatives available.

## ***Problem or Opportunity***

- The Hospital Back-Up program provides treatment designed for the highest-acuity patients but lacks incentives for providers to do more than maintain patients' health.
- Although ventilator weaning success rates can range from 38% to 67%, the Hospital Back-Up program does not actively incentivize ventilator weaning.
- The Department has pediatric clients who require these services but currently may not access them.
- The current design of the program does not include mechanisms for incentivizing providers to contain costs or induce optimal patient outcomes.
- The Department does not have clinical staff, so a program addressing the gaps in the continuum of care is more complex than the Department can undertake without third-party study and outreach.

## ***Consequences of Problem***

- The Department pays approximately \$250,000 per client per year to Hospital Back-Up program providers, who are required to provide the highest level of service despite some patients having a lower level of need (as required by rule).
- Because there are no intermediate options, clients may become long-term ventilator-dependent when their ventilator use might otherwise be reduced and perhaps ultimately eliminated.

## ***Proposed Solution***

- The Department requests \$125,000 in one-time funding to hire a contractor to analyze the current Hospital Back-Up program and address gaps in coverage offered by current programs.
- The contractor would examine performance-based reimbursement mechanisms predicated on client outcomes and explore "mobile health homes" that follows clients to more appropriate placement.
- An infrastructure that supports inter-facility communication and cooperation would reduce the number of hospital readmissions and improve overall health outcomes.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-16  
New Operational and Membership Funds for  
the Division for Developmental Disabilities  
FY 2014-15 Change Request

## ***Cost and FTE***

- \$172,002 total funds, including \$86,001 General Fund in FY 2014-15 and beyond

## ***Link to Operations***

- The Division for Developmental Disabilities (DDD) is the state office that provides leadership and oversight for the direction, funding and administration of long term care services in the community for children and adults with developmental disabilities.

## ***Problem or Opportunity***

- The Division needs funding to participate in the State Employment Leadership Network (SELN), which provides access to resources for improving employment outcomes for people with developmental disabilities who are enrolled in day services; and, in National Core Indicators (NCI), which provides public developmental disabilities agencies the ability to measure and track their own performance, compare results across states and establish national benchmarks.
- The Department does not have the resources to fund training and travel for staff presence at national conferences and public forums to address updates to rules and policies; for staff training and professional development; or the full number of Program Quality Reviews needed for ongoing provider surveys, licensing or certification.

## ***Consequences of Problem***

- Ongoing efforts to improve employment outcomes for people with disabilities may be impeded without access to the tools offered by SELN.
- Colorado received one-time NCI grant funding for FY 2013-14, and without continued funding, will miss the opportunity to further capitalize on the NCI data measurement project.
- The Division has been unable to provide appropriate representation at national trainings and conferences; and program quality provider surveys have not been funded at adequate levels.

## ***Proposed Solution***

- The Department requests \$35,000 for SELN membership, which advances integrated employment that can enhance an individual's sense of self-worth, increase economic well-being and allow greater independence by improving their daily living skills.
- The Department requests \$69,102 for NCI membership, which will be instrumental in the identification of service delivery trends, policy planning and strategic development.
- Funding of \$67,900 is requested for training and travel costs that will enhance employee professional development and program management, for Program Quality Review travel costs for 4 FTE, and staff presence at public forums and national conferences.



# COLORADO

Department of Health Care Policy  
and Financing

Priority: R-17  
Computer Replacement and Office Software  
FY 2014-15 Change Request

## *Cost and FTE*

- The Department requests \$322,982 total funds, \$161,491 General Fund and \$161,491 federal funds; this is an 18.6% increase to the Department's appropriation for Operating Expenses.

## *Link to Operations*

- In order to continue operating efficiently, the Department replaces outdated computer equipment and renews software licenses with Governor's Office of Information Technology (OIT) oversight.
- Replacing computers and updating software avoids unnecessary delays and downtime and reduces software and hardware compatibility issues with stakeholders, clients, and vendors.

## *Problem or Opportunity*

- The Department has no dedicated funding for replacing computers or annual licensing of an office software suite like the Microsoft Enterprise Agreement (EA).
- When funding is appropriated for new staff, the Department receives a one-time appropriation for hardware and software; this does not allow for license renewals or hardware replacement.
- The Department aims to replace computers after five years, requiring approximately 90 computers replacements annually; the Department cannot consistently achieve this goal because there is no dedicated funding for this purpose.

## *Consequences of Problem*

- Without dedicated funding for computer replacements, the Department risks having to use outdated computers, which cause inefficiencies due to hardware failure, slow speeds and downtime, decreasing vendor support, and risking incompatibility with new technology and external entities.
- Without dedicated funding for office software licensing, the Department cannot maintain and update office software to take advantage of new functionality that increase efficiencies, benefiting Medicaid client care and Department business function.
- Because the Department has no dedicated funding for this purpose, expenditure for computer replacements limit the Department's ability to use its operating funds for other priorities such as stakeholder outreach.

## *Proposed Solution*

- The Department requests \$120,871 to ensure computers are consistently replaced every five years and thus avoid the inefficiencies introduced by outdated computers.
- The Department requests \$202,111, ongoing, to ensure adequate and consistent funding of the Department's EA – this allows for maintaining essential office software, updating to the latest version for new functionality, and working closely with OIT to ensure IT security.



# COLORADO

Department of Higher Education

Priority: R-1 and R-2  
\$100 Million General Fund for Student  
Financial Aid and Higher Education  
FY 2014-15 Change Requests

## ***Cost and FTE***

- The Department of Higher Education requests an increase of \$100 million General Fund in FY 2014-15 (and beyond). This \$100 million General Fund increase is comprised of \$40 million General Fund for Student Financial Aid (R-1) and \$60 million General Fund for higher education institutions to control tuition increases (R-2).

## ***Current Program***

- The Colorado Commission on Higher Education's top Master Plan goal is increasing degree and credential attainment to meet future workforce needs in the state. The Commission's goals also stress expanding access to higher education and affordability.
- The Department has implemented a new financial aid methodology which rewards retention and completion.
- Availability of financial aid is a critical factor in ensuring access to college. In FY 2011-12, the average state financial aid award was \$1,000 per undergraduate student.

## ***Problem or Opportunity***

- From FY 2008-09 to FY 2013-14, the public higher education system in Colorado experienced a \$162 million reduction in state funding. During this time higher education tuition increased substantially.

## ***Consequences of Problem***

- Tuition increases have reduced affordability and thus access to higher education for many Coloradans.
- Students who attend Colorado institutions of higher education are incurring more student loan debt. At Colorado public institutions, 58 percent of students graduate with debt. The average student loan debt is \$24,850 for a bachelor's degree.

## ***Proposed Solution***

- The \$40 million Financial Aid increase represents a 42 percent increase in funding, the largest in Colorado history. The request adds \$30 million for Need Based Aid, \$5 million for Work Study, and \$5 million for Merit Based Aid. Additional funding for higher education will be available for tens of thousands of Colorado students.
- The \$60 million increase provides a proportional 11.0 percent increase for public colleges and universities. This request doubles the operating increase provided last year and is intended to control tuition increases.
- The Governor has issued a challenge to Colorado Governing Boards to hold down tuition increases and he has set a hard cap of no more than 6.0 percent growth in FY 2014-15.



# COLORADO

Department of Higher Education

Priority: R-3  
Ft. Lewis Native American Tuition Waiver  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests an increase of \$836,855 General Fund to fund the Ft. Lewis College Native American Tuition Waiver in FY 2014-15. This increase would bring the total appropriation to \$15,303,085 General Fund.

## ***Current Program***

- Colorado is required via Federal treaty and state law to provide full tuition assistance to any qualified Native American student who attends Ft. Lewis College.

## ***Problem or Opportunity***

- The Federal treaty with Colorado applies to all Native American students throughout the United States. Therefore, the appropriation must cover both resident and non-resident tuition for participating students. Current funding would fall short of the program cost by \$836,855.

## ***Proposed Solution***

- The Department requests that the Ft. Lewis College Native American Tuition Waiver funding be increased to cover Native American student enrollment and tuition costs.

## ***Consequences of Problem***

- If not funded, Colorado will be out of compliance with both statute and Federal treaty requirements.





### ***Cost and FTE***

- The Department is requesting an increase of \$252,000 General Fund to meet the statutory requirements of the Dependent Tuition Assistance Program in FY 2014-15. This increase would bring the total funding for the program to \$672,000 General Fund.

### ***Current Program***

- The Dependent Tuition Assistance Program is for the dependents of deceased or permanently disabled national guardsmen, law enforcement officers, or firefighters. Under this program, the State pays tuition and room and board costs for qualified dependents who pursue an undergraduate education leading to a first baccalaureate degree or certificate of completion.

### ***Problem or Opportunity***

- The caseload/costs for the Dependent Tuition Assistance Program continue to outpace available funding. Spending increases have been driven by several factors including increased student caseload, changes in eligibility status, tuition increases and, most importantly, increased cost of residence living at institutions. Room and board costs fluctuate significantly as well as the number of students that choose to live on campus.

### ***Consequences of Problem***

- Without an increase to fully fund this program, the Department will likely continue to over-expend its appropriation. Given statutory requirements, the Department sees no logical way to restrict or reduce funding for qualified participants. All qualified costs must be funded.

### ***Proposed Solution***

- The increase in funding for the Dependent Tuition Assistance program will provide funding to cover statutorily mandated costs for participating qualified dependents.



# COLORADO

Department of Higher Education

Priority: HC-1  
Increasing the Future Sustainability of  
History Colorado  
FY 2014-15 Change Request

## ***Cost and FTE***

- History Colorado is seeking an increase of \$499,964 cash funds from museum earned revenue to invest in business development and public outreach in order to enhance future sustainability. History Colorado is also seeking \$45,000 Limited Gaming cash funds to true-up electric utility cost increases at regional museums. In total, this request seeks \$544,964 cash funds in FY 2014-15 and FY 2015-16.

## ***Current Program***

- Since opening the History Colorado Center in 2012, attendance and membership have increased significantly.
- History Colorado has created a series of new exhibits and programs at the History Colorado Center and regional museums which are designed to fulfill mission, serve diverse audiences, drive attendance, and maximize earned revenue.
- Total revenue for History Colorado is anticipated to increase with the focus on visitation.

## ***Problem or Opportunity***

- History Colorado's long-term business objective is to attract more visitors and thus bring in more revenue and encourage more philanthropic support. Additional philanthropic support will help History Colorado be more financially self-sufficient. However, additional business development and community outreach efforts require further investment.
- History Colorado also needs to recalibrate its utility budget due to past cost increases which can no longer be fully absorbed.

## ***Consequences of Problem***

- History Colorado currently does not have the cash fund spending authority to fund membership development and guest services support. Without the funding to make this investment, the additional visitation cannot be achieved. The increase in visitation is necessary to drive earned income and develop philanthropic interest and support.

## ***Proposed Solution***

- Funding membership business development, public outreach, and guest services support will allow History Colorado to support additional visitation. Additionally, funding utilities at the regional museums will calibrate those budgets to the actual costs at those facilities.



# COLORADO

Department of Human Services

Priority: R-1  
Increased Staffing for Child Care Licensing  
FY 2014-15 Change Request

## ***Cost and FTE***

- This Department request \$1.3 million total funds and 2.8 state FTE and 17 contract staff to improve the Department's child care licensing function. The request includes an increase of \$1.29 million General Fund and \$60,000 cash funds. The additional cash funds result from increasing the licensing fee charged to providers by approximately 10.8 percent.

## ***Current Program***

- The Division of Early Care and Learning is responsible for inspecting, licensing, and monitoring child care facilities statewide. Licensing specialists review staffing ratios, health and safety risks, background check compliance, qualifications, and children's files. Workload is measured by the number of facilities assigned to each licensing specialist. Currently, 43 State and contract licensing specialists monitor approximately 5,790 licensed facilities, which results in an individual caseload ratio of approximately 1:145.
- Frequent supervisory inspections are closely linked to better compliance, lower numbers of licensing violations, decreased rates of accidents, and improved levels of care. As a result, children and families using licensed facilities benefit from these more frequent inspections.

## ***Problem or Opportunity***

- In the National Association of Child Care Resource and Referral Agencies (NACCRRA) 2013 report entitled *We Can Do Better*, Colorado fails to meet the recommended standards for both frequency of licensing inspections and facility to licensing staff ratios. Colorado's caseload ratio of 1:145 for licensing staff results in infrequent supervisory licensing inspections, and is the 8<sup>th</sup> highest caseload in the nation. Industry guidelines recommend two visits annually, one of which must be unannounced. Current caseload only allows inspections at an average rate of once every two years.
- Ensuring safe child care is a primary goal of the Department, and working families will be more confident in entrusting the care of their children to a qualified child care facility.

## ***Consequences of Problem***

- Inadequate staffing ratios jeopardize the Department goal of child safety.

## ***Proposed Solution***

- The Department proposes a staffing ratio of 1:100, with the goal of reducing critical incidents, in addition to improving safety and ensuring better regulatory compliance.
- The increased frequency of supervisory licensing inspections not only improves compliance and safety; it allows the licensing specialist to take a more active role in providing technical assistance and improving quality to Colorado families and children.
- Performance is measured in terms of accuracy and timeliness, and success will be measured by reduction in the number of critical incidents and violations.



# COLORADO

Department of Human Services

Priority: R-2  
Investing in Early Care Providers  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests a \$2.2 million in FY 2014-15 and beyond to provide grant funding for materials and training for Colorado Child Care Assistance Program (CCCAP) providers. Of this amount, \$1.8 million is General Fund and \$439,400 is from matching county funds.

## ***Current Program***

- The Office of Early Childhood's Department of Early Care and Learning is charged with licensure of nearly 9,000 child care providers in the State of Colorado. The Office also administers several Federal and State programs ensuring and enhancing the quality of child care, including Race to the Top, Child Care Grants for Quality and Availability and Federal Targeted Funds Requirements, and the School Readiness Quality Improvement Program.

## ***Problem or Opportunity***

- Colorado has recently received \$44 million in Federal Race to the Top funds. Race to the Top funds will, in part, be devoted to ensuring that every licensed child care provider in Colorado is quality rated. This request is to make additional General Fund moneys available to Colorado child care providers in the form of grants for training and materials immediately following the quality rating process. The Race to the Top funds are insufficient to provide all facilities funds to address deficiencies raised in the quality ratings process.

## ***Consequences of Problem***

- Without this additional investment, Colorado will be missing an opportunity to improve the quality of services provided to children in child care settings. Improving the quality of early childhood care and education will help children be more prepared and successful when they enter school.

## ***Proposed Solution***

- These funds will be given directly to providers who have undergone the quality rating process to address issues identified in the quality ratings process through employee training and grants for materials. Funds availability will be determined by size of the facility and scope of the issues identified in the quality ratings process. Race to the Top funds also provided funds to monitor quality improvement ratings, and facility ratings will be tracked by funds provided in Race to the Top funds. In addition, results to K-12 education will also be tracked by Race to the Top funds.



# COLORADO

Department of Human Services

Priority: R-3  
Early Literacy Book Distribution Partnerships  
FY 2014-15 Change Request

## ***Cost and FTE***

- This request is for \$100,000 General Fund in FY 2014-15 and beyond to provide grant funding to organizations that promote early literacy by partnering with health care providers to distribute books to children ages six months to five years during well child checkups.

## ***Current Program***

- The Office of Early Childhood provides resources for children, families and early care professionals to promote quality early childhood programs and supports. The goal of the Office is to provide early supports and interventions so that Colorado children are ready for Kindergarten and reading at proficient levels by third grade.

## ***Problem or Opportunity***

- Despite research on the importance of reading with children from a young age, many parents do not read daily with their young children.
- Because children see their health care providers on average 10 times between age six months to five years old, health care providers have unique opportunities to advise parents on the importance of reading aloud to their infants and young children.

## ***Consequences of Problem***

- Reading aloud to young children helps to promote and develop language skills. If children miss the opportunity to acquire foundational language skills prior to starting school, they are set up to experience difficulties in learning to read.
- The percentage of students whose Transitional Colorado Assessment Program test results ranks unsatisfactory or partially proficient was 26.3 percent in 2013. Research indicates that children not reading proficiently at the end of third grade are at-risk for continued educational difficulties.

## ***Proposed Solution***

- Provide a contractor with a \$100,000 grant to distribute 11,540 new books to approximately 6,320 young children during their routine well child visit. When distributing the books, the health care providers will advise parents to read aloud to their children in order to promote their child's cognitive and literacy skills. The contractor will focus on expanding reading programs in counties that do not already have established programs. The program will primarily serve children living in families with incomes under 250 percent of the federal poverty level.



### ***Cost and FTE***

- The Department is requesting \$1.2 million General Fund and 1.0 FTE in FY 2014-15 to extend the ReHire Colorado program; the request annualizes to \$2.4 million General Fund and 2.0 FTE in FY 2015-16 and beyond. This represents a 100% increase to the line item for FY 2014-15.

### ***Current Program***

- The Colorado Careers Act (HB 13-1004) aims to address stubborn unemployment, small employers' challenges, stagnant local economies, and barriers faced by long-term unemployed individuals through the ReHire Colorado program.
- ReHire Colorado is a statewide transitional jobs program administered by the Department of Human Services and implemented by local agency contractors and employers. It targets un- and under-employed veterans, non-custodial parents, and persons more than 50 years old for rapid attachment to employment and modest supportive services. It is currently funded at \$2.4 million in FY 2013-14 and \$1.2 million for the first half of FY 2014-15.
- This program is new to Colorado, and is currently in a start-up phase. It is loosely modeled after the successful Hire Colorado project that was funded by American Recovery and Reinvestment Act of 2009 (ARRA) Temporary Assistance for Needy Families (TANF) funds. In about a year's time, the project served nearly 2,000 participants. The Hire Colorado project ended in FY 2009-10.

### ***Problem or Opportunity***

- The Colorado Careers Act only funds the ReHire Colorado program through the first half of FY 2014-15. This request is to extend the program beyond December 31, 2014.
- A September 2013 study by Elliott & Roder evaluated the value for both participants and employers of five subsidized employment programs in four different states (Mississippi, Florida, Wisconsin, and California). The programs were funded with ARRA monies. Findings show that workers experienced increased employment and earnings, even after the subsidized jobs ended. Employers reported that the program created jobs that would not have existed otherwise, saw benefits to their bottom line, and were eager to participate in similar programs again.

### ***Consequences of Problem***

- Without additional funding, the transitional jobs program will expire December 31, 2014 and no additional participants will be served.

### ***Proposed Solution***

- This request is for funding to extend ReHire Colorado. For FY 2014-15, it includes extension funding (\$1.2 million General Fund) for the second half of the fiscal year. The out-year request supports extending funding and services through FY 2016-17. By continuing to have the resources to provide subsidized employment to the targeted un- and under-employed individuals, the program will be able to transition approximately 300 individuals per year into unsubsidized jobs.



## ***Cost and FTE***

- This request is for \$1,340,400 cash funds spending authority in FY 2014-15 and beyond to provide a 1.5 percent cost of living adjustment (COLA) for the Old Age Pension (OAP) program.

## ***Current Program***

- The OAP program provides finance assistance for low-income individuals who are 60 years of age or older. To qualify for the program, an individual's income must be at or below \$737 (77 percent of the federal poverty level).
- During FY 2014-15 estimated OAP expenditures of \$71.3 million will serve 18,370 Colorado residents. While the maximum monthly assistance available is \$737, the average grant provided is \$323. This reflects offsets to the grant award for other income a recipient may have (such as Social Security benefits, Supplemental Security Income (SSI), veteran benefits, or wage income).

## ***Problem or Opportunity***

- Each year the Social Security Administration determines whether to provide a COLA increase for individuals eligible for the SSI program. The Congressional Budget Office estimates the COLA increase for the SSI program will be 1.5 percent effective January 2014.
- The State Board of Human of Services is authorized by the State Constitution to determine the amount of the OAP grant award.

## ***Consequences of Problem***

- Without a corresponding increase, a COLA increase in the SSI benefit will lower the OAP assistance provided to SSI eligible individuals.
- If overall state spending on SSI eligible individuals is not maintained at current year levels, the State will have difficulty meeting its obligations under the Federal Maintenance of Effort agreement with the Social Security Administration.
- If OAP assistance is not adjusted for inflation, the vulnerable elderly served by the program will have less purchasing power to meet their daily needs.

## ***Proposed Solution***

- A 1.5 percent COLA increase for the OAP program will provide vulnerable elderly with financial assistance to help meet their daily requirements. Furthermore, a COLA increase will assist the State in meeting its financial obligations under the Maintenance of Effort Agreement.



### ***Cost and FTE***

- The Department of Human Services requests \$827,089 General Fund, a 15.1% increase in FY 2014-15; and \$856,541 General Fund, a 15.6% increase, in FY 2015-16 and beyond to improve educational infrastructure to support general educational needs and to allow for new career and technical education offerings.

### ***Current Program***

- The Division of Youth Corrections (DYC) is responsible for educating committed youth and preparing them for a successful transition back into school or the workforce.
- The DYC offers limited career and technical education opportunities to secondary and post-secondary youth. To offer meaningful employment skills development, and to support basic educational achievements such as a GED or diploma, career/post-secondary preparation will help youths reintegrate into the community.

### ***Problem or Opportunity***

- In a ten-year period, from 2002 to 2012, the percent of post-secondary students in DYC has doubled and is now just under 25% of the population served.
- DYC must educate a broad range of learners, ranging from the third grade in reading and math to advanced skills, and from middle school level to postsecondary students. Ensuring DYC students develop relevant postsecondary skills is a key element in the successful return of youth to the community.
- High quality career and technical education programming aligned to workforce needs is significantly more expensive than traditional secondary education.

### ***Consequences of Problem***

- Without improved educational resources, youth will continue receiving educational services that may not meet individual needs. The DYC will face difficulties in adequately preparing youth for success in the workplace and postsecondary education.
- DYC's goals related to successful transition upon discharge, 90% of youth leaving with a GED or diploma and 85% of youth enrolled in school or employed, will be increasingly difficult to achieve.

### ***Proposed Solution***

- This request expands career and technical education programs, educational technology, and academic skills improvement. Services are delivered through on-site career and technical education and academic instructors, online/virtual postsecondary and career and technical education programs, and partnerships with local community colleges.
- DYC estimates 25% of youth in commitment in State facilities will participate directly in expanded career and technical education programming, online learning, or community college. This includes both secondary and post-secondary youth and is roughly 75 average daily population or approximately 125 unique youth per year.
- Outcomes will be measured by the rates of diploma or GED attainment and program enrollment (including employment) upon discharge, as currently tracked in C-Stat. Enhanced career and technical education programming is expected to have a positive effect upon recidivism.





### ***Cost and FTE***

- The Department of Human Services is requesting \$254,865 General Fund and 0.0 FTE, a 4.1% increase, in FY 2014-15; \$249,750 General Fund and 0.0 FTE, a 4.2% increase, in FY 2015-16; \$245,700 General Fund and 0.0 FTE, a 4.2% increase, in FY 2016-17 to support the trauma-informed system of care as a priority in Colorado. This system of care focuses on efforts related to trauma-informed assessment and interventions, family involvement and engagement, and funding mechanisms that support an integrated care approach in working with youth across systems.

### ***Current Program***

- The Division of Youth Corrections provides behavioral health services to youth as part of a rehabilitative model. Often, youth committed to the Division have issues that stem from past traumatic event, which can be the underlying cause of exhibited aggressive behavior and other disruptive behaviors. Treating youth with past trauma requires an environment that is aware of trauma's impact and that has the therapeutic and operational tools to address trauma-based behaviors.
- The Department has made the trauma-informed system of care a priority in Colorado. This system focuses on efforts related to trauma-informed assessment and interventions, family involvement and engagement, and funding mechanisms that support an integrated care approach.

### ***Problem or Opportunity***

- The Division has evaluated data for all newly committed youth from FY 2011-12 and found that 80% of youth have experienced trauma at some time in their lives. Integrating trauma-informed practices into the operations of the Division and adding trauma-informed treatment options improves youths' mental health and ability to succeed when back in society.

### ***Consequences of Problem***

- If the Division does not implement trauma-informed practices, it will miss the full opportunity to appropriately treat a youth who may be inadvertently re-traumatized by others in the Division who are not trained in trauma-informed care. The Division will be out of alignment with national best practice, and other State agencies that have addressed the role of trauma in the lives of children, youth and families.

### ***Proposed Solution***

- This request is to fund the full implementation of trauma-informed care within all 10 state-operated facilities for three years. The request is based on the Sanctuary Model, a product from the Sanctuary Institute in New York State. The Division's management, operations, processes, and treatments will be evaluated and modified to incorporate trauma-informed practices. The Sanctuary Model is a nationally recognized leader in the field and has the only comprehensive organizational model that has been used in a juvenile corrections setting.
- There is a reasonable expectation that the creation of a trauma-informed culture across the Division will reduce assaults and fights. Overall, the Division anticipates that a trauma-informed environment will lead to less disruption in the facilities. This outcome is directly related to the Division's C-Stat measure for fights and assaults. Implementing a trauma-informed care across the Division should result in an improvement in the overall quality of treatment and a higher level of skill acquisition for youth – all leading to a possible reduction in recidivism.



### ***Cost and FTE***

- This request is for \$357,501 General Fund in FY 2014-15 and beyond to address employee training deficiencies.

### ***Current Program***

- The Employment Affairs Division performs all activities related to the Department's employees, including but not limited to recruitment, orientation, benefits administration, evaluations, performance and personnel records management.
- The Division currently has 1.0 FTE devoted to training the Department's 5,700 employees.

### ***Problem or Opportunity***

- Having 1.0 FTE to train the Department's employees is inadequate to meet the needs of the Department. The Department has identified three training areas needing improvement.
- Traditional employee training. Through attrition, hiring and promotion, the Department has a significant number of employees who are either new or newly hired to their role. Productivity increases when employees are properly trained. Training also improves productivity, employee satisfaction, and employee retention.
- Supervisor/management training. A lack of adequate supervisory or managerial training is reflected in grievances filed and in increases in disciplinary actions. Effective supervisory and managerial training will help reduce negative employee interactions and grievances.
- Career development training. Inadequate career development opportunities are reflected in the inability to retain talented staff. Career development helps renew and refresh the talent pool, and support succession strategies and career paths.

### ***Consequences of Problem***

- The Department will continue to see talented staff leave due to inadequate career development opportunities.
- The Department will continue to see an increase in the number of grievances filed and disciplinary actions imposed without proper training for managers and supervisors.
- Agency engagement levels with employees will be negatively impacted which can impact morale.

### ***Proposed Solution***

- The Department will repurpose some existing staff and strengthen training opportunities through the Department of Personnel to increase training opportunities.
- The Department also requests new funding for: (1) SkillSoft licenses (a computer-based training application); (2) vendor contracts for specific training sessions; and (3) updated training books and materials.



### ***Cost and FTE***

- The Department of Human Services requests \$562,275 General Fund ongoing, 0.0 FTE, for funding to enhance and expand two complementary components – parole program services provided to high risk, high need youth and apprehension services for youth who have escaped/absconded. This is a 13.6% increase to the Parole Program Services line item.

### ***Current Program***

- Intensive Parole Services: Parole services for highest risk and need youth provide “wrap-around” services to pre-parolees and parolees who need more intensive services to ensure a successful transition out of commitment.
- Apprehension Services: Youth will at times abscond from parole supervision, a secure facility, or a contract residential placement, requiring the Division to seek assistance from law enforcement to apprehend these youth.

### ***Problem or Opportunity***

- Intensive Parole Services: The Department currently does not have a comprehensive “wrap-around” service for high risk, high need youth across the front-range. Successfully and safely reintegrating youth back into home communities requires intensive pre-parole and parole services.
- Apprehension Services: Youth on escape/absconson status pose a risk to public safety and are themselves at risk of victimization. Reducing the length of stay on absconson or escape status reduces the probability that such youth will either commit a new offense or will be victimized. Youth on absconson/escape status (322 youth in FY 2011-12) in the regions with an apprehension service spend on average 18 fewer days at large.

### ***Consequences of Problem***

- Lacking the services above, some youth will fail on parole, through technical violations or new charges.
- Juveniles who abscond will remain at large longer, negatively impacting public safety and youth safety.

### ***Proposed Solution***

- Intensive Parole Services: An additional \$300,000 will provide the comprehensive array of intensive transition and parole services to improve youth outcomes and reduce the potential for recidivism. Currently, an average of 10-12 high risk, high need youth receive intensive parole services, which is limited to the Denver Metro area. This funding will provide services for 50 youth with an anticipated length of stay of 6-8 months.
- Apprehension Services: Providing \$262,275 for apprehension services will reduce the time the highest risk youth are on escape/absconson status and protect public safety. Contracted apprehension services focus solely on finding youth by working with the DYC, law enforcement, county departments of human services, and families. The Division proposes to expand these services statewide. The Division anticipates that it can significantly reduce the time that youth are on escape/absconson status with additional apprehension services.



### ***Cost and FTE***

- The Department requests \$1,598,792 General Fund in FY 2014-15 and beyond to purchase outside medical care for patients at the Mental Health Institutes (Institutes).

### ***Current Program***

- The Department operates the state's two Mental Health Institutes, at Fort Logan and Pueblo, to treat both civil and forensic patients with serious mental illnesses. Patients at the Institutes often require medical care for physical ailments that the Institutes must arrange for with outside medical care providers and acute care hospitals.
- Outside medical care is appropriated in the personal services line items at both Institutes.

### ***Problem or Opportunity***

- Spending on outside medical can vary based on the illnesses and severity of the patients treated each year. Between FY 2010-11 and FY 2012-13, outside medical costs increased \$344,257 at Pueblo and \$580,861 at Fort Logan.
- Because outside medical expenses are paid out of personal services, the Institutes are under stress to hold staff positions vacant in order to remain within annual appropriations when outside medical costs are higher than anticipated. This affects the Department's ability to operate the Institutes with the staff necessary to promote the health and recovery of their patients.
- In FY 2012-13, there were six high-medical-need patients, whose medical bills totaled approximately \$1.7 million (actual and estimated to date). In FY 2012-13 the Department received both a regular supplemental and an emergency supplemental appropriation to avoid potential budget shortfalls resulting from outside medical costs at the Institutes.

### ***Consequences of Problem***

- In order to preserve the quality of care needed by the patients committed to the Institutes, the Department will continue to submit supplemental, budget amendments, and interim supplemental funding requests to address any funding shortfalls resulting from outside medical events.

### ***Proposed Solution***

- The Department requests a new Contract Medical Services appropriation line at each Institute, with a corresponding reduction in Personal Services and an increase of \$1,598,407 for outside medical costs (\$289,680 at Fort Logan and \$1,309,112 at Pueblo).
- This request will allow patients at the Institutes to benefit from a high level of care provided by qualified Institute staff and outside medical providers. By separating outside medical costs from employee personal services costs, the Institutes improve the ability to hire staff and not be forced to hold critical positions vacant when outside medical costs are higher than expected.



# COLORADO

Department of Human Services

Priority: R-11  
Mental Health Institutes Electronic Health  
Record System  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests \$350,396 General Fund and 4.5 FTE in FY 2014-15; \$528,164 General Fund and 7.7 FTE; and \$2,734,592 General Fund and 8.0 FTE in FY 2016-17 and beyond to fund personal services, operating expenses and contractual services to support the Electronic Health Record (EHR) system.

## ***Current Program***

- The current legacy health and billing, laboratory, pharmacy, and dietary systems are used by both Institutes to track and bill for patient care. The health and billing system (Avatar) includes patient demographic information; date of admission, transfer or release; diagnosis and treatment; legal status; seclusion and restraint data, and payer information. Lab equipment is directly linked to the laboratory system (Multidata Lab) that stores clinical results and transmits billing information to Avatar. The dietary system (Carex) is used to plan and provide patient meals and includes dietary restrictions and preferences and food inventories. Meals are included and billed in the room rate through Avatar. Pharmacy orders are transcribed and entered in the pharmacy system (OPUS-ISM) in order to dispense medications and bill patients for pharmaceuticals.

## ***Problem or Opportunity***

- Patient demographics, medical history, diagnoses, treatment, laboratory and test results, medications, administrative and billing data are currently recorded in four distinct systems and, with the exception of lab results and demographic information received from Avatar, entered manually.
- Medication errors at the Institutes are twice the national average due to transcription errors.
- Accuracy of diagnoses, improved care coordination and health outcomes will impact several C-Stat measures including the number of staff and patient injuries and seclusion and restraint incidents as well as the Department's goal "To promote quality and effective behavioral health practices to strengthen the health, resiliency and recovery of Coloradans."

## ***Consequences of Problem***

- It is anticipated that the high rate of medication errors will continue and pose a risk to patient health and safety. The Institutes will lack the clinical decision support available in a fully integrated system.

## ***Proposed Solution***

- The Department is requesting capital funding to purchase an EHR system for the Institutes.
- FY15 funding requested includes personal services and operating expenses to oversee, analyze and support the application design and implementation. Additional personal services and operating expenses requested in FY16 will fund ongoing system modification/maintenance, data analysis and customer support. \$583,577 and 8.0 FTE for personal services and operating expenses; \$2,151,014 (\$1,091,930 for license fees, system hosting and customer support, and \$1,436,872 for development and enhancement less \$377,788 in savings by eliminating the legacy systems) is requested in FY17.



# COLORADO

Department of Human Services

Priority: R-12  
1.5% Community Provider Rate Increase  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests \$10,678,640 total funds in FY 2014-15 and beyond for a 1.5% rate increase for contracted community provider services.

## ***Current Program***

- Numerous agencies in the State of Colorado contract with community providers to provide services to eligible clients. The General Assembly has generally awarded annual inflationary increases, also known as cost of living adjustments (COLAs), for community provider programs to ensure that contractual arrangements are viable over the long term.
- The programs in the Department of Human Services that typically receive community provider rate adjustments include County Administration, Child Welfare, Child Care, Mental Health Community Programs, Vocational Rehabilitation, and community programs in Youth Corrections.

## ***Problem or Opportunity***

- Client service providers are facing increased labor and supplies costs. Provider rate increases apply to community programs and services provided by contracted providers or county staff.

## ***Consequences of Problem***

- Providers will have less purchasing power to provide needed contractual services and will continue to manage community programs and services within existing appropriations.

## ***Proposed Solution***

- An across the board provider rate increase would be equitable since all of the community programs and services that are provided by contracted providers or county staff face similar inflationary issues. The 1.5% provider rate increase would enable the providers to address the rising costs for labor and supplies.



# COLORADO

Department of Human Services

Priority: R-13  
Fully Fund County Tax Base Relief  
FY 2014-15 Change Request

## ***Cost and FTE***

- This request is for \$1,181,953 General Fund and 0.0 FTE in FY 2014-15 and beyond to fully fund County Tax Base Relief. This represents a 44% increase to the County Tax Base Relief line item.

## ***Current Program***

- County Tax Base Relief (CTBR) funding exists to assist counties with the highest costs and lowest property tax values in meeting the obligation of the local match required by the State for certain public assistance programs (Temporary Assistance for Needy Families, Food Assistance, Medicaid, Child Welfare Services, and Adult Assistance programs).
- A formula based on three fixed mill levy thresholds (tiers) is used to calculate CTBR eligibility. A county may qualify for a distribution from one or more tiers. Statute directs how funds for CTBR are to be distributed to qualifying counties when appropriations are insufficient to fully fund a CTBR funding tier.

## ***Problem or Opportunity***

- Counties that qualify for CTBR continue to face difficulties in raising adequate funding for local match requirements for the human services programs previously referenced.
- In recent years, funding for CTBR has been limited due to the availability of funding. Legislation (S.B. 10-149) was enacted to limit available CTBR funding to Tier I counties through FY 2011-12.
- For FY 2012-13, the Joint Budget Committee increased the funding in the line item in order to fully fund Tier I in the estimated amount of \$1,762,511 based upon the Department's totals for public assistance programs that have a county share and assessed valuation.
- For FY 2013-14, the JBC increased the appropriation to a total of \$2,697,803 in order to fully fund the estimated need for Tiers I and II. The estimated need for Tier III currently remains unfunded.

## ***Consequences of Problem***

- In the absence of increased funding for CTBR, counties have been faced with exhausting their fund balances available to Social/Human Services which may result in reduced services to public assistance applicants/cases.
- Due to a lack of CTBR funding for all three tiers, counties that are extremely poor and/or have low property values may be unable to offer an equitable level of public assistance compared to other regions of the State that may have less poverty and/or higher property values.

## ***Proposed Solution***

- The Department requests \$1,181,953 to fully fund the estimated amount of \$3,879,756 needed for County Tax Base Relief in FY 2014-15, including Tier III. The additional funding would be on-going. The proposed solution does not require a statutory change.



### *Cost and FTE*

- The Department requests \$448,580 General Fund in FY 2014-15 and beyond to increase salaries for the psychiatrists at the Mental Health Institutes in order to improve hiring and retention.

### *Current Program*

- The Department operates the state's two Mental Health Institutes, Colorado Mental Health Institute Fort Logan (CMHIFL) and Colorado Mental Health Institute Pueblo (CMHIP), to serve both civil and forensic patients. The Institutes evaluate patients for competency to stand trial, restore patients to competency to stand trial, treat persons adjudicated not guilty by reason of mental disease or defect and provide treatment for persons with serious mental illnesses.
- Psychiatrists contracted by the Institutes are responsible for evaluating and diagnosing patients, developing plans for treatment, prescribing medication, and assessing patient response to treatment.

### *Problem or Opportunity*

- Currently, five of nineteen (26%) full-time psychiatrist positions at the Institutes are vacant (two of seven at CMHIFL and three of twelve at CMHIP).
- Psychiatrist salaries at the Institutes range between \$154,000 and \$175,000 per year which compares unfavorably to the national median psychiatrist income of \$177,670 and psychiatrist starting salaries at the Department of Corrections of \$174,000.
- Retaining Psychiatrists is an essential component of providing high levels of patient care and meeting the Department goal, "To promote quality and effective behavioral health practices to strengthen the health, resiliency and recovery of Coloradans".
- Psychiatrist vacancies burden the remaining psychiatrists to provide treatment for an unacceptably high number of patients, which negatively impacts patient care, documentation requirements, and patient length of stay.

### *Consequences of Problem*

- If not addressed, the Institutes could be unsuccessful in recruiting and retaining qualified psychiatrists and may continue to operate with inadequate psychiatrist staffing.
- Continued open positions will decrease the efficacy of care and lead to poorer treatment outcomes for patients and increased safety risk for patients and staff.

### *Proposed Solution*

- The Department proposes to increase psychiatrist base salaries to an average of \$175,000 per year to address salary compression and make the salaries competitive with psychiatrist salaries at the Department of Corrections and the broader market in Colorado.
- Raising the average salary is expected to reduce the number of psychiatrist vacancies by increasing retention for current employees and the attractiveness of the positions for new psychiatrists.





# COLORADO

Department of Human Services

Priority: R-15  
Mental Health First Aid Colorado Program  
FY 2014-15 Change Request

## ***Cost and FTE***

- This request is for \$750,000 General Fund in FY 2014-15 to expand the availability of Mental Health First Aid instructor and certification courses. In FY 2015-16 and beyond, the request is reduced to \$210,000 for the costs associated with Mental Health First Aid instructor courses only.

## ***Current Program***

- Mental Health First Aid (MHFA) Colorado is a public education program committed to training individuals to identify, understand and respond to individuals in mental health and substance abuse crises.
- The MHFA Program meets requirements established by the federal Substance Abuse and Mental Health Services Administration's National Registry of Evidenced Based Programs and Practices.
- Colorado has 222 certified MHFA instructors in geographic regions across the State. Currently, 7,525 individuals are certified in the State. Courses are available statewide to the public through local community organizations.
- The MHFA Program receives funds from the Office of Behavioral Health - Mental Health Services Block Grant.

## ***Problem or Opportunity***

- The State of Colorado has an opportunity to expand the MHFA Colorado Program to provide greater access throughout the state for Mental Health First Aid training courses.

## ***Consequences of Problem***

- Based on federal National Surveys on Drug Use and Health (NSDUHs), it is estimated that mental illness was prevalent in 19.38% of Colorado adults over a 12-month period in 2010-11.
- It is estimated that 3.4% of adults had severe mental illness (SMI), 8.7% of adults had non-SMI severe mental illness and 1.8% of children/adolescents had a serious emotional disturbance (SED) in Colorado over a 12-month period in 2011 according to a TriWest Group report.

## ***Proposed Solution***

- In FY 2014-15, \$750,000 will train 180 MHFA instructors (\$1,167 per individual trained = \$210,000) and allow 6,750 individuals to receive MHFA certification (\$80 per individual certified = \$540,000). In FY 2015-16, the request is for \$210,000 to continue to train MHFA instructors to ensure that any first responders, educators, social workers, medical personnel, family members, or members of the public who have a need or desire for MHFA certification can have access to a course.



### ***Cost and FTE***

- The Department requests one-time funding of \$1,370,355 General Fund in FY 2014-15 to upgrade their operating systems to Windows 7 and to upgrade their Microsoft Office licenses from Office 2000 to Office 2013.

### ***Current Program***

- Currently, the Department has 3,840 desktops and laptops that are using Microsoft Windows XP as their operating system. Of the 3,840 devices, 2,990 are licensed only for Microsoft Office 2000.
- Approximately 80 percent of Department employees regularly work with or have access to Personal Health Information or Personally Identifiable Information, or other sensitive data.

### ***Problem or Opportunity***

- In April 2014, Microsoft Corporation will no longer support Microsoft Windows XP or Microsoft Office 2003. Microsoft Corporation already does not support Microsoft Office 2000.
- Once the vendor stops supporting these software systems, the Department will no longer receive new security updates, non-security hot fixes, assisted support options, or online technical content updates.

### ***Consequences of Problem***

- Vulnerability to security risks increases if the Department remains in an unsupported and unpatched environment that is unable to identify malicious software that can steal, alter or delete information.
- The Department will become incompliant with HIPAA Security Rule 164.308(a)(1)(i) which requires policies and procedures to prevent, detect, contain, and correct security violations.
- The Department will be liable for the impact of lost or compromised data.
- Employee productivity can be adversely impacted when employees are using software applications that are becoming obsolete.

### ***Proposed Solution***

- The Department proposes one-time funding to upgrade the operating system, and for costs associated with a vendor for project management, system installation, and training, and for desktop application licenses. Ongoing costs for support and maintenance will be within the Department's current base funding.
- The Department anticipates this additional funding will result in continued system support which will allow the Department to provide better protection for confidential client data and to comply with federal security management requirements.



### ***Cost and FTE***

- The Department requests one-time funding of \$420,000 reappropriated funds transferred from the Department Health Care Policy and Financing (HCPF) for flooring and cabinet replacement at 12 waiver group homes operated by the Regional Centers. The funding transferred from HCPF includes \$210,000 General Fund and \$210,000 in matching federal Medicaid funds.

### ***Current Program***

- The Regional Centers (RCs) serve persons with developmental disabilities who have intense needs. Regional Center services include 24-hour supervision, residential services, day programming, rehabilitation, medical, training and behavioral intervention.

### ***Problem or Opportunity***

- Regional Center group homes have carpet and/or tile in need of replacement to avoid hazardous conditions for both residents and staff.
- Homes were built mainly in 1980-81, so flooring in some homes will require asbestos abatement.
- Wheelchairs, trolleys, and other equipment used in resident care create a need for flooring replacement more often than normal wear and tear.
- Cabinets in the kitchens are lock secured in order to store resident medication and valuables.
- These cabinets in most cases are the original home cabinets so the ability to secure them is difficult.
- Division of Facilities Management has been able to provide emergency improvements in some of the 40 group homes, such as floor replacement when flooding has occurred.

### ***Consequences of Problem***

- The Regional Centers are responsible for addressing life/safety issues on behalf of the residents at the homes. Failure to address these issues presents potential safety hazards and may create emergency situations impacting both residents and staff.

### ***Proposed Solution***

- The Department's request will fund replacement flooring and cabinets at 12 of the Regional Center waiver group homes.
- The request complies with the Colorado Department of Public Health and Environment's facility standards.
- Updating the floors and cabinets will provide safety to both residents and staff of these 24/7 facilities and will add to/maintain the value of these homes.
- Homes with more severe repair/replacement needs will be addressed first.
- Resident medication and valuables will be in a more secure structure.
- Worker's compensation claims may decrease.



# COLORADO

Department of Human Services

Priority: R-18  
Increase Operating Funding for Critical  
Replacement Costs  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests \$233,083 General Fund in FY 2014-15 and in subsequent years to fund replacement and repairs of essential security and safety equipment throughout Department facilities.

## ***Current Program***

- The Division of Facilities Management in the Office of Administrative Solutions is responsible for operating, cleaning, and maintaining all Department facilities. Funding for capital outlay allows them to fulfill this duty. Capital outlay affects the care, safety and use of all Department facilities, linking it with all staff, clients, families, visitors, and members of the public.

## ***Problem or Opportunity***

- All Department offices supporting direct care services have critical security system equipment. These security systems are a major deterrent to assaults on staff, patients, youth, clients, and the public, as well as provide other valuable supports. This equipment is in need of replacement.
- The Department has seen increases in costs of this equipment over the original equipment purchase, with no additional funds to maintain and replace. Examples include, 130% increase in cameras, 231% increase in quad-controllers and processors, and 225% increase in DVRs.
- This request identifies equipment and systems that have been part of controlled maintenance requests but the increases in actual components have far outweighed the original operating funding to maintain them.
- All controlled maintenance projects assume “like kind” replacement. None of the Department’s security system upgrades replaced existing systems with an identical number of replacements.
- To replace the security system equipment, the incremental equipment capital cost is \$1,398,500, with the life expectancy ranging between four and six years. The Department requests funding to replace this equipment using a six-year life expectancy, requiring an annualized appropriations of \$233,083.

## ***Consequences of Problem***

- Inadequate funding to replace security system equipment compromises the ability to comply with relevant regulatory and accreditation requirements, results in frequent system failures, reduces service to customers, and increases emergency controlled maintenance requests.
- Facilities Management maintains security systems for the Department for 22 buildings and campuses, almost exclusively in 24/7 environments. Program personnel depend on the cameras and recording devices to function consistently and reliably to ensure safety and security of all people.

## ***Proposed Solution***

- The Department proposes funding of \$233,083 annually to restore capital outlay funding.
- The funding request is on-going; the six-year replacement would recycle after the sixth year.



### ***Cost and FTE***

- The Department is requesting \$400,440 ongoing in Federal Temporary Assistance for Needy Families (TANF) funds to fund research and evaluation initiatives for Colorado Works. This is a 422% increase to the Works Program Evaluation line item.

### ***Current Program***

- The TANF program provides financial aid, employment services, and support services for families.
- Research and program evaluation are vital to the TANF Program's success in Colorado. This request will further a data-informed, outcome-oriented performance management program.

### ***Problem or Opportunity***

- Current funding is insufficient for performing thorough analysis and evaluation of the TANF program. The \$95,000 that is appropriated is spent on software, training and contracts with external evaluators to conduct specific analyses.
- To evaluate the impact of its innovative programs and policy changes, the Department needs data on participant outcomes, timeliness, and costs; this information is not currently easily accessible.
- CBMS does not collect data after someone leaves the Colorado Works program, making it difficult to track outcomes and assess the long-term success of participants and programs.

### ***Consequences of Problem***

- Without an increase in research, evaluation, and performance management funding, the Department would be required to make programming and funding decisions without appropriate data.
- The Department invests a large portion of its current resources to extract data from the Colorado Benefits Management System (CBMS). Without additional resources, staff time will continue to be spent gathering and extracting data instead of analyzing and reporting it.

### ***Proposed Solution***

- Additional ongoing evaluation resources would increase the ability of the Department to make informed decisions, evaluate strategies, and make effective program changes. Proposed initiatives to be funded include: the development of a program to extract relevant data from CBMS monthly and build a database from which the Department's analysts can access the data quickly for analysis; collection of information from individuals who have left the TANF program; and software and training necessary to analyze and report data. This will improve the Department's ability to monitor performance related to C-Stat goals and to answer questions from state program administrators, legislators, and counties.
- These data will allow assessment on which programs, policies, and client engagement strategies lead to higher work participation rates and wages, and reduced TANF recidivism. Participant data would be used to identify what factors or barriers distinguish participants who do not enter employment, and what specific strategies or programs have been proven to successfully resolve these barriers.



### ***Cost and FTE***

- The Department requests one-time funding of \$593,067 General Fund in FY 2014-15 to perform building renewal projects.

### ***Current Program***

- The Division of Facilities Management in the Office of Administrative Solutions is responsible for operating, cleaning and maintaining all Department facilities. Funding for renovations and improvements allow the Division to fulfill this duty.

### ***Problem or Opportunity***

- Renewing existing space is more cost effective than new construction or leasing third party space.
- During the past several budget cycles, the Department has invested its facilities management funding almost exclusively to its 24/7 direct care areas, leaving renovations and improvements in administrative support areas undone.
- Not all building renewal projects qualify for capital funding through controlled maintenance. Many building upkeep or upgrade projects (i.e. replacing fixtures or finishes) have relatively short life compared to building or building systems. While these projects preserve and update spaces, the projects don't always address safety issues or extend the useful life of a building.
- Current appropriations are not adequate to make administrative support space improvements because the Department's current operating budget for these spaces is allocated almost entirely for daily consumable supplies.
- The Department has identified the most critical spaces needing renewal at the Fort Logan campus, using a risk-based approach. The improvements include paint, carpet, window coverings, and asbestos removal.

### ***Consequences of Problem***

- As with any fixed asset, it is critical to perform adequate maintenance and repair to preserve the value of the asset. Without ample funding, the condition of these facilities will continue to decline.

### ***Proposed Solution***

- The Department proposes one-time funding to renovate and improve the work spaces and building conditions for administrative support staff in the affected areas of the Fort Logan facility.
- With these improvements, the Department anticipates extended life cycles in the facilities as well as improved working conditions.



# COLORADO

Department of Human Services

Priority: R-21  
Health Information Management System (HIMS)  
Line Increase  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests \$229,129 General Fund in FY 2014-15 and \$96,339 in FY 2015-16 for increased contract costs for the Health Information Management System (HIMS) and to upgrade the fiber optic infrastructure (FOI) at the Mental Health Institutes.

## ***Current Program***

- The Department operates the State's two Mental Health Institutes, at Fort Logan and Pueblo, to treat both civil and forensic patients with serious mental illnesses.
- The HIMS system (a.k.a. Avatar) supports clinical and administrative business functions within the Institutes, the Regional Centers, and the Department of Youth Corrections. HIMS and other network applications for the Institutes are enabled by their FOI. The Department contracts with vendors to maintain the HIMS system.
- The HIMS system and the FOI are crucial to maintain operations at the Institutes and allow the Department to effectively treat the patients and efficiently operate the hospitals.

## ***Problem or Opportunity***

- Vendor costs over the next 5-year contract period (FY 2013-14 to FY 2017-18) will increase beyond funding available in the Department's budget and the existing FOI has insufficient bandwidth to handle current and projected network usage.
- AVATAR is the current electronic health information (HER) system for the Institutes, and must be maintained until a modern Electronic Health Record (EHR) is available for clinical decisions, patient care and performance evaluation.
- Insufficient bandwidth of the FOI impacts effectiveness and efficiency of client care, decision-making, and performance analysis. It hampers access to patient information and causes problems for data transfer between AVATAR and ancillary systems, including frequent "timing-out" when running large processes.

## ***Consequences of Problem***

- Institute and other agency operations will increasingly become ineffective and inefficient.
- Pressure on operating expense budgets will increasingly restrict spending on operations and patient services (transportation, durable goods, and social/occupational/vocational therapies).

## ***Proposed Solution***

- The Department requests on-going increased funds to offset annual increases in vendor cost and FOI access cost, and one-time funding to upgrade the FOI.
- The funding for the HIMS contract will end when it is replaced with an Electronic Health Record.



### ***Cost and FTE***

- The Department of Human Services is requesting \$6,000,000 Cash Funds, 0.0 FTE, 0% increase (New line item, continuation requested for 5 years) for the Title IV-E Waiver Demonstration Project to allow counties to expand interventions that support children remaining in their homes. Funds will be used for support services, county staff, and travel.

### ***Current Program***

- The federal Title IV-E program funds 50% of foster care costs for low-income children. The remaining funding is General Fund and Local share. Colorado's Title IV-E Waiver Demonstration Project (Project) participation allows the restrictions on how those funds can be used to be waived. Project funds can be used for interventions such as family engagement, permanency roundtables, and kinship supports that are intended to reduce out-of-home placements (which create savings) and increase permanency for children.
- Senate Bill 13-231 created the Title IV-E Waiver Demonstration Project Cash Fund (Fund) into which half of the savings generated from reduced out-of-home placements during FY 2013-14 will be deposited. For FY 2014-15, these funds will be directed to counties for existing or new interventions. The remaining half stays with the county for additional child welfare services.

### ***Problem or Opportunity***

- S.B. 13-231 does not include an appropriation clause for the Fund, so the Department does not have spending authority for the savings deposited into the Fund. Service delivery expansion at the county level is dependent on the ability to access these moneys.
- The Project supports the Department's goal to "Ensure Colorado's children and youth have the opportunity to thrive in safe, nurturing and stable families." C-Stat goals that are supported by the Project include "Increasing the number of legally freed children discharged to permanency" and "reducing the numbers of children in out of home care for greater than two years."
- An independent evaluator, required by the Project terms and conditions, will determine how interventions are impacting outcomes and the amount of savings generated.

### ***Consequences of Problem***

- If spending is not authorized, then expanding the Project interventions statewide will not occur. If the Department does not demonstrate progress toward statewide expansion, the federal Administration for Children and Families can terminate the State's involvement in the Project.

### ***Proposed Solution***

- This request is for \$6,000,000 cash funds spending authority each year over the five-year Project. Funding will allow counties to expand interventions that support children remaining in their homes and will prevent families from deeper involvement with the child welfare system. Requested funding estimates the upper end of county savings each year. Once year-end close identifies the actual amount of savings available, the Department will restrict funds to the actual amount to avoid overcommitting intervention funds. The Department will report available funding to the General Assembly annually.





# COLORADO

Department of Human Services

Priority: R-23  
Human Services Long Bill Reorganization  
FY 2014-15 Change Request

## ***Cost and FTE***

- This request is for \$0 to realign the Long Bill structure in FY 2014-15 and beyond to more accurately reflect the structure and operations for the agency.

## ***Current Program***

- The Colorado Department of Human Services (CDHS) collaborates with partners in state and county governments, nonprofits, and others to design and deliver high quality human and health services that improve the safety, independence, and well-being of the people of Colorado.

## ***Problem or Opportunity***

- The current Long Bill structure does not accurately reflect the structure or operations of the Department. Beyond the Executive Director's Office the Department is currently split into six management units each led by an Office Director. The six management units for the Department of Human Services are the Office of Long Term Care, the Office of Children, Youth and Families, the Office of Economic Security, the Office of Behavioral Health, the Office of Early Childhood, and the Office of Administrative Solutions.

## ***Consequences of Problem***

- The primary outcome of Long Bill reorganization for FY 2014-15 is increased transparency and alignment of the Long Bill to current Departmental operations and structure. This increase in transparency will allow the general public and individuals within state government to gain better insight into the agency by simply reviewing the DHS section of the Long Bill.

## ***Proposed Solution***

- The Department is proposing to work collaboratively with Joint Budget Committee staff to reorganize the Long Bill for FY 2014-15 to more accurately align the Long Bill structure and the current operating structure of the Department of Human Services. This request will require no new resources and request to only reorganize existing resources provided to the agency.



### ***Cost and FTE***

- The Department requests to refinance \$72,936 from Cash Fund spending authority to General Fund in FY 2014-15. Revenues for the Board of Assessment Appeals (BAA) Cash Fund are projected to be lower in FY 2014-15; as a result, this refinancing is needed for the program to operate at current levels.

### ***Current Program***

- The BAA receives up to 4,000 property valuation appeals annually from taxpayers and county governments. More appeals are filed during re-assessment years (even numbered fiscal years) than in non-assessment years (odd numbered fiscal years).
- Services provided are measured in terms of the number of appeals resolved annually and the percent of resolved appeals that are resolved within one year of receipt. About 79% of resolved appeals in FY 2011-12 were resolved within one year of receipt (up from 23% in FY 2005-06). This number increased to 82% in FY 2012-13.
- The timely resolution of BAA appeals is consistent with DOLA's mission of providing assistance to taxpayers in the equitable and consistent implementation of property tax laws.

### ***Problem or Opportunity***

- S.B. 13-146 created the Board of Assessment Appeals Cash Fund with revenue from filing fees. However, revenues for were overestimated for FY 2014-15 because the fiscal note did not take into account the reduced amount of filing fees that the BAA receives in non-assessment years.
- As a result of the legislation, BAA's General Fund appropriation was reduced by \$150,000 and replaced with \$150,000 in Cash Funds for FY 2013-14. While the BAA anticipates \$148,200 in filing fees for FY 2013-14 (a re-assessment year), filing fees for FY 2014-15 (a non-assessment year) are projected to be approximately \$77,064, resulting in a \$72,936 revenue shortfall for FY 2014-15 and all subsequent non-assessment years.

### ***Consequences of Problem***

- The lack of sufficient revenues will lead to a degradation of service and prevent an expansion of service to taxpayers and county governments. The BAA's goal of timely resolution of taxpayer appeals is jeopardized by this problem.

### ***Proposed Solution***

- The solution is a \$72,936 increase in General Fund with a corresponding decrease in Cash Fund spending authority from the BAA Cash Fund in FY 2014-15. Beginning in FY 2015-16, the Department will adjust its annual base request to accommodate the reduction of appeal revenue during non-assessment years in order maximize its use of cash, and maintain and improve on the timeliness of appeal resolution for taxpayers.



# COLORADO

Department of Local Affairs

Priority: R-2  
Housing Development Grant (HDG)  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests an annual \$4.0 million General Fund increase to the Housing Development Grant (HDG) fund for the development of an estimated 800 additional affordable rental housing units per year. The Department further requests an increase of \$186,869 General Fund and 2.7 FTE for FY 2014-15 to support program administration.

## ***Current Program***

- The Department was budgeted \$4.3 million total funds in FY 2013-14 for the Colorado Affordable Housing Construction Grants and Loans program to increase the supply of affordable housing. The recipients of these services include the working poor, homeless families with school-aged children, high-risk offenders with co-occurring substance abuse and mental illness that are reentering their communities without housing, and hard-to-serve homeless persons with disabilities making as little as \$50 per month.
- HDG funding is used to subsidize Private Activity Bonds (PAB), provide rental subsidies to leverage private and public funding for housing, and build housing with supportive services for the population that is most difficult to serve.
- Within current funding levels, the Department is able to provide financial assistance for the development of 1,680 new affordable rental housing units per year.

## ***Problem or Opportunity Program***

- The demand for affordable housing far exceeds what available financial resources the State can provide in housing given the growing disparity between housing cost and household income.
- Rental vacancy rates are at all-time lows (4.5% statewide) and rents are at all-time highs (\$976 avg). Among renter households making \$20,000 or less, there are 142,000 households paying 35% or more of their income toward housing. At the \$20,000 household income level and below, there are two households competing for each rental unit available at an affordable level (\$500 per month).
- According to the annual statewide Point-in-Time (PIT) survey conducted in January, 2013, there are 14,665 homeless men, women, and children in Colorado. This number includes 2,135 chronically homeless individuals and veterans.

## ***Consequences of Problem***

- Without more supportive housing, the State's goal of ending chronic homelessness by 2015 and all homelessness by 2020 will not be met.
- The public cost of chronic homelessness in Colorado from emergency room visits, incarceration, detoxification services, as well as inpatient and outpatient hospital care is estimated to exceed \$31,000 per person, per year.

## ***Proposed Solution***

- Increase the supply of affordable rental housing units by an additional 800 per year for vulnerable and hard-to-house populations. Outcomes include better school performance, reduced recidivism rates, and maintaining housing for people with mental illness outside of costly institutions.
- This request puts the most immediate goal of Colorado's plan to end homelessness, Pathways Home Colorado (PHC) within reach: to end homelessness for veterans and chronically homeless.



### ***Cost and FTE***

- The Department requests a reorganization of the Long Bill items for the Division of Housing (DOH) to increase transparency and more accurately reflect the DOH's current business model.

### ***Current Program***

- DOH works with a variety of partners to increase the availability of safe, affordable housing for the residents of Colorado. This is achieved through the administration of grants, loans, rental subsidies, and bond authority to local governments, housing authorities and many other organizations to create, preserve and rehabilitate housing for Colorado's workers, families, seniors and those with special needs. DOH also certifies all manufactured structures and multifamily construction in Colorado.

### ***Problem or Opportunity***

- H.B. 11-1230 consolidated, within the Department of Local Affairs, two state housing agencies that separately received and administered federal funds for the same purpose. The current Long Bill structure does not best reflect the State of Colorado's consolidation efforts and how DOH operates and administers its budget.
- DOLA's Long Bill no longer aligns with or supports the DOH business model, which is more regionally focused. Revising DOH's reporting of its budget will more clearly define DOH field work and the sources of funding supporting this work, and it will better communicate the statewide efforts DOH makes in dispersing affordable housing opportunities.

### ***Consequences of Problem***

- The Long Bill is a critical public document that communicates how DOH is funded and how it administers funds. The current structure is not transparent and doesn't allow DOH to communicate the cost of its activities or how it provides community housing funds.

### ***Proposed Solution***

- In order to be more transparent and to better communicate the cost of activities, the Department requests a reorganization of the DOH's portion of the Long Bill. This is a cost-neutral request.
- The proposed structure includes three Long Bill Groups: 1) Field Services, which reflects DOH's outreach and technical assistance activities throughout the state (Private Activity Bonds, regulation of manufactured buildings, affordable housing grants and loans, etc.); 2) Community and Non-Profit Services, which encompasses administration of DOH and the services directly supported in the community (Ft. Lyon, housing vouchers, homeless prevention programs, etc.); and 3) Indirect Cost Assessment, which includes the Department's assessments of indirect cost recoveries.
- DOLA will know the success of this solution through its more transparent communication with the General Assembly, other State agencies and the public regarding how it administers federal and State funding.



### ***Cost and FTE***

- The Department of Local Affairs (DOLA) requests \$4,000 Reappropriated Fund spending authority in FY 2014-15 and ongoing to expend funds received from the Office of Economic Development and International Trade (OEDIT) when the two agencies partner to provide community assessments.

### ***Current Program***

- DOLA partners with OEDIT and DCI (a nonprofit who administers the assessments) to support assessments for four communities across the state each year, resulting in revitalization action plans. In FY 2013-14, DOLA had \$171 million in grant funding available for Colorado local communities; currently, communities must apply for funding and report separately to each entity.
- Using the Main Street methodology, DOLA targets smaller, rural communities in need of diverse, expert assistance in developing a local action plan to revitalize the downtown. The assessment includes determination of assets, challenges, recommendations and resources from an outside team of experts. Often USDA funds are also leveraged.

### ***Problem or Opportunity***

- Due to spending authority restrictions, DOLA cannot accept and expend the funds it receives from OEDIT to conduct community assessments and downtown revitalization action plans. As a result, communities are forced to needlessly report and bill for reimbursement to both agencies separately.

### ***Consequences of Problem***

- Communities and two state agencies are burdened with redundant processes. Without the additional spending authority, each community must work with both DOLA and OEDIT on two separate purchase orders and billing processes for the same project. Many of these communities are very small and have small staff. The Department believes the focus of these communities should be on their goals for the assessment and outreaching for participation from the community and other substantive issues rather than dedicating its limited resources to non-value added paperwork.

### ***Proposed Solution***

- DOLA requests \$4,000 in annual Reappropriated Fund spending authority in a new, separate Long Bill line item, under the Division of Local Government, (B) Field Services, "Other Local Government Grants". This will allow DOLA to transparently track and report these expenditures.
- Providing DOLA with spending authority to receive and distribute funds from OEDIT reduces the burden on communities when accepting funds for the assessments, ensures smoother service delivery, and reduces the administrative work at local and State levels.
- With this approach, the community works with only one State agency on administering the funds.



### ***Cost and FTE***

- The Department requests \$50,000 in Cash Fund spending authority to provide Geothermal Energy Impact Grants pursuant to Section 34-63-105, C.R.S.

### ***Current Program***

- The program's purpose is to provide grants to cities, counties, school districts, and other political subdivisions of the state and state agencies to mitigate impacts from the development and production of geothermal resources. The grants are primarily for use by such entities in planning for and providing infrastructure, public facilities and services necessitated by development and production of geothermal resources.

### ***Problem or Opportunity***

- The Department does not currently have the budget authorization to expend monies from the Geothermal Resource Leasing Fund. The current balance available in the Fund is \$33,622.
- This fund receives federal payments from sales, bonuses, royalties and rentals related to geothermal resources leases on federal lands in Colorado. The Department expects revenues of \$50,000 per year over the next five years, including additional projected revenue from rent on existing leases.

### ***Consequences of Problem***

- The Department will not have the authority to grant Geothermal Resources Impact Grants to local governments impacted by the geothermal resource industry activity ongoing in their respective communities, and will be out of compliance with statute (Section 34-63-105, C.R.S.).
- Without spending authority for Geothermal Resource Leasing Fund, local governments and other entities will not have funds to support impact planning or the ability to fund impact mitigation efforts.

### ***Proposed Solution***

- The Department requests \$50,000 Cash Fund spending authority beginning in FY 2014-15 and ongoing to award grants to impacted local governments, primarily for use in planning for and providing facilities and services necessitated by geothermal resource development and production.
- The Department has adopted policies and procedures incorporating Geothermal Resource grant applications and awards into the existing Energy Impact Assistance Grant Program. Prior to making awards, the Department will consult with the Colorado Energy Office and seek their input on the projects.



# COLORADO

Department of Military and  
Veterans Affairs

Priority: R-1  
Veterans Memorial Cemetery Growth  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests \$45,547 General Fund and 0.9 FTE for FY 2014-15 to provide grounds keeping and overall facility maintenance and repair for the Veterans Memorial Cemetery in Grand Junction. The request annualizes in FY 2015-16 to \$45,082 General Fund and 1.0 FTE in FY 2015-16. This represents a 0.9% increase in FTE and an 18.2% increase in the Personal Services General Fund budget for the cemetery, and a 1.3% increase to the Department.

## ***Current Program***

- The Veteran's Memorial Cemetery program provides grounds keeping operations and maintenance for the cemetery, which provides for interment for Colorado's veterans, their spouses and dependents. In FY 2013-14, the Program was appropriated \$478,034 total funding and 4.5 FTE.
- The workload is measured by the number of total interments, monthly interments, total acreage for maintenance, stream bed maintenance, grave opening and closing, irrigation system repairs, etc. Currently, the interment rate is .9 per day or 4.8 per week.

## ***Problem or Opportunity***

- Previously the cemetery has utilized seasonal employee(s) during the growing season; however, with 12 years of growth and winter snow and ice removal, support is required year round to ensure cemetery requirements are met.
- To date, the cemetery has interred over 2,627 veterans and family members, utilized 6 of 7 columbaria and there are over 1,723 upright headstones that require maintenance and movement.

## ***Consequences of Problem***

- With the continued growth in interments each year (250) and the cemetery's 16 acres of maturing grounds, the existing staff will be unable to maintain grounds at an optimal level, resulting in service degradation and safety issues.
- Inadequate support will degrade the cemetery's appearance and utilization of the site; this will negatively impact federally reimbursed interment costs and donations that provide key cash funding for this activity.

## ***Proposed Solution***

- The Department will hire 0.9 FTE beginning in FY 2014-15 to support the growth in interments by providing grounds keeping, snow and ice removal, grave support, and maintenance of equipment and systems. This will allow the cemetery to maintain service to Colorado's veterans and families, appearance standards, and utilization of the cemetery.



# COLORADO

Department of Military and  
Veterans Affairs

Priority: R-2  
Operations and Maintenance  
FY 2014-15 Change Request

## ***Cost and FTE***

- This request is for a \$277,000 General Fund (GF) increase to provide additional operations and maintenance funds for facility maintenance and repair projects, operating expenses, and utilities for the Executive Director's Office and the Colorado Army National Guard. This represents a 13% increase to the Operating Expenses line item.

## ***Current Program***

- For FY 2013-14, the Department was budgeted \$1,232,851 State funds (\$1,186,851 GF) to provide operating, maintenance, and utility share for the Executive Department and Army National Guard.
- Utility expenditures increased by 17.6% from FY 2010-11 to FY 2011-12, and 22.5% from FY 2011-12 to FY 2012-13. Facility space has increased by 130,229 square feet in the last three years.

## ***Problem or Opportunity***

- Prior General Fund reductions are impacting the Department's ability to receive matching federal funds to cost share projects and maintain facilities, pay utilities, and have funds available for administrative and travel expenses.
- Repairs to sustain and maintain facilities and complete projects continue to be delayed. This fund increase would make approximately \$308,720 in additional federal matching funds available through cost sharing which would greatly increase the impact of this request.

## ***Consequences of Problem***

- With continued increases in utility and maintenance costs, the Department's facility programmed maintenance activities are behind schedule for implementation and consequently many projects are limited to life, safety, and health issues.
- Degraded facilities impair the Department's ability to support units assigned to the facility and emergency users during times of wildfires, natural disasters, etc.

## ***Proposed Solution***

- Provide a \$277,000 General Fund increase in the Operating Expenses line item. This represents a partial restoration of the 19.1% reduction in General Fund from the Operating Expenses budget that was enacted through H.B. 10-1308, which reduced the line item from \$1,459,134 to \$1,181,158 General Fund to help balance the State's budget during the Great Recession.
- Funding will enhance the Department's ability to sustain and repair facilities, share in split projects and utilities, and provide funds for general administrative operating expenses.





### ***Cost and FTE***

- The Department requests \$280,203 General Fund in FY 2014-15 to fund 3.7 FTE and \$278,374 General Fund to fund 4.0 FTE ongoing for the Division of Water Resources (DWR) to assist in water administration statewide. This represents a 1.6% increase in DWR's FTE and a 1.4% increase to DWR's Water Administration line item.

### ***Current Program***

- DWR administers nine interstate compacts and over 170,000 water rights through 45,000 surface water structures and 270,000 groundwater wells in the water administration program.
- DWR maximizes the beneficial use of water in Colorado through intrastate water administration and compliance with interstate compacts. DWR maintains data on water rights and water diversions and monitors water supplies through stream flow measurements and groundwater regulation.

### ***Problem or Opportunity***

- DWR faces increasing water right allocation demands caused by new groundwater use rules in the Rio Grande basin, new well metering rules and the need for additional stream flow information in the South Platte River basin, and the need to coordinate data collected statewide by field personnel.

### ***Consequences of Problem***

- Without adequate monitoring and administration, water right owners may not receive their entitled water and may lose income, e.g. a 1% error in the distribution of water rights has a monetary impact on state water right owners valued, conservatively, at \$10 million dollars annually.
- Compact operations will not be sufficiently monitored, increasing the risk of compact violations. Previous compact violations on the Arkansas River basin cost Colorado more than \$34 million.

### ***Proposed Solution***

- DWR requests 4.0 permanent FTE to administer 6,000 wells operating under seven new groundwater management subdistricts in the Rio Grande basin; ensure the necessary level of integrity of data required for daily water rights administration and statewide planning models; measure stream flow through new diversion structures in the South Platte River basin; and administer new well metering rules affecting 8,000 wells in the South Platte River basin.
- Anticipated outcomes include the ability for water users to optimize their use of water without interfering with other water rights or the administration of interstate compacts.



# COLORADO

Department of Natural Resources

Priority: R-2

Oil and Gas Conservation Commission -  
Additional Legal Services for Enforcement  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Oil and Gas Conservation Commission (OGCC) requests an increase of \$327,888 Cash Funds from the Oil and Gas Conservation and Environmental Response Fund in order to increase legal services to the OGCC by 3,600 hours annually, the equivalent of 2.0 FTE.

## ***Current Program***

- The Attorney General's office provides legal advice and support to the Commission and staff of the OGCC on all matters, including hearings, enforcement proceedings, and rulemakings.

## ***Problem or Opportunity***

- Oil and gas development in Colorado continues to grow in both volume and in the complexity of development. Colorado's active well count recently topped 50,000 wells, more than double what it was ten years ago, and continues to increase. With OGCC's field staff inspecting a growing number of active wells, the need for legal support in enforcement and other areas continues to grow.
- Since 2006, the Hearings Unit has seen a more than 400% increase in the number of applications submitted to the Commission. Enforcement matters in front of the Commission have increased to a similar degree and are expected to continue increasing in the next several years. In contrast, since 2006, legal support to the OGCC has only increased by 100% (1.0 FTE to 2.0 FTE.)
- Increased public interest in oil and gas development has led to an increase in requests for rulemaking and open record requests, which requires legal assistance and OGCC staff time. Only two attorneys are dedicated to the Commission and workload increases cannot be absorbed.

## ***Consequences of Problem***

- The Assistant Attorneys General must prioritize their time to deal with the most pressing, legally complex issues before the Commission, leaving little time for enforcement matters.
- The OGCC's ability to promptly process regulatory and enforcement actions is currently constrained.

## ***Proposed Solution***

- Adding two additional Assistant Attorneys General for the support of the Commission is a proportional response to the overall increase in workload driven by oil and gas development.
- Additional Assistant Attorneys General resources will strengthen the agency's enforcement process, allowing more timely enforcement of rule violations. Further, this request will provide more resources to support rulemakings, hearings, and other public matters before the Commission.
- Effective legal support is vital to the operation of the OGCC and the regulation of oil and gas development. Legal advice from the Assistant Attorneys General informs the Commission's actions and has a direct impact on the operations and actions of the Commission.



# COLORADO

Department of Natural Resources

Priority: R-3  
Division of Reclamation, Mining, and Safety  
Coal Regulatory Program Refinancing  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Division of Reclamation, Mining, and Safety Coal Program requests an ongoing net-zero funding source adjustment to replace \$352,881 of federal funds with severance tax revenue due to federal budget reductions.

## ***Current Program***

- The Coal Program is responsible for permitting and regulating coal mines in order to protect public health and safety and to ensure reclamation of surface acreage. These services benefit the general public, coal mine operators and other government agencies.
- Current funding for the program is 79% Federal Funds and 21% Cash Funds.
- The coal sites cover 185,515 acres, primarily located in western Colorado: nine active sites, 29 non-producing or in reclamation, one sorting facility, and 83 exploration sites.

## ***Problem or Opportunity***

- Federal grant funds from Office of Surface Mining (OSM) are projected to be reduced in FY 2014-15 due to impacts of federal sequestration. A final grant amount may be known by April 2014.

## ***Consequences of Problem***

- If this reduction in federal funding is not replaced, 3.5-4.0 FTE (18% of total program FTE) would be reduced along with associated travel/operational costs. This will result in a reduced capacity of approximately 72 permitting actions, 158 inspections and two enforcement actions per year.
- Decreased staffing levels will cause permitting action delays that will impact mine expansions/production and local economies; less frequent inspections will increase the risk of environmental damages such as water pollution and mine waste pile failure impacting public roadways/streams.
- Colorado was delegated regulatory authority in 1980 from the Department of the Interior, which ensures effective coordination between the program, mine operators, and local communities. This has resulted in a compliance record of 98% by the mine operators. Significant decline in the state's regulatory capability may cause this authority to be challenged. State primacy is also required to receive \$7.7 million in federal funds for safeguarding abandoned mine openings.

## ***Proposed Solution***

- Maintain current staffing levels and regulatory integrity by increasing severance tax revenue to cover a federal funds reduction. The coal industry pays severance taxes, thus it is a relevant revenue option. Similar refinancing has occurred in eight prior fiscal years ranging from \$33,000 to \$240,000.



## ***Cost and FTE***

- This request is to reorganize the Colorado Parks and Wildlife (CPW) Long Bill line item structure to reflect the Division's new organization structure, which changed as a result of the former Divisions of State Parks and Wildlife being merged under S.B. 11-208. The request includes the elimination of the Wildlife Commission Discretionary Fund line item, resulting in decreased appropriations of \$160,000 cash funds. The request does not impact FTE levels.

## ***Current Program***

- Colorado Parks and Wildlife serves residents and visitors alike by supporting a wide range of outdoor recreational activities including hunting, fishing, wildlife viewing, and trail use both in and outside of the 42 state parks operated by the division. For FY 2013-14 CPW was appropriated a total budget of \$135,672,343 and 886.5 FTE. The Division's current Long Bill line item structure drives CPW's fund/appropriation structure and impacts fiscal management at all levels.

## ***Problem or Opportunity***

- The former Divisions of Parks and Wildlife were merged into Colorado Parks and Wildlife in 2011. No changes were made to the new agency's Long Bill line item structure at that time. CPW's 25 current line items are the same lines that existed in the two agencies prior to the merger.

## ***Consequences of Problem***

- The current CPW Long Bill line item structure does not accurately reflect the merged agency's new organizational structure.
- CPW's FY 2013-14 Long Bill contains redundant line items, including two line items for Information Technology, two for Aquatic Nuisance Species, and two for Indirect Cost Assessment.
- Reporting related to line items and organizational units which no longer exist is potentially inaccurate or misleading.

## ***Proposed Solution***

- CPW proposes reorganizing its current 25 line items into a new structure of 18 line items.
- CPW will utilize its existing automated budget system division-wide to ensure transparency and detailed reporting capabilities are maintained under the new Long Bill structure.
- The Discretionary Fund line item has proven to be unnecessary and will be eliminated. CPW will not seek to recover this \$160,000 in spending authority in another line item.



## ***Cost and FTE***

- The Division of Water Resources (“DWR”) requests \$29,503 General Fund in FY 2014-15 and \$39,010 ongoing General Fund for FY 2015-16 and beyond for three trucks and one set of well measuring equipment for the South Platte well measurement and enforcement team (“Team”). All three vehicles will be bi-fuel with the capability to use compressed natural gas (CNG).
- This represents a 0.15% increase to the Water Administration line item.

## ***Current Program***

- The Team consists of 4.0 field staff (well commissioners) at the Engineering Physical Scientist Technician level (I and II). The Team uses well measurement equipment to investigate, measure, ensure compliance, and calibrate flow meters pursuant to the South Platte Measurement Rules (“Rules”), which were promulgated in March 2013 and become effective December 31, 2013.
- Vehicles are needed to store and transport well measuring equipment used to administer and to enforce 8,000 high capacity wells within the scope of the Rules.

## ***Problem or Opportunity***

- The Team does not have state-owned vehicles needed to carry equipment to field test sites. The use of state-owned vehicles not specifically designated for well testing use has been attempted as an alternative; however, this was unsuccessful because equipment had to be loaded and unloaded at a secured location at day’s end, every day of field use. This loading and unloading takes five to ten hours per week equating to a loss of between \$30,000 and \$60,000 in staff time annually.
- Private vehicles have neither the capability to store, transport, and protect state-owned equipment nor have the insurance to cover loss or damage in the event of an accident.
- Well measurement equipment is required for enforcement of the Rules and is not available elsewhere within the agency.

## ***Consequences of Problem***

- Without the use of appropriate state-owned vehicles, there is a loss of employee productivity, higher mileage costs, additional recalibration of equipment, and an increased risk of equipment damage.
- Without well measurement equipment, the Team cannot perform spot measurements and test flow meters, required as part of the Rules.

## ***Proposed Solution***

- To better administer and enforce 8,000 high capacity wells in the South Platte River basin, DWR requests three 4WD pickup trucks, with toppers, and one set of well measuring equipment. The vehicles and equipment will provide the necessary transportation, carrying capacity, and tools for the South Platte well measurement and enforcement team to implement and enforce the new Rules.



# COLORADO

Department of Natural Resources

Priority: R-6  
Adjustments to Leased Space  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Executive Director's Office of the Department of Natural Resources ("DNR") requests a reduction to its Leased Space line item for FY 2014-15 totaling \$120,158. The request includes an increase of \$36,715 General Fund, a reduction of \$158,743 cash funds, and an increase of \$1,870 federal funds. The net increase in General Fund is a 7% increase to DNR's General Fund base leased space appropriation.

## ***Current Program***

- DNR manages 47 separate leases to operate district and field offices, storage, and parking. Lease funding helps the Department better manage field staff as well as improve relationships and outreach with various customers and interested parties. DNR Divisions such as the State Land Board and Division of Water Resources ("DWR") have a statutory obligation to maintain offices in certain parts of the state.

## ***Problem or Opportunity***

- To continue to operate its existing field offices and to increase budgetary transparency, DNR requests a net increase of General Fund in FY 2014-15 to its leased space line item.
- The increase in General Fund primarily consists of contractual cost escalators built into existing leases and renewals of DWR district offices. Further, the percentage of DWR's staff funded through cash funds was reduced from 4.77 percent in FY 2013-14 to 2.70 percent in FY 2014-15 due to lower cash fund revenues, resulting in an increase in the proportion of the leases funded through the General Fund rather than through cash funds.

## ***Consequences of Problem***

- Without approval of the General Fund increase, the Department could be forced to reduce the amount of leased space available for programmatic operations and consequently, could reduce services to the public, especially those living in rural areas. Additionally, DWR would be unable to uphold its statutory obligation to maintain offices in certain river basins within the state.

## ***Proposed Solution***

- If approved, this Change Request will allow the Department to "true up" its leased space expenditures and ensure that departmental leases for office space, parking, and storage are funded out of the Leased Space line item. This is an annual request to justify, on a lease by lease basis, the total requested appropriation for the Leased Space line item.



# COLORADO

Department of Personnel &  
Administration

Priority: R-1  
Total Compensation Vendor  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department of Personnel and Administration (DPA) requests \$300,000 General Fund to contract with a consultant to conduct a custom compensation market study and benefit market analysis report on a biennial basis.

## ***Current Program***

- The Compensation Unit is responsible for fulfilling the statutory charge in Section 24-50-104(a), C.R.S. which states that it is the policy of the State to provide prevailing compensation to officers and employees in the State personnel system to ensure recruitment, motivation, and retention of a qualified workforce.

## ***Problem or Opportunity***

- A recent Annual Compensation Report (FY 2012-13) raised issues with employees, HR Offices, agency leaders and DPA regarding the effectiveness and accuracy of the salary surveys and data, as well as the ability to compare positions to other employers within the State.
- One of DPA's strategic goals is to invest in the workforce. A vendor will allow the State to accurately benchmark its workforce against other large employers and the federal government.

## ***Consequences of Problem***

- The Annual Compensation Report is consistently questioned for its accuracy and the number of benchmark employers used. Additionally, the Department believes that there are a number of other tasks that it should be doing, per industry best practices, which cannot be done due to the time and strain of conducting the compensation and benefits surveys on an annual basis.

## ***Proposed Solution***

- The Department would like to hire a consultant with the resources and industry knowledge to improve upon the Department's work and increase the reliability of its outputs, including the annual Total Compensation Letter and Report. The Department would like to implement a transparent compensation philosophy followed by classification structure and job evaluation system.
- An external vendor will provide a number of benefits to the State, including the implementation of audit recommendations, creating a more reliable Annual Compensation Report, and allowing the Division of Human Resource staff to perform other duties that should be addressed per industry standard.



# COLORADO

Department of Personnel &  
Administration

Priority: R - 2  
Transparency Online Project Modernization  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department of Personnel & Administration is requesting \$142,235 General Fund in FY 2014-15 to support the implementation of an updated Transparency Online Project (TOP) system, and \$5,000 General Fund for ongoing annual licensing costs commencing in FY 2015-16.

## ***Current Program***

- Statute requires the Office of the State Controller to maintain a searchable website that includes State revenue and expenditure data to allow taxpayers, “to easily access the details of the state’s finances, how much revenue the state receives and how it is spent.” (Section 24-72.4-101, C.R.S.).
- The Transparency Online Project website (<http://TOPs.state.co.us/>) was created within existing resources by the Office of Information Technology and the Office of the State Controller, currently utilizing two existing systems, COFRS, and the Financial Data Warehouse (FDW).

## ***Problem or Opportunity***

- With the implementation of the Colorado Operations Resource Engine (CORE) starting in FY 2014-15, COFRS and the FDW will no longer record and report on State expenditure and revenue data. As a result, the current TOPs website will no longer function.
- The Department strives to provide high quality customer service to the citizens of Colorado as one of its three primary Strategic Policy Initiatives, this request is in support of that goal.

## ***Consequences of Problem***

- Without a system to populate expenditure and revenue information to the TOP website, the Department will not meet its obligations of providing easily accessible, searchable, downloadable, and transparent information on State expenditures and revenues to the citizens of Colorado.
- The Department will be out of compliance with Section 24-72.4-101, C.R.S. beginning in FY 2014-15, when the CORE Project is implemented.
- All 50 states currently maintain a transparency website. If a new TOP website is not implemented, Colorado would be the only state in the nation to not provide this service for taxpayers.

## ***Proposed Solution***

- The FY 2014-15 request of \$142,235 includes \$105,653 to implement the new TOP system, and \$36,582 for a temporary position to support implementation and identify system upgrades.
- The proposed solution will allow the State to continue to provide accessible, accurate financial data to the public, and continue to uphold our commitment to open, transparent government through the implementation of a dedicated system to ensure increased transparency to its citizens.





# COLORADO

Department of Personnel &  
Administration

Priority: R - 3  
Central Collections Investment in Customer Service  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests \$389,022 Cash Fund spending authority for FY 2014-15 to hire 3.6 temporary staff in the Central Collection Services (CCS) unit to support the increased volume of accounts collected. The request includes \$196,716 in FY 2015-16 and ongoing for operating related to increased volume. This represents an 8.5 percent increase in funding to the Collections program.

## ***Current Program***

- Central Collection Services (CCS) is the State's central accounts receivable function and actively collects debts owed to state agencies, institutions of higher education, and political subdivisions after initial collection efforts by those agencies have been unsuccessful. CCS also contracts with private collection agencies to assist with the collection of longer-term debts.

## ***Problem or Opportunity***

- Recent managerial, programmatic, and systems changes within CCS have increased the volume of accounts assigned to the program, resulting in a much greater workload as well as significantly higher collections over the past few years. The Department projects a 30 percent growth in accounts in FY 2013-14 (570,387), and 20 percent in FY 2014-15 (684,464).
- This growth has impacted the time it takes to recover funds assigned to CCS by agencies, increased the time necessary for individuals to enter into a payment plans, and has resulted in significant wait periods before customer issues can be addressed.

## ***Consequences of Problem***

- If this issue is not addressed, CCS will be unable to collect on the debts of State agencies and political subdivisions in an efficient and timely manner.
- The effect of a diminished collection process will likely be two-fold: 1) agency clients may choose to utilize private collections agencies, which charge a higher rate and therefore reduce the amount of debt collected for the State; and, 2) private citizens may experience reduced customer service.

## ***Proposed Solution***

- The Department proposes adding 3.6 temporary staff and related operating expenses in an effort to address the increasing workload volumes, expedite collections rates and timeframes, and improve customer service delivery. The request also includes a permanent increase in operating funding.
- The Department intends to perform an efficiency study, such as a Lean project, to identify ideal processes, ongoing resource needs, and whether or not permanent FTE will be necessary, as well as explore the efficacy of replacing the current system with an automated long-term solution.



# COLORADO

Department of Personnel &  
Administration

Priority: R-4  
Address Confidentiality Program Resources  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department is requesting \$60,308 General Fund for FY 2014-15 to hire temporary staff (the equivalent of 1.4 FTE at the Administrative Assistant II level) to address the expanding caseload in the Address Confidentiality Program (ACP). The Department will complete a Lean project and then re-assess its permanent resource needs.

## ***Current Program***

- The ACP's goal is to protect victim locations by providing a legal substitute address and mail forwarding services. The program serves the victims of a number of different types of crimes including domestic violence, sexual assault, and stalking, etc. Since the program also provides training and guidance to other organizations, the program's reach is not limited to the victims themselves.

## ***Problem or Opportunity***

- The ACP enrolls an average of 51.1 new participants per month, each of which requires a 23 step enrollment process. The program does not have sufficient staff to handle this level of growth.
- Workload is measured by the net increase in participants and the number of pieces of mail processed through the program. The data indicates that the ACP is processing roughly 80,000 pieces of mail each year, which is increasing as the net number of new participants grows by an average of 216 per year. The caseload from FY 2011-12 to FY 2012-13 grew 13.6% and this growth rate is expected to continue through FY 2017-18 when participation stabilizes at 4,000 participants.
- By statute, ACP must accept and serve all applicants that apply and qualify for the program. Without additional resources, the ACP will not be able to provide exceptional customer service to the victims or entities that rely on its services.

## ***Consequences of Problem***

- Enrollees may experience service delays or denials; they may experience difficulty using the core services if insufficient resources exist to respond to participant questions or sustain responsive, collaborative relationships with other agencies and service providers.

## ***Proposed Solution***

- With additional resources, the ACP will hire temporary staff to address the needs of its expanding caseload. This will enable the program to maintain or increase its ability to sort and forward mail, process incoming applicants, and perform the outreach required of a statewide program until the ACP is able to assess its permanent resource needs.



# COLORADO

Department of Personnel &  
Administration

Priority: CP-1  
Annual Fleet Vehicle Request  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department of Personnel & Administration is requesting to replace 777 fleet vehicles (295 of which are Compressed Natural Gas vehicles), which will increase appropriations at state agencies by \$2,271,687 in FY 2014-15. This will also require an increase of \$587,159 Reappropriated Funds for the Department's (4) Division of Central Services, (C) Fleet Management Program and Motor Pool Services, Vehicle Replacement Lease, Purchase, or Lease/Purchase line item for FY 2014-15.

## ***Current Program***

- The Department is charged with the oversight of the State Fleet, including its maintenance, operation, and replacement as necessary. All departments that participate in the State Fleet program are impacted by this request.

## ***Problem or Opportunity***

- On an annual basis, the Department of Personnel & Administration submits a fleet replacement request to address the needs of individual state agencies across the State. The Fleet Management Program analyzes each vehicle on an annual basis to determine its replacement eligibility. This year, 2,127 vehicles were identified as potentially eligible. Due to budget and resource constraints, the Department has culled that list to include 777 vehicles in the direst need of replacement.

## ***Consequences of Problem***

- 196 of the vehicles requested for replacement through this request are for the Colorado State Patrol. These vehicles routinely travel at a high rate of speed under various conditions. Not replacing these vehicles in a timely fashion would significantly increase the likelihood of failure of key components, thereby increasing the probability of injury to patrolmen. For other agencies, replacement vehicles are typically requested because the cost to maintain the older vehicle meets or exceeds the cost of replacing the vehicle.

## ***Proposed Solution***

- The Department proposes the replacement of 777 state fleet vehicles, 295 of which are Compressed Natural Gas (CNG) vehicles. The incremental cost to State agencies is estimated to be \$2,271,687 in total funds (incremental to S.B. 13-230 appropriations). The proposed solution is anticipated to save the State \$1,137,092 between reduced maintenance costs and reduced fuel expense in FY 2014-15 alone.
- For this request, the non-CSP and CBI vehicles recommended for replacement through the fleet replacement methodology average 148,349 miles, with 23 exceeding 200,000 miles.



# COLORADO

Department of Personnel &  
Administration

Priority: CP-2  
Camp George West Utilities Transfer  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department of Personnel & Administration (DPA) is requesting that spending authority for Camp George West (CGW) utilities be transferred from its Utilities appropriation within the Capitol Complex Facilities (CCF) program to the agencies responsible for those utilities. This will result in an ongoing reduction to DPA's Reappropriated Fund spending authority of \$330,643. Impacted agencies will transfer appropriations from their Capitol Complex Leased Space line item to their agency Operating or Utilities line items, as applicable, resulting in a cost neutral request statewide.

## ***Current Program***

- DPA's CCF program serves as an intermediary between Xcel Energy and individual agencies at CGW. Currently, DPA first receives and processes all utilities invoices (approximately 50 separate invoices per month), then processes monthly inter-agency billings for each agency.
- Agencies occupying space at Camp George West include Corrections, Correctional Industries, Military Affairs, Public Safety, Transportation, and Higher Education.

## ***Problem or Opportunity***

- DPA believes this process to be administratively inefficient in that the capability exists for each agency to receive and process their billings. This will eliminate a double-appropriation of funds.
- DPA's staff will be allowed to concentrate on providing more or better customer service if this duplicative administrative task, which currently takes six to eight hours per month, is eliminated.
- Utilities at CGW used to go through a single set of meters, which required the allocation of costs to all departments. Individual meters allow departments to monitor and pay for their own utilities.

## ***Consequences of Problem***

- DPA's program and accounting staff must spend time focusing on a duplicative process for no tangible benefit. The spending authority for these utilities is shown twice in the Long Bill.

## ***Proposed Solution***

- The proposed solution is to eliminate DPA as the intermediary for these utilities billings by having departments billed directly. The solution will free up DPA's program and accounting staff and allow them to focus on other customer-focused tasks.
- Managing their own utilities will provide impacted agencies with a greater awareness of their utility usage, and allow these agencies to better comply with Greening Government Executive Orders, initiate energy conservation measures, and have better control over their budgets for these items.



# COLORADO

Department of Public Health and  
Environment

Priority: R-1  
Marijuana Research Studies  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department is requesting 1.0 FTE and \$7,084,656 in cash fund spending authority to make grants for research on the health effects of marijuana.
- \$7,000,000 will be available to researchers to research the health effects of marijuana. \$84,656 is for the 1.0 requested FTE and operating costs.
- The Medical Marijuana Cash Fund is the funding source and has an adequate balance for the request.

## ***Problem or Opportunity***

- There is a lack of scientific information on health impacts of marijuana.
- This lack of information prevents individuals and health care providers from having the information they need to make important health decisions.
- There is speculation on the health impact of marijuana on conditions such as Post Traumatic Stress Disorder and seizures, but there is no scientific evidence to support or refute health effects.
- Using the Medical Marijuana Cash Fund to support scientific research on the impacts of marijuana is consistent with the legislative and constitutional intent for the use of the fund and is in the best interests of public health.

## ***Consequences of Problem***

- Without this research, there will continue to be a lack of scientific evidence-based information available to health care providers and individuals regarding the health effects of marijuana use.

## ***Proposed Solution***

- The Department is requesting 1.0 FTE and \$7,084,656 cash fund spending authority to issue grants to study the health effects of marijuana on various medical conditions.
- The Department anticipates that entities such as universities and hospitals within Colorado will apply for and be granted funds to conduct research on a variety of issues related to marijuana.
- Studies include researching the effectiveness of marijuana on managing conditions such as Post Traumatic Stress Disorder and seizure disorders.
- The studies might also evaluate any potential negative health impacts of marijuana, such as on brain development in the pediatric population.
- The Department anticipates that it will need 9 to 12 months for planning to be ready to issue a request for proposals in July of 2014.
- A Technical Advisory Board, along with the Board of Health, will provide input into the development of the RFP criteria, selection of awardees and monitor project progress.
- The Department estimates that the average cost per research project will be between \$500,000 and \$1,000,000, depending on size and scope.



# COLORADO

Department of Public Health and  
Environment

Priority: R-2  
Water Infrastructure  
FY 2014-15 Change Request

## ***Cost and FTE***

- This request is for \$12 million General Fund to issue flexible grants to communities to upgrade drinking water and wastewater infrastructure and comply with water nutrients regulations.
- It is anticipated that this funding will help communities throughout the state including those affected by the September 2013 floods.

## ***Current Program***

- Municipalities and districts in the state of Colorado have significant unmet need around drinking water and wastewater infrastructure. Infrastructure improvements for public facilities related to implementing the nutrients regulations is estimated to be over \$700 million. The 2014 Drinking Water and Water Pollution Control Revolving Loan Fund Project Eligibility Lists documents \$11.2 billion of infrastructure need.
- HB 13-1191 “Nutrients Grant Fund” authorized \$15 million and 1.0 FTE to assist drinking water and wastewater systems to come into compliance with state regulations.

## ***Problem or Opportunity***

- Access to clean, drinkable water and appropriate treatment of wastewater is essential to public health.
- In September 2013, Colorado experienced unprecedented flooding that resulted in FEMA estimated damages exceeding \$170 million to drinking water and waste water infrastructure, which further compounded the state’s unmet need.
- In addition, communities throughout the state are struggling to meet nutrients management standards, such as regulation 85 issued by the Water Quality Control Commission, which requires phase-one wastewater treatment plants upgrade treatment systems to reduce the amount of nutrients (phosphorus and nitrogen) released into surface water.

## ***Consequences of Problem***

- Failure to rebuild and improve drinking water and wastewater infrastructure will likely result in contamination and disease. Elevated nutrient levels can lead to carcinogens in drinking water. Excess nutrients also cause imbalance in the ecosystem harming aquatic life and hindering recreational use of rivers and lakes.

## ***Proposed Solution***

- This request is for \$12 million General Fund with roll-forward authority to make grants to assist public drinking water and wastewater facilities to repair or improve their infrastructure. Grants will be used to repair or construct treatment plants and repair or replace wastewater collection lines and drinking water distribution lines.
- Grants will also be used to assist municipalities to plan, design and construct treatment facilities that minimize the harmful effects of excess nutrients in water.
- This request will require an extension of the current sunset provision in §25-8-608.5 C.R.S.



# COLORADO

Department of Public Health and Environment

Priority: R-3  
Risk Based Contract Monitoring Process  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department of Public Health and Environment is requesting one FTE and approximately \$69,452 total funds to hire an employee to implement and oversee a standardized process for contract monitoring. This increases the Administration Personal Services Line by approximately 1.3%.

## ***Current Program***

- The Department routinely enters into approximately 1,800 contracts, 1,500 purchase orders, and 500 other contractual agreements every year, totaling \$200 million. The number of contracts and the type of contractor places the agency at risk if the contracts are not monitored effectively for performance of contract terms and appropriate fiscal controls.

## ***Problem or Opportunity***

- Over the last 18 months the Department has received two separate audit reports recommending improvements in the Department's contract monitoring processes.
- Based on the audit findings, the Department feels it is imperative to standardize the contract monitoring process to protect the health and environment of the state by ensuring that the contractors selected meet the requirements and deliverables of their contracts.

## ***Consequences of Problem***

- The Department works with contractors to provide public health and environmental protection services. If the contractor fails to deliver, there could be an impact to public health or environmental quality.
- If the Department cannot ensure that contractors are providing services that fulfill the terms of the contracts, the goals of the Department for the public can be jeopardized.
- Aside from the risk of future audit findings, the Department faces the risk of losing public dollars to a contractor that either cannot deliver on the contract requirements, or misuses public funding.

## ***Proposed Solution***

- The Department proposes the creation of a position in the central Operations office that will develop and implement a standardized contract monitoring process that is based on contractor risk and performance. This process will establish contract monitoring practices, procedures and policies Department wide.
- The position would have a reporting relationship with contract monitors in each division. These monitors would be responsible for implementing the standardized practices and procedures.
- The position would provide technical assistance to monitors and contractors in the resolution of performance issues.
- This would be an ongoing, permanent position within the Operations section of the Department.



### ***Cost and FTE***

- The Department of Public Health and Environment is requesting to change the way it manages indirect cost recoveries for the entire department.
- The request results in an increase of \$13.4 Million in reappropriated fund spending authority. The total amount of cash and federal funds is not changing, merely moving to a centralized line.
- The increase in reappropriated funds is an accounting mechanism, not an actual increase in the Department's funding.

### ***Current Program***

- Indirect charges pay for Departmental overhead costs such as central budget, purchasing, accounting and HR staff, lease, and utilities.

### ***Problem or Opportunity***

- Currently, each of CDPHE's 11 divisions manages indirect charges differently.
- The request is to move cash and federal fund appropriations out of individual division Long Bill lines and include them in the central indirect Long Bill line in the Administration Division.
- The proposed approach will mean that all indirect charges in the Department are handled in the same way.
- This standardized approach will be more efficient and will be more acceptable to Federal grantors and auditors.

### ***Consequences of Problem***

- If the proposed approach is not authorized, the Department will continue to not have standardized processes for managing indirect cost recoveries.
- Lack of standard processes results in errors, rework and questions from grantors and auditors.

### ***Proposed Solution***

- The proposed solution is to centralize all indirect cost recoveries in one line in the Administration Division.
- The central indirect line will cover two types of indirect charges: Division specific indirect charges that cover overhead/administrative costs of a particular division such as Division Director time and supplies; and, departmental overhead costs such as accounting staff, leased space and utilities.
- A standardized, centralized approach will benefit division staff, central operations staff and auditors.





### ***Cost and FTE***

- The Department requests an increase of \$417,760 General Fund in FY 2014-15 and beyond to provide ongoing funding for a 20 to 30 year capital lease-purchase agreement, and operating expenses associated with the relocation of the CBI Pueblo Regional Forensic Laboratory and Investigative Office.

### ***Current Program***

- The Pueblo Facility provides investigative and forensic services for southern Colorado law enforcement and criminal justice entities. The facility utilizes \$1.9 million General Fund and 22.0 FTE.

### ***Problem or Opportunity***

- Within the current Pueblo facility, significant safety, environmental, structural, and capacity issues have been identified, which will make receiving International Organization for Standardization (ISO) accreditation impossible.
- Forensic Laboratories must be accredited by ISO standards to remain operational. This accreditation is critical for testimonies regarding forensic evidence to be admissible in court and to maintain access to the DNA database (CODIS). The potential for evidence contamination, which would negatively impact the outcome of criminal cases, is a constant concern.

### ***Consequences of Problem***

- Without ISO accreditation, the Pueblo facility will have to close and relocate staff and equipment to Denver and Grand Junction. Increased travel from either the Denver or Grand Junction laboratories would negatively impact efficiencies. This would create a potential loss of perishable evidence due to inclement weather or unsecured crime scenes, as well as delay the time for gathering witness statements, conducting interviews, or interrogations.

### ***Proposed Solution***

- The solution includes the lease-purchase of a new Pueblo facility meeting all the requirements of ISO accreditation. The selected facility includes an additional 2,200 square feet of space.
- With this expansion, CBI would have the adequate space necessary to improve its service delivery to all state law enforcement partners servicing the citizens of Colorado.
- Legislative action will be required in the 2014 session to enter into a lease-purchase agreement.



### ***Cost and FTE***

- The Department of Public Safety requests an appropriation of \$4,150,000 Cash Funds from the proceeds of insurance premium taxes to the Wildfire Preparedness Fund (WPF) for FY 2014-15, FY 2015-16, and beyond for the ongoing funding of wildfire suppression functions within the Division of Fire Prevention and Control (DFPC).

### ***Current Program***

- The WPF provides the resources needed by DFPC for wildfire management, aerial firefighting resources, state wildfire engines and staffing, wildfire hand crews, and the ordering and dispatching of equipment and personnel. In short, the WPF provides all of the funding for DFPC to meet its statutory responsibilities with respect to wildfire.

### ***Problem or Opportunity***

- Commencing FY 2014-15, a source of funding for the WPF has been identified, but no appropriation has been made to the WPF. S.B. 13-270 authorized transfers from the proceeds of insurance premium taxes to the WPF, but made no appropriation.
- The WPF provides the funding for the DFPC fire management officers, wildfire command staff, aerial firefighting resources, state wildfire engines and staffing, wildfire hand crews, and the ordering and dispatching of equipment and personnel to wildfires.

### ***Consequences of Problem***

- Without an appropriation to the WPF, DFPC will not have adequate resources available to respond to wildfires when needed.
- Examples of services that would be lost include: exclusive use of Single Engine Air Tanker contract, wildfire management and technical assistance provided by fire management officers, state engines on loan to local and county fire departments, coordination and execution of cooperative wildfire management agreements with appropriate local, state, and federal jurisdictions, and support of inmate wildfire hand crews.

### ***Proposed Solution***

- Appropriate \$4,150,000 from the proceeds of insurance premium taxes to the WPF.
- Approval of the appropriation will ensure the fund can continue to support wildfire suppression functions such as: wildfire management, aerial firefighting resources, state wildfire engines and staffing, wildfire hand crews, and the ordering and dispatching of equipment and personnel.



### ***Cost and FTE***

- The Department requests \$656,134 General Fund in FY 2014-15 and \$706,348 in FY 2015-16 and beyond to ensure continued operation of the Colorado Information Analysis Center (CIAC), which is Colorado's Fusion Center.

### ***Current Program***

- As the State Fusion Center, the CIAC produces intelligence products, assists in pattern crime investigations, hosts classified briefings, conducts threat assessments and is the principal information sharing conduit for first responders across Colorado, among other responsibilities.
- The CIAC is the State's principal intelligence sharing hub and clearinghouse and represents a shared commitment from many participating agencies such as FBI, U.S. Department of Homeland Security and local agencies, including the Denver and Aurora Police Departments.

### ***Problem or Opportunity***

- State Homeland Security Program (SHSP) funding to the State has declined from \$7.3 million in FFY04 to \$1.3 million in FFY13. Funding for the CIAC will expire August 2014. Without alternative funding, the CIAC must close down, eliminating a necessary source of intelligence and interagency cooperation in Colorado.

### ***Consequences of Problem***

- Loss of the CIAC will jeopardize long-term relationships with state, local, tribal, and federal partners; cripple intelligence and information sharing; inhibit education and outreach; and eliminate prevention activities such as suspicious activity reporting and monitoring of classified threats.
- Embedded resources in the CIAC would return to their host agencies, compounding impacts.

### ***Proposed Solution***

- The Department's solution is to leverage General Fund appropriations to build and restore a highly trained pool of intelligence analysts and program support to ensure long-term sustainability of the CIAC, regardless of available federal funding, ensuring ongoing commitment of personnel resources by partner agencies. This ensures consistency in product and service delivery to thousands of first responders across Colorado.



### ***Cost and FTE***

- The Department requests \$489,074 General Fund and 2.7 FTE for FY 2014-15, and \$517,091 General Fund and 3.0 FTE for FY 2015-16 to create a Cyber Crime Task Force with the Governor's Office of Information Technology (OIT). In addition, OIT requests a corresponding 1.8 FTE and \$231,061 Reappropriated Funds for FY 2014-15, and 2.0 FTE and \$250,021 Reappropriated Funds for FY 2015-16 and beyond.

### ***Link to Operations***

- The Cyber Crime Task Force is a new initiative headed by the Department of Public Safety (DPS) and OIT to create an enforcement mechanism against cybercrime on a statewide level. The Task Force builds on OIT's "Secure Colorado" campaign, which addressed structural security concerns, by adding an offensive, law enforcement component to cybercrime attacks.

### ***Problem or Opportunity***

- Cybercrime has grown more sophisticated, targeting personally identifiable information (PII), such as social security numbers, and other sensitive information. For example, cyber criminals stole 3.8 million records with pieces of PII's from South Carolina's Department of Revenue in 2012. Utah experienced a similar theft.
- Colorado has little offensive capacity to counter the nearly 600,000 cyber attacks occurring daily.

### ***Consequences of Problem***

- Cybercrime investigation and prosecution facilitate better security through more effective identification of the cyber threats—who the threat is, the information they are seeking to obtain, and how they attack. Without an investigative piece to Colorado's cybercrime and security policy, Colorado remains purely defensive with regards to cyber attacks and systems remain vulnerable.

### ***Proposed Solution***

- The Cyber Crime Task Force will increase the cyber resiliency of state and local governments through intelligence and information sharing, enhanced cyber security training, and timely investigation and prosecution of offenders. The Task Force will involve the Division of Homeland Security and Emergency Management (DHSEM), the Colorado Bureau of Investigation (CBI), and OIT.
- Part of this proposal requires a statutory change to provide the CBI with original jurisdiction to investigate and prosecute cybercrime.



### ***Cost and FTE***

- The Department requests \$95,095 General Fund and 0.9 FTE for FY 2014-15 and \$98,827 General Fund and 1.0 for FY 2015-16 and beyond for a Division of Fire Prevention and Control (DFPC) Budget Analyst. This is a 2 percent increase to the current personal services and operating budget.

### ***Current Program***

- The Division of Fire Prevention and Control (DFPC) has multiple programmatic responsibilities, including firework regulation, wildfire suppression, and school and hospital safety inspections. The position requested would manage and administer budget issues for the DFPC to benefit customers such as financial staff in the Department, and indirectly, stakeholders who interface with various programs.

### ***Problem or Opportunity***

- In the past six years, three significant state programs (and 66.0 FTE) have statutorily transferred to the Division of Fire Prevention and Control (DFPC): Oversight of School Building Inspections (H.B. 09-1151), Wildland Fire Mitigation and Management (H.B. 12-1283), and, effective July 1, 2013, Life Safety Inspection Responsibilities (H.B. 12-1268 and H.B. 13-1155).
- Although legislation transferred a number of programs to DFPC, the staff that supported the budget, financial, and policy components of the programs were not included in the transfer as they continued to support other programs at their respective departments.

### ***Consequences of Problem***

- Staff unfamiliar with the budget process may miss budget deadlines, incorrectly estimate fiscal impacts on proposed legislation, not review program budgets versus spending on a monthly basis, among other important budget and policy related tasks. The Division missed 83 percent of total external and internal deadlines as a result of not having the necessary staff. Without the addition of the requested position, DFPC will continue to struggle with timely and efficient responses to budget requests, fiscal notes and legislative requests.

### ***Proposed Solution***

- A Budget Analyst IV will collect and analyze Division data to determine budget requirements and develop justification for requested funding levels. Having a dedicated budget analyst in the Division will provide the support and expertise to the Division's programs necessary to efficiently manage programs within DFPC.



### ***Cost and FTE***

- The Department requests an increase of \$240,460 General Fund and 2.8 FTE in FY 2014-15 and \$245,169 General Fund and 3.0 FTE in FY 2015-16 and beyond. This request is for compliance monitoring of PREA and specialized treatment programs as well as implementation of Evidence-Based Practice (EBP) in community corrections.

### ***Current Program***

- The Division of Criminal Justice Office of Community Corrections (OCC) provides funding, regulatory oversight, and technical assistance to 36 community corrections providers, 22 boards, 53 programs, and all referral agencies; these services are organized and administered by 6.9 FTE.

### ***Problem or Opportunity***

- The number of specialized community corrections programs has increased from 5 in 2003 to 21 in 2013 (a 320% increase) with no increase in FTE over that period. Current FTE levels provide for minimal review (24%) of these programs, which serve high-risk and high-needs offenders.
- The OCC is working to reduce recidivism rates and outcomes with implementation of Evidence Based Practices, which requires additional training and additional data analysis.
- The U.S. Department of Justice issued 194 new comprehensive standards that require community corrections to comply with the Prison Rape Elimination Act (PREA). This federal mandate requires a state level PREA coordinator to fulfill the requirement.

### ***Consequences of Problem***

- The ability to effectively implement EBP and the federally mandated 2012 PREA standards will be significantly jeopardized. Failure to comply with PREA can result in a loss of \$241,762 federal dollars annually in CDPS alone and substantially more to other state agencies (CDOC, CDHS).
- The quality of programming among specialized treatment programs and other new budget categories in community corrections will be subject to minimal oversight by the State of Colorado.

### ***Proposed Solution***

- Three additional FTE (level GPIV) to provide training, technical assistance, and audit specialized programs and maintain federal regulatory standards in community corrections.
- Providers and boards will receive scientific implementation of EBP; training, implementation and auditing of PREA; and will receive reports regarding the quality of specialized treatment programs.



# COLORADO

Department of Public Safety

Priority: R-7  
Rulemaking Support Staff for DPS  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests an increase of \$45,679 Reappropriated Funds and \$7,632 General Fund in FY 2014-15, and \$45,679 Reappropriated Funds and \$7,997 General Fund in FY 2015-16 and beyond. The funding will support centralized rulemaking within the Executive Director's Office (EDO).

## ***Current Program***

- The Executive Director's Office within the Department of Public Safety provides central support such as financial services, human resources, and purchasing support for the entire department.
- The EDO provides central support for the entire department, therefore it is essential to have a central rulemaking function established within the EDO.

## ***Problem or Opportunity***

- A part-time position for rulemaking review has previously been held by a member the Colorado State Patrol staff, and therefore the review did not apply across all divisions. The Department seeks a uniform process for rulemaking across divisions.
- Pursuant to Executive Order D 2012-002, state agencies should implement a periodic review process of all rules. Given the limited focus and background of the previous staff, there are some rules that have not been reviewed periodically, which has a negative impact on the associated programs.
- Because not all rules have been reviewed in a timely manner, fees have not been reviewed and adjusted when necessary.

## ***Consequences of Problem***

- Without a standard rule-making review and recommendation process, the Department will be unable to meet the regulatory standards outlined in the Executive Orders D 2011-005 and 2012-002.
- Local stakeholders will be unable to engage in the regulatory process, impeding good governance best practices.

## ***Proposed Solution***

- The EDO seeks to employ a part-time, centralized position to review rulemaking across divisions.
- Having a central rulemaking support staff within the EDO would provide uniformity and consistency with regard to the rulemaking process for the entire department, as well as provide the mechanism to appropriately fund the services provided.



# COLORADO

Department of Public Safety

Priority: R-8  
InstaCheck Lease Space Request  
FY 2014-15 Change Request

## *Cost and FTE*

- The Department requests an increase in Cash Funds spending authority of \$84,050 in FY 2014-15 and \$89,387 in FY 2015-16 to fund the required leased space needed to accommodate the entire Colorado Bureau of Investigation (CBI) InstaCheck unit.

## *Current Programs*

- The InstaCheck Unit conducts name-based background checks for firearms purchases and fingerprint-based background checks for concealed carry permits. The existing 26.4 FTE are currently housed in 1,700 square feet with room for 30 work cubicles. In order to process the estimated 530,000 background checks for firearms transfers, the Unit must hire additional personnel and relocate its operations to larger leased space.

## *Problem or Opportunity*

- In the 2013 legislative session, two bills were enacted that directly impact the CBI's InstaCheck Unit: H.B. 13-1228 authorizes the CBI to charge a fee for performing instant criminal background checks related to the transfer of firearms. The second bill, H.B. 13-1229 requires criminal background checks on firearm transfers purchases, including private sales.
- Based on the executed lease agreement dated June 25, 2013, the Department is scheduled to pay \$17.73 per rentable square foot in FY 2014-15, or \$189,250. This amount is \$84,050 more than the amount appropriated for leased space in H.B. 13-1229. The amount included in the fiscal note assumed leased space for the incremental number of new personnel only.

## *Consequences of Problem*

- With no change in leased space appropriation, the Department would be under funded in FY 2014-15 and every fiscal year, thereafter. Without the approval of the increase in spending authority, the lease agreement will have to be terminated.

## *Proposed Solution*

- The Department requests an increase in cash fund spending authority in FY 2014-15 and beyond to pay for leased space as stated in the executed lease agreement.
- The cash fund spending authority will be funded from fees from firearms transfers and concealed handgun permits.
- This solution does not require a statutory change.





# COLORADO

Department of Public Safety

Priority: R-9  
DPS Vehicle Variable Rate Increase  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department requests \$382,797 total funds, which includes \$28,488 General Fund, \$8,843 Cash Funds, \$335,393 HUTF “Off-the-Top”, and \$10,073 Reappropriated Funds, in FY 2014-15 and beyond to fund a vehicle variable rate increase for the Colorado State Patrol (CSP) and Colorado Bureau of Information (CBI).

## ***Current Program***

- The CSP provides traffic enforcement, accident investigation, and traffic mitigation for the general public, and assists local law enforcement agencies. The per-mile rate charged by State Fleet Management (SFM) for operations of CSP vehicles constitutes the largest portion of the Patrol’s Operating Expenses budget. In FY 2012-13 the CSP incurred \$4,230,061 in HUTF, \$212,797 in General Fund, \$129,304 in Reappropriated Funds, and \$113,518 in Cash Funds in vehicle variable charges.
- The CBI provides forensic and investigative services to law enforcement agencies across the state. Investigators traveled 848,009 highway miles and incurred \$219,726 in variable vehicle expenditures in FY 2012-13 while responding to 1,120 requests for assistance.

## ***Problem or Opportunity***

- The variable vehicle rate set by SFM increased by 6.5% for CBI and 7.79% for CSP in FY 2013-14.
- These rate increases, driven largely by increasing fuel costs, have placed a significant strain on the Department of Public Safety’s operating budget.

## ***Consequences of Problem***

- Failure to approve this request will force the Patrol to restrict the number of miles driven by troopers by approximately 930,000 miles. This reduction would result in a correlating reduction in proactive patrol hours and limit the Patrol to responding to only critical/life-threatening incidents.
- The CBI will be unable to provide timely and appropriate responses to all requests from local law enforcement agencies.

## ***Proposed Solution***

- The Department requests increased funding support to cover the rate increase, and therefore maintain current levels of public safety for the general public and local law enforcement agencies.
- The additional funding will allow the Patrol to maintain patrol levels and meet performance measures; CBI will continue to respond immediately to requests for forensic and investigative services.



### ***Cost and FTE***

- The Department requests \$1,343,900 HUTF “Off-the-Top” for FY 2014-15 to acquire 356 portable radios for the Colorado State Patrol (CSP). This represents a 13 percent increase to the CSP base operating budget.

### ***Current Program***

- The CSP responds to an average of 525,000 incidents per year, each with a minimum of five radio contacts. The Patrol provides professional public safety communications services, protecting critical infrastructure and State assets, and establishes law enforcement and emergency partnerships through Colorado.

### ***Problem or Opportunity***

- CSP portable radios are 10 to 12 years old and do not meet the interoperability compliance standard set in H.B. 98-1068 with the Office of Information Technology (OIT). The failure rate of these radios is approximately 26 annually, out of the 856 currently in service.
- Interoperability and radio failure endangers officer and impedes the ability for the Patrol to safeguard life, the Capitol Complex and provide a safe and secure environment for the motoring public.
- With the assistance of a federal grant, the CSP will purchase 143 radios during the current fiscal year. However, the CSP does not have sufficient funding to acquire, 356 Motorola APX6000 portable radios at \$3,775 per radio.

### ***Consequences of Problem***

- Inoperable and incompatible portable radios disrupt communication between troopers, first responder agencies, and the residents of the State of Colorado, posing dangerous consequences including the increased risk of serious bodily injury or death.

### ***Proposed Solution***

- The Department requests replacement of 356 portable radios (model number APX6000) in FY 2014-15. The new portable radios will have the capability to communicate on both the 700 MHz and 800 MHz frequencies, providing both interoperability and operability. These radios will be compliant with OIT inter-operability standards, increase officer safety, allow communications with other agencies and first responders, and help the Patrol achieve its strategic goals. This acquisition combined with previous one-time funding acquisition will provide a total inventory of 499 portable radios.



### ***Cost and FTE***

- The Department requests \$622,004 General Fund and 7.3 FTE in FY 2014-15 and \$562,374 General Fund and 8.0 FTE in FY 2015-16 and beyond for the Division of Fire Prevention and Control (DFPC) state fire engine staffing.

### ***Current Program***

- The State Engine Program provides assistance to local jurisdictions when wildfires exceed local capabilities or when local firefighting resources are overburdened due to the number or duration of fires.
- The State Engine Program also provides training to local jurisdictions, and the core firefighting resources needed to implement mitigation and prescribed fire projects.

### ***Problem or Opportunity***

- Demand for state fire engines has increased in recent years, and indications are that the need will continue to increase. Over the past three years alone, an average of 4,856 fires have burned nearly 150,000 acres annually.
- The State Engine Program currently is able to fully staff two engines; full capacity is 15 engines. Without additional firefighters and engine bosses, the DFPC will face operational challenges in meeting increased wildfires.

### ***Consequences of Problem***

- Without the increase in funding, DFPC will not have the resources to provide guidance and resources for local response units, which undermines the State's ability to provide a swift and strategic response to wildfires.

### ***Proposed Solution***

- The requested additional funding will provide for one additional staffed engine and 5 engines jointly staffed by DFPC and local agencies.
- The additional resources will provide more engines and firefighters responding on initial attack which will increase the probability of keeping wildfires smaller and decreasing the resultant losses and overall cost of fire suppression.



### ***Cost and FTE***

- The Department requests a one-time increase of \$178,020 HUTF "Off-the-Top" in FY 2014-15 to lodge, and provide per diem for 43 members of the Colorado State Patrol (CSP).
- These members will provide traffic enforcement and accident investigation for the 2015 World Alpine Ski Championship (WASC). This is a 1.8% increase in the Patrol's total operating budget.

### ***Current Program***

- The Patrol has 12 Eagle County assigned troopers providing traffic enforcement and accident investigation on CSP covered roadways. These troopers, combined with Vail Valley and Eagle County resources, provide 24/7/365 coverage either by duty hours or on call. These resources are not adequate to meet the needs of an event of this magnitude.

### ***Problem or Opportunity***

- WASC is being held in Vail and Beaver Creek CO from February 2<sup>nd</sup> thru 15<sup>th</sup> of 2015 and is an intermittent event that generates an extraordinary economic impact to the State of Colorado.
- The Vail Police Department, which is helping to oversee the security for WASC, has requested the Patrol assist with traffic management and law enforcement intelligence analysis.
- WASC is a high profile event and an attractive terrorist target. If security is not effectively managed, there will be an increased safety risk and possible negative financial impact to the State.
- Funding is not currently available for the 43 Patrol members for lodging and provisioning during their temporary assignment to the WASC event.
- These members temporarily assigned to the WASC will be supported by 27 local and neighboring county troopers to provide traffic enforcement and accident investigation in a 5 county area with 9 Field Intelligence Team (FIT) members providing law enforcement intelligence.

### ***Consequences of Problem***

- The experience and expertise of the Patrol is vital to a safe environment for participants and spectators. Without CSP support, local law enforcement agencies will be unable to provide adequate traffic management.

### ***Proposed Solution***

- Approval of this one-time funding request affords lodging and per diem for WASC assigned CSP members.



### ***Cost and FTE***

- The Department requests an increase of \$25,000 General Fund for FY 2014-15 and beyond. This 4% increase to the Division of Criminal Justice (DCJ) Administrative Services line item is for the ongoing maintenance and upgrades to the central information and billing system for community corrections.

### ***Current Program***

- The Community Corrections Information and Billing (CCIB) system tracks billing and statistical information and is a critical operating system for the DCJ Office of Community Corrections (OCC).
- The system is used to collect and report criminal history and service data regarding 26,615 offenders. The system is critical as it is the exclusive method by which community corrections boards and providers request payments and in which offender services are tracked.
- The CCIB system is used by the OCC and over 600 users in 22 community corrections boards and 36 facilities in Colorado. CCIB directly impacts all but two OCC workload indicators.

### ***Problem or Opportunity***

- Neither OIT nor the OCC have the technical expertise to maintain and upgrade the CCIB system. CCIB was designed in 2008 by a private Colorado developer. This was in partnership with OIT, which lacked technical expertise to build and maintain this system.
- New programmatic and budget areas within community corrections continue to be introduced. Each new change, such as the creation of the Correctional Treatment Funds and Subsistence Grace Period Project, require adaptations and upgrades to the statistical and billing system.

### ***Consequences of Problem***

- Without approval of this request, the ability to effectively maintain and upgrade the CCIB system will be jeopardized resulting in risk to the integrity of \$56 million annually in billing and statistical data.
- The CDPS will be unable to meet the growing and changing demand for corrections statistical data.

### ***Proposed Solution***

- A consistent investment of \$25,000 per year will provide for necessary billing and tracking system upgrades that will lead to more robust data collection and reporting for community corrections.
- Success will be measured by more timely and accurate data, allowing more effective use and distribution of funds to fulfill the workload indicators and properly audit and evaluate programs.



### ***Cost and FTE***

- The Department requests \$859,630 General Fund for FY 2014-15 and beyond to account for a community provider rate increase of 1.5 percent, which includes the Community Corrections Providers who contract with the Department of Public Safety (DPS).

### ***Current Program***

- The Community Corrections Program provides funding to 36 community corrections providers, 22 boards, 53 programs, and all referral agencies. The recipients of the services are offenders housed in correctional facilities that are transitioning out into the community, diversion programs, and specialized services such as substance abuse treatment, offender assessments, intensive residential treatments and outpatient therapeutic community programs.
- For FY 2013-14, the Department was budgeted \$59,102,590 for the Community Corrections Program.

### ***Problem or Opportunity***

- The Office of Community Corrections seeks to address continued inflationary increases and to provide the same standard of supervision, treatment, and housing for offenders placed in community corrections programs. The 1.5 percent community provider rate increase represents an increase of per diem rates paid to providers in both the standard and specialized community corrections line items.

### ***Consequences of Problem***

- Should this request not be funded, community corrections providers will be forced to continue to absorb cost increases, potentially inhibiting their ability to offer treatment and education programs that help offenders stabilize in the community.

### ***Proposed Solution***

- The Department requests an increase of \$859,630 General Fund in the Office of Community Corrections to address a 1.5 percent community provider rate increase.



# COLORADO

Department of Regulatory  
Agencies

Priority: R-1  
New Vehicles for Public Utilities Commission  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Public Utilities Commission (“PUC”) requests two additional sedans to be financed through a reallocation of \$7,017 Cash Funds from Operating Expenses to Vehicle Lease Payments for FY 2014-15 and beyond, creating a net \$0 appropriations impact to the State for this request.

## ***Current Program***

- The Investigations and Compliance Unit of the Motor Carrier Safety Program protects the public from unsafe motor carriers. The Gas Pipeline Safety Section ensures the safety of all intrastate natural gas pipeline systems.
- These programs regulate 1,800 regulated motor carriers and 8,100 vehicles across the state, as well as conduct hundreds of safety audits of records, on-site inspections, and incident investigations for a vast network of existing and newly constructed gas pipelines. Each service requires State vehicles for on-site inspections and investigations.
- Motor carrier customers, persons who would be harmed by pipeline accidents, and the regulated professionals are the beneficiaries of these services provided by the PUC.

## ***Problem or Opportunity***

Investigations and Compliance Unit (“Unit”)

- Inspectors are unable to meet performance targets of inspecting each carrier/vehicle at least once every five years (600 inspections short of the target) due to limitations posed by the number of State vehicles for the program; the public suffers, as 90 percent of inspections reveal violations.

Gas Pipeline Safety Section (“GPS”)

- The program presently has three vehicles for four full-time inspectors and, as a result, responsiveness to construction activities and pipeline excavation damage is hindered.

## ***Consequences of Problem***

- Without a responsive regulatory presence, illegal and unsafe activities will go unchecked, the mission of consumer protection is compromised, and consumers are put at greater risk.

## ***Proposed Solution***

- Add a new vehicle to the Compliance Unit and a new vehicle to GPS with a net funding increase of \$0 via reallocation of \$7,017 Cash Funds from Operating Expenses to Vehicle Lease Payments.
- Resolution of per-inspector vehicle shortages for both programs will increase regulatory responsiveness. The programs will ensure carrier and vehicle inspections once every five years and increase capacity for construction inspections by 50 percent and damage inspections by 100 percent. Outcomes will be measured with inspection data.



# COLORADO

Department of Regulatory  
Agencies

Priority: R-2  
Division of Financial Services  
Operating Expenses Reduction  
FY 2014-15 Change Request

## ***Cost and FTE***

- The Department proposes to reduce authorized spending authority in the Division of Financial Services' Operating Expenses line item by \$30,000 Cash Funds.

## ***Current Program***

- The Division's Operating Expenses line item supports the expenses of the Division's staff of 15.0 FTE in accomplishing the Division's mission to regulate state-chartered credit unions, savings and loans, and life care institutions.

## ***Problem or Opportunity***

- Although total assets under the Division's supervision continue to increase, the number of credit unions has declined in recent years due to industry consolidation. This has resulted in fewer out-of-town trips for Division staff and therefore a reduced amount is needed by the Division to fund overnight travel for field staff.
- The Division presently has an Operating Expenses appropriation of \$161,788, and has reverted an average of 35% (\$57,000) of this funding over the last three years. The proposed reduction of \$30,000 represents approximately 19% of the appropriation.

## ***Consequences of Problem***

- No financial consequences exist as the Division's assessed fees to the industry already reflect estimated actual expenditures. However, without this reduction, the Division would have more spending authority in the Long Bill than it reasonably expects to require.

## ***Proposed Solution***

- The solution is to reduce the authorized operating expenses for the Division of Financial Services by \$30,000.
- This solution will have no effect on delivery of services and if actual needs ever increase, a requested increase through the budget process would be the appropriate course of action.





### ***Cost and FTE***

- The Department requests a one-time appropriation of \$6,200,000 General Fund with a corresponding decrease of \$3,900,000 in cash funds to finance the structural deficit and ensure the equivalent of one month of expenditures in reserve in the Licensing Services Cash Fund (LSCF).
- This request is an important part of the Division of Motor Vehicle (DMV) FY 2014-15 budget initiatives to enhance customer service at state-operated driver license offices.

### ***Link to Operations***

- In FY 2014-15, the appropriation for the LSCF totals \$29.8 million and revenues are projected to total \$25.9 million to support driver license operations and the issuance of 1.35 million driver licenses, permits, and identification cards annually at 36 state-operated driver license offices.

### ***Problem or Opportunity***

- The LSCF lacks sufficient revenue to support its Long Bill appropriation resulting in a projected FY 2014-15 structural deficit of \$3.9 million, which is expected to persist further into the future.
- Additionally, in FY 2013-14, the gap between appropriations and available revenue is nearly \$4.4 million. This will require utilization of the LSCF fund balance of \$3.0 million to ensure a consistent level of service to support driver license operations.

### ***Consequences of Problem***

- Inadequate funding to fully finance the DMV's appropriation negatively impacts customer service increasing wait times, inconvenience, and dissatisfaction at state driver license offices.
- Fund balance below the reserve requirement does not provide sufficient revenue for the DMV to finance unexpected expenditures or emergencies.

### ***Proposed Solution***

- The Department requests a one-time General Fund appropriation totaling \$6,200,000 in FY 2014-15 with a corresponding decrease of \$3,900,000 cash funds of which \$3,900,000 is to finance the structural deficit in the LSCF and \$2,300,000 is to ensure the equivalent of one month of expenditures in reserve.
- The financing structure of the DMV expires on June 30, 2015 per 42-2-114 C.R.S, which currently requires all driver license and identification document fees to be credited to the LSCF.
- Since fees currently support driver license operations and are delineated in state statutes, either a statutory change to increase fees or a General Fund appropriation is necessary to fund the DMV.



## *Cost and FTE*

- The Department requests \$4,168,025 General Fund and 52.0 FTE to provide enhanced customer service in driver license offices.
- This request is an important part of the Division of Motor Vehicle (DMV) FY 2014-15 budget initiatives to reduce wait times at state driver license offices.

## *Link to Operations*

- The Division of Motor Vehicles has 226.0 Driver License Examiner FTE who issue 1.35 million driver licenses, permits, and identification cards annually at 36 state driver license offices. On average, 35 percent of customers wait more than one hour to be serviced at driver license offices.

## *Problem or Opportunity*

- The Department currently lacks sufficient staff and does not have state-of-the-art technology in its delivery of driver license/ID card services to Colorado citizens, resulting in a substandard customer experience and low customer satisfaction.

## *Consequences of Problem*

- Long wait times at state driver license offices lead to substandard customer service.
- Current staffing levels cannot address peak wait times or seasonal fluctuations, provide enhanced customer service, adequately train personnel, or effectively manage operations on a regional basis.

## *Proposed Solution*

- **Customer Demand Coverage Initiative**--Enhances staff coverage during high volume hours to help manage workload and reduce wait times for customers. (18.0 FTE, \$786,889)
- **Driver License Advisors Initiative**--Increases staff to provide concierge-type service and direct customer assistance in the 15 largest driver license offices. (15.0 FTE, \$655,740)
- **Regional Office Staffing Initiative**--Increases staff in regional offices to provide a floating "rapid response" capability for planned and unplanned absences and vacancies. (11.0 FTE, \$480,876)
- **Training Enhancement Initiative**--Provides effective training management and oversight for front-line staff and ensures standardized processes and procedures. (4.0 FTE, \$262,826)
- **Office Hours Expansion Initiative**--Increases office hours to spread current demand across a longer period of service time in one metro Denver office. (4.0 FTE, \$195,635)
- **Operating Expenses for Staff**—Associated operating expenses for new staff (\$293,956)
- **Wait Less Expansion**—Expand the deployment of the current Wait Less queuing and data management technology to 43 offices statewide. (\$1,492,103)
- The Department requests General Fund to finance these initiatives as revenue generated from the issuance of driver license and identification documents is insufficient to support this request.



## ***Cost and FTE***

- The Department requests \$837,502 General Fund to fund salary increases associated with reclassifying 226 Division of Motor Vehicles (DMV) Driver License Examiner (DLE) positions.
- This request is an important part of the Division of Motor Vehicle (DMV) FY 2014-15 budget initiatives to enhance customer service in state driver license offices.

## ***Link to Operations***

- There are 226 positions within the DLE class series.
- The DLE position performs complex and analytical duties, which include the examination and investigation of documents and determining the legitimacy of documents per federal and state requirements for issuing a valid driver license or identification card.

## ***Problem or Opportunity***

- Per the Annual Workforce Report, the turnover rate for the classified state workforce is 9.17% and the Department of Revenue is 8.90%.
- In comparison, since FY 2010-11, the average turnover rate for DLE positions is 21.09% or 47 positions per year, more than double the statewide turnover rate.
- Excessive turnover rates have a negative impact on customer service thereby increasing wait times at driver license offices.

## ***Consequences of Problem***

- Of the 129 vacancies in the Department in FY 2010-11, 48 or 37.21% were DLE positions, consuming a significant amount of resources from the Human Resources staff, further impacting the hiring process for other divisions in the Department.
- It takes at least 6 months of on the job training to adequately train new DLE positions.

## ***Proposed Solution***

- Reclassify 226 DLE positions to the Technician class series and reclassify the regional managers to the GP V classification. A total of 177 positions would receive an average of \$394 more each month. The remaining positions earn within the range of the new classification.
- These reclassifications reflect a higher level of decision making, complexity, and overall duties currently being performed, ensuring the DMV has a more stable and skilled workforce. This stability will result in improved operational efficiencies when compared to inexperienced staff.
- A system maintenance study of the Driver License Examiner class series was performed in 2009 and resulted in an adjustment of pay grades for only the DLE Intern and DLE I. Since that time, the turnover rate for DLEs has nearly doubled.
- The Department requests General Fund to finance this initiative as revenue generated from the issuance of driver license and identification documents is insufficient to support this request.



### ***Cost and FTE***

- The Department requests \$863,218 to replace IT-related cabling in the Capitol Annex at 1375 Sherman.

### ***Link to Operations***

- The Capitol Annex houses approximately 375 staff including the Executive Director's Office, Taxpayer Services, Tax Auditing and Compliance, the Tax Conferee, Central Department Operations, and the Office of Information Technology. Many of the staff are significant users of the GenTax system, tax pipeline system, COFRS, and many other critical applications.

### ***Problem or Opportunity***

- The existing cabling in the Capitol Annex is Category-3 and was installed in the early 1990s. It is capable of transmitting data at speeds up to 10 megabits per second, and is solely used for voice communications, not high-speed data networking.
- Replacing the Category-3 cabling with Category-5 cabling will transmit data at speeds of at least 100 megabits per second or 10 times faster than Category-3 cabling and is the industry standard for data network cabling.
- The speed and the amount of data that can be transmitted through existing cables do not meet the needs of the users, thereby negatively impacting staff productivity and customer service.

### ***Consequences of Problem***

- The Department will continue to experience noticeable degradation in the utilization of the GenTax system.
- Without this improved network infrastructure, the Department will not be able to take full advantage of the State's investment in the new GenTax system or tax pipeline system. In addition, the Department will fail to leverage modern IT solutions such as Voice Over Internet Protocol to enhance the delivery of services to the public.

### ***Proposed Solution***

- The one-time cost of this request is \$863,218 General Fund and includes contract labor and equipment costs to replace the cabling in the basement and seven floors of the Capitol Annex.
- The solution includes removing the existing Category-3 cabling and replacing it with Category-5 cabling and purchasing and installing associated networking equipment.
- The proposed solution will provide for faster network speeds and increased network performance while allowing the Department to maximize its use of new IT systems, applications, and equipment.



***Cost and FTE***

- The Department requests a Long Bill restructuring to more accurately and transparently reflect the operations of the Division of Motor Vehicles (DMV). This request has no net change to total appropriations, funding sources, or FTE counts.

***Link to Operations***

- The Long Bill Group 5, Division of Motor Vehicles, has six subgroups: (A) Administration; (B) Driver and Vehicle Services; (C) Vehicle Emissions; (D) Titles; (E) Motor Insurance Identification Database Program; and (F) Ignition Interlock Program.

***Problem or Opportunity***

- The current appropriation structure for the DMV does not reflect how the Division operates programmatically and it lacks budget transparency, fails to align appropriations with programs, and is needlessly complex to account for and track program expenses.

***Consequences of Problem***

- While there is no impact on service delivery or the total budget, the costs of providing driver and vehicle services are not transparent and appropriations do not align with the organizational and programmatic structure of the DMV.

***Proposed Solution***

- This request would restructure the Long Bill from six subgroups to three subgroups in order to align appropriations more accurately with the programs they support. The three new subgroups proposed include the following: (A) DMV Administration—includes Director, Deputy Director, administrative support staff, divisional financial services, and the Investigations Unit; (B) Driver Services—includes Driver Licensing Services, Driver License Documents, Driver Control, and Ignition Interlock; and (C) Vehicle Services—includes Titles, Registrations, Motorist Insurance Identification Database, Vehicle Emissions, and License Plate Ordering.
- Although some subgroups would be merged, specific program information would be retained and the request would preserve the current sources of funding with no net increase to appropriations.



### ***Cost and FTE***

- The Department requests a Long Bill realignment in its Central Department Operations Division (CDO) to better reflect current operations. This request results in a net reduction of \$148,136 in cash funds spending authority and no change to FTE counts.

### ***Link to Operations***

- The CDO receives and sorts mail, maintains cashiering operations, supports tax collection and banking activities, provides service to walk-in and cash paying taxpayers, collects fees and fines, establishes tax accounts and liabilities for new businesses, designs and supplies forms, and procures and supplies cigarette stamps for businesses.

### ***Problem or Opportunity***

- CDO's organizational structure needs to be realigned to reflect post-GenTax system implementation. The Tax Division and CDO are participating in a Lean event to determine how best to leverage the GenTax system and Department resources more efficiently and effectively.
- The FY 2013-14 Base Reduction Item, R-3 Tax Document Processing Pipeline Efficiencies, was approved and document management functions were transferred to the Department of Personnel and Administration (DPA) effective in 2014 after CDO and DPA participated in a Lean event.

### ***Consequences of Problem***

- If the remaining functions of CDO are not realigned, the Department will lose opportunities to maximize operational efficiencies, utilize staff more effectively, streamline operations, and enhance customer service.

### ***Proposed Solution***

- The Department requests to realign CDO's remaining operations with other Department divisions resulting in a net reduction of \$148,136 in cash funds spending authority and no FTE impact. In total, 67.0 FTE and \$10,138,414 would be transferred to the Taxpayer Services Division (TPS) and the Executive Director's Office (EDO).
- Realign Error Resolution Area, Problem Resolution Unit, Registration Control, Seasonal Tax Processing, and Document Management with TPS and transfer 23.0 FTE and associated costs.
- Realign Remittance Processing, Research Unit, Pierce Cashiers, Forms Fulfillment, Non Tax Mail Services, Tax Files, Forms Development, and Postage with the EDO and transfer 44.0 TE and associated costs.



# COLORADO

Department of Transportation

*Priority: R-1  
Restoration of FTE and Associated Funding  
FY 2014-15 Change Request*

## ***Cost and FTE***

- The Department requests \$1,590,193 and 14.5 FTE from the Highway Users Tax Fund in its Administration line item, a 6.4 percent increase in funding. This appropriation will improve transparency and efficiency in administrative operations.

## ***Current Program***

- CDOT's Administration program supports the core operations of the Department. Administrative staff are becoming increasingly critical as CDOT's operations become more complex.
- Staff that serve in a primarily administrative role are statutorily required to be accounted under the Legislatively-appropriated Administration line item in the Department's budget. As such, the Department cannot utilize funds that are continuously appropriated to the Construction, Maintenance, and Operations line item to hire and support administrative staff.

## ***Problem or Opportunity***

- Current appropriations limit the Department's ability to hire administrative staff to assist in meeting project delivery schedules, quality control operations, cash management objectives, and risk management goals.
- In 2012, the JBC eliminated funding for all of CDOT's vacant positions in the Administration line, totaling \$1,590,193. The need to hire additional administration positions, including some of those that were eliminated in 2012, is growing.

## ***Consequences of Problem***

- Insufficient administrative support increases the difficulty of properly managing CDOT's resources and delivering effective services. Lacking administrative staff is detrimental to project delivery schedules, quality control, and risk management.
- CDOT is hampered by limitations in its operational flexibility to best utilize positions and funding, causing inadequacies in support for initiatives to increase effectiveness and efficiency. Without the ability to hire administrative staff, the Department is experiencing difficulty in its ability to follow through on recommendations from its Lean process improvement program.
- A lack of administrative oversight hampers the construction program's ability to meet the expectations of taxpayers.

## ***Proposed Solution***

- This request will restore funding in the Administration line item to its FY 2011-12 level. This will allow CDOT to act within its administrative framework to engage private sector assistance to develop or improve processes, procedures, and reporting to more effectively manage its highway construction and maintenance program.



### ***Cost and FTE***

- \$2,365,290 increase to the Administrative line of the Legislative Budget
- \$1,185,290 for Network Services and \$1,180,000 General Government Computer Center
- Not a request for new funding, but is an adjustment to align portions of the CDOT IT budget with State statute

### ***Link to Operations***

- One of CDOT's main goals is to increase transparency in our budgeting process and this request helps the Department achieve that.

### ***Problem or Opportunity***

- As the Office of Information Technology has evolved and taken control of various aspects of the Department's information technology infrastructure, process elements that previously were not considered "centralized data processing" arguably now are. According to CRS 43-1-113, such items should be moved to the Administrative line of the budget.

### ***Consequences of Problem***

- CDOT's information technology spending may not fully align with CRS 43-1-113

### ***Proposed Solution***

- Transfer \$2,365,290 from the Department's CM&O line to the Administrative line of the budget





# COLORADO

Department of Transportation

Priority: R-3  
First Time Drunk Driver Funding Increase  
FY 2014-15 Change Request

## ***Cost and FTE***

- \$500,000
- Increase from \$1,500,000 to \$2,000,000, Fund Source is C.R.S. 42-2-132 (4) (b) (II)

## ***Link to Operations***

- Will increase the coverage and length for the 12 high-visibility drunk driving law enforcement episodes that the department oversees through *The Heat is On* campaigns
- Statewide impaired driving enforcement is conducted by law enforcement – CDOT uses funding from the FTDD Account to reimburse law enforcement agencies for officer overtime pay to allow participation in the episodes.
- Mission of Office of Transportation Safety is to decrease the number and severity of traffic crashes along with the economic and human loss associated with crashes

## ***Problem or Opportunity***

- Impaired drivers are a danger to themselves, their passengers, and the traveling public. In 2011, there were 121 fatal crashes where a driver had a blood alcohol content above 0.08, resulting in 161 fatalities.
- Legalization of marijuana may increase the number of impaired drivers on the roads

## ***Proposed Solution***

- Increase appropriations to CDOT from the First Time Drunk Driver Account by \$500,000, to \$2,000,000 annually.
- Additional funds will allow CDOT to increase impaired driving enforcement and remove impaired drivers from the roads before they cause accidents, resulting in fewer fatalities, injuries, and property damage.
- Additional funds will be passed-through to law enforcement agencies
- All users of Colorado roadways will benefit from an increase in safety
- Funding is on-going consistent with statute and collections
- Solution does not require a statutory change; puts CDOT in statutory compliance