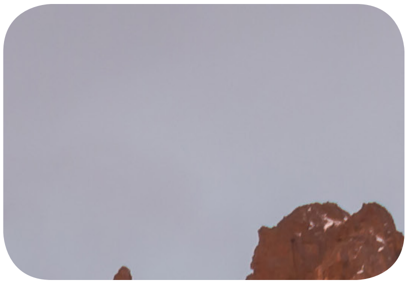

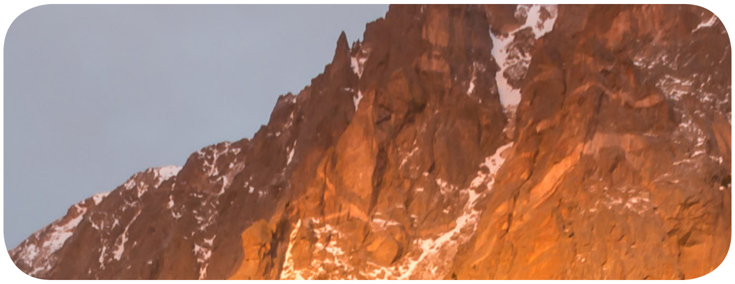

FY 2017-18 Budget Request

November 1, 2016 | Governor John W. Hickenlooper

Photo: Courtesy of Steve Pulver

STATE OF COLORADO

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John W. Hickenlooper
Governor

November 1, 2016

The Honorable Millie Hamner
Chair, Joint Budget Committee
Colorado General Assembly
200 E. 14th Avenue, Third Floor
Legislative Services Building
Denver, CO 80203

Dear Representative Hamner:

We are pleased to present this transmittal letter regarding the FY 2017-18 state budget request. For FY 2017-18, we are requesting a total funds budget of $28.5 billion (an increase of 3.3 percent), with $10.9 billion from the General Fund (an increase of 3.7 percent). The graphs on pages 3 and 4 display major program areas by total funds and General Fund. The FY 2017-18 request for the General Fund component of the budget requires several changes to current law, which are reflected in the appropriate sections and summarized in Appendix A.

Though most economic statistics for the Colorado and national economies reflect positive news, there has been a marked slowdown in overall state General Fund tax revenue growth and recent forecasts reflect dampened expectations about the future. General Fund revenue increased just 1.7 percent in FY 2015-16. The primary reasons for the weak revenue growth were declines in corporate profits, and much lower income and sales tax growth. Many factors contributed to these events, including the loss of spillover spending from oil and gas development, but also weak farm income and lower income from investments generally.

In the late spring of 2016, revenue expectations for the current fiscal year dropped slightly and a portion of the statutory reserve is needed to fund the full FY 2016-17 appropriation. The September economic and revenue projection from the Office of State Planning and Budgeting expects General Fund revenue growth of 4.5 percent in FY 2016-17 and 5.0 percent in FY 2017-18.

The basic economic assumption underlying our request is for continued but modest economic expansion. Though this is the likeliest scenario, there are both upside and downside risks to this view. We are closely monitoring monthly revenue collections and if the December revenue projection weakens, additional balancing measures will be needed. Because downside risk remains a possibility, we are prioritizing restoring the General Fund reserve to 6.5 percent of appropriations. As we are seeing now, even slight deviations from expectations can result in using reserves. Thus, it is imperative to remain prepared ahead of an actual recession.

Similar to last year, the State's revenue cap will prevent expected revenue in the General Fund from being available to meet the needs of the State. Without a restriction on Hospital Provider Fee (HPF) revenue or a re-adoption of the program as an enterprise fund, the modest rebound in revenue currently predicted will generate rebates that have to be paid from the General Fund. Because the HPF counts towards the revenue limit but cannot be used for rebates, the revenue in excess of the cap (which is directly attributable to the Fee), must be paid from the General Fund.

For perspective, in FY 2017-18, without the HPF included in revenues that count towards the limit, State revenue is expected to be $689.9 million below inflation and population growth from when the limit was set in FY 2007-08. With respect to only General Fund revenue, the expected FY 2017-18 per capita inflation-adjusted revenue is 4.2 percent below the FY 2007-08 level.

General Fund Request: Balancing FY 2016-17 and New Requests for FY 2017-18

As we look ahead to FY 2017-18, Table 1 captures most of the significant demands on General Fund resources and the statutory or constitutional source of the demand.

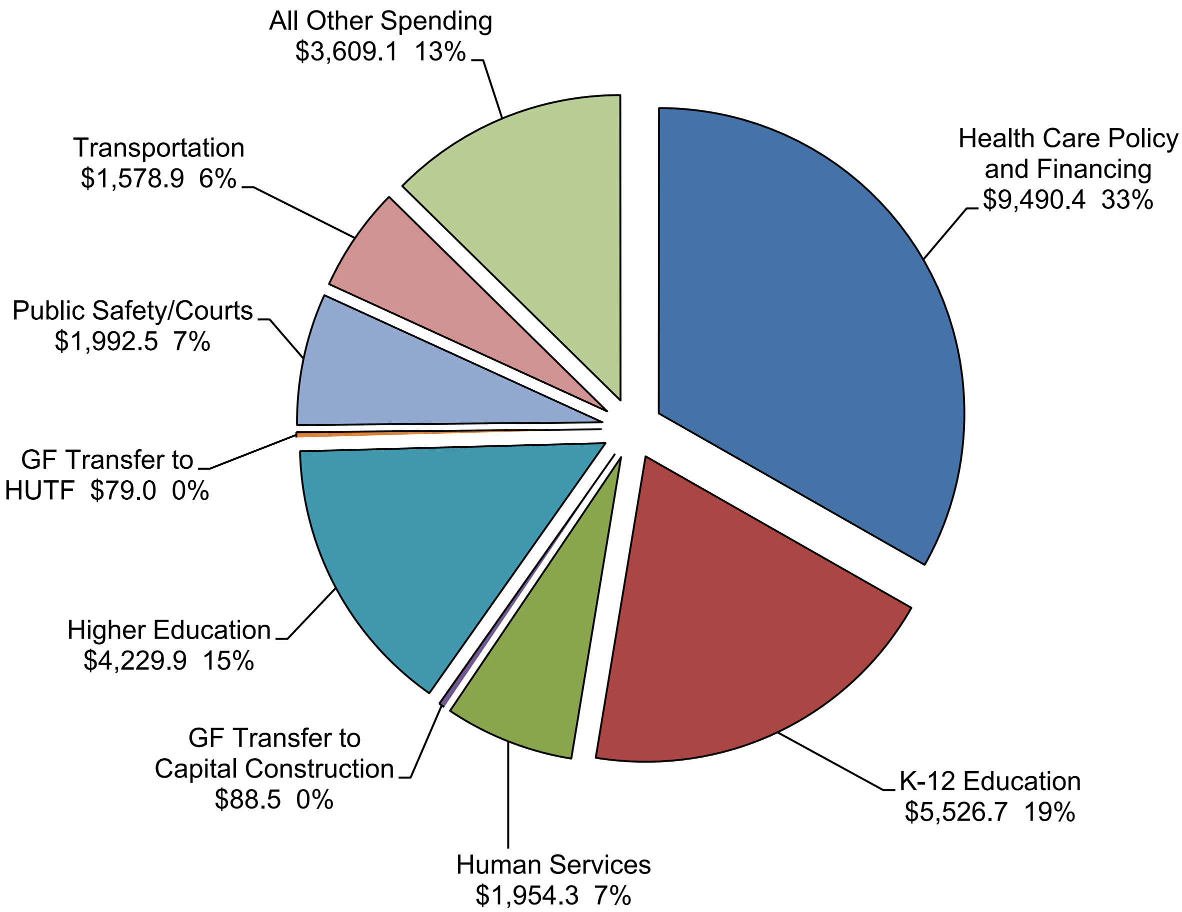
**Table 1: Selected Major Demands on FY 2017-18 General Fund Resources,
Available New Revenue, and Funding Gap**
(millions of dollars)

Item	Amount	Source of Requirement
K-12 New Enrollment and Inflation	$ 243.5	State Constitution
TABOR Rebate	$ 195.0	State Constitution
Repay Budget Reserve from FY 2016-17	$ 180.8	State Statute / Policy Goal
H.B. 09-228 Transportation and Capital	$ 164.0	State Statute
New Medicaid Costs	$ 142.8	Federal / State Statute
TOTAL	**$ 926.1**	
Available New GF Revenue	**$ 426.0**	
Minimum Funding Gap	**$ 500.1**	

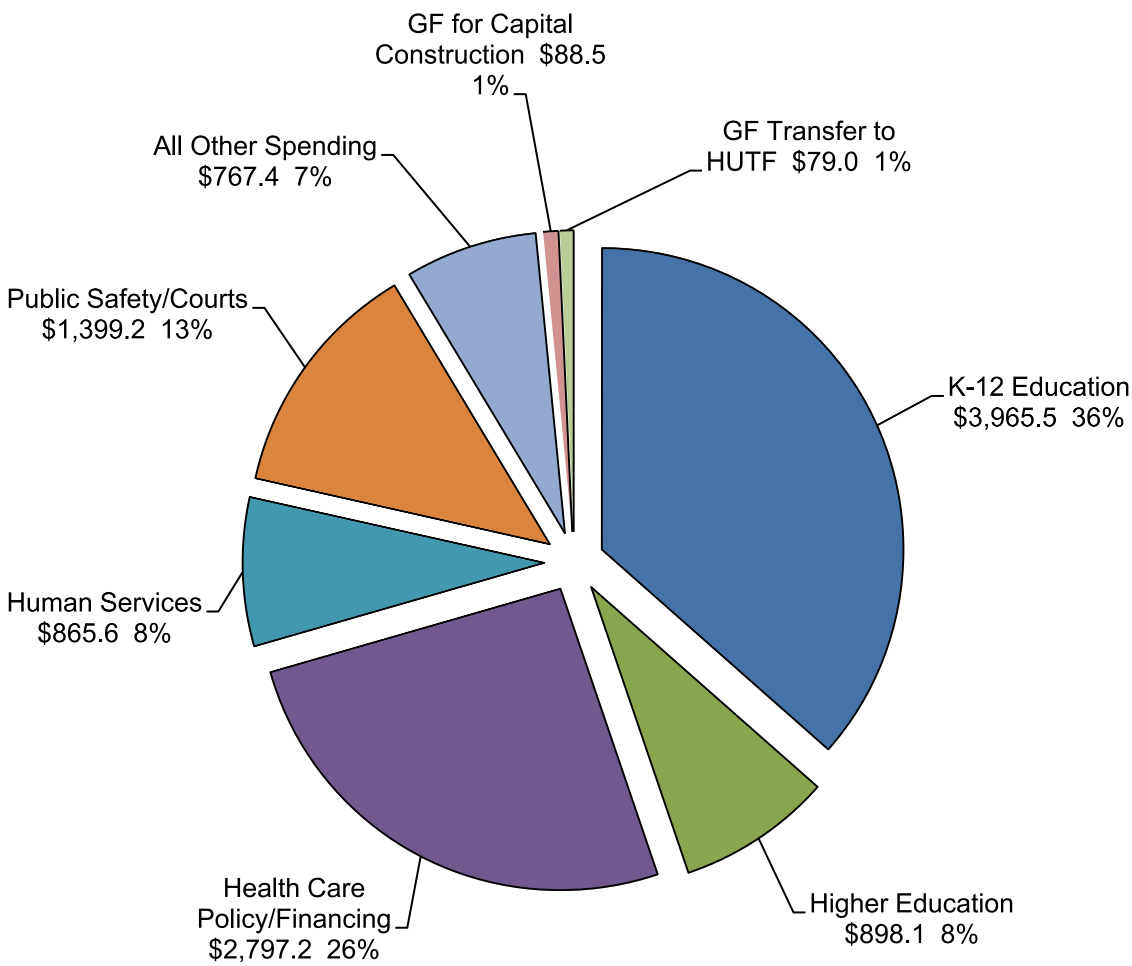
Under current law and using the Office of State Planning and Budgeting's September 2016 economic and revenue projections, we expect new available revenue in FY 2017-18 of $426.0 million (3.9 percent). As shown in Table 1, new demands from K-12 education, Medicaid, Transportation and Capital Construction, as well as repaying the reserve and budgeting for

Taxpayers Bill of Rights (TABOR) refunds caused by growth in the HPF total $926.1 million. **Thus, the gap between these spending pressures and available resources is $500.1 million.** In order to achieve a sustainable and responsible request, we are recommending several balancing actions.

FY 2017-18 Total Funds Request (In Millions) and Percent of Total



FY 2017-18 General Fund Request (In Millions) and Percent of Total



Of note related to the shortfall in FY 2016-17 is the impact of S.B. 16-218 (detailed on page 18), which earmarked General Fund dollars to accommodate the precipitous decline in severance taxes. For fiscal years 2015-16 and 2016-17, the estimated negative impact to the General Fund is $100.5 million, with a significant chance of that amount increasing in FY 2016-17.

The budget plan represents a prioritization of resources to meet the State's responsibilities in education, health care, public safety and infrastructure while minimizing the impact of balancing actions on citizens. The budget request requires statutory balancing actions in both FY 2016-17 and FY 2017-18.

Summary of Balancing Actions

In FY 2016-17 we propose the following items:

- General Fund resources of $100.5 million have been diverted to support declining severance tax collections. Senate Bill 16-218 placed a restriction on $77.4 million in severance tax money allocated to the Department of Natural Resources (DNR) and the Department of Local Affairs (DOLA). At this time, $57.5 million remains restricted pursuant to S.B. 16-218. *Our balancing plan would transfer $31.7 million of this balance to the General Fund*, leaving $25.8 million in severance tax revenue to be allocated between DNR and DOLA;
- The provisions of S.B. 09-228 and H.B. 16-1416 currently require a General Fund transfer to the Highway Users Tax Fund (HUTF) of $158.0 million in FY 2016-17. *Our balancing plan would reduce this amount by half, resulting in a transfer to the HUTF of $79.0 million*; and,
- Under this balancing plan, the ending General Fund balance after anticipated supplemental requests for FY 2016-17 is anticipated to be $540.8 million, or 5.5 percent of General Fund expenditures subject to the reserve requirement.

In FY 2017-18 we propose the following items:

- Under OSPB's September 2016 revenue forecast, the General Fund transfer to the HUTF is projected to be $109.3 million. *Our balancing plan would set this transfer at $79.0 million, a reduction of $30.3 million*;
- Our budget proposal reduces anticipated HPF collections by $195.0 million. *This reduction in revenue would eliminate the projected TABOR refund of $195.0 million in FY 2017-18*;
- The State Employee Reserve Fund (SERF), which collects reversions from qualifying Long Bill appropriations, is anticipated to have a balance of approximately $46.9 million at the end of FY 2015-16. *Our balancing plan would transfer $46.9 million from the SERF to the General Fund in FY 2017-18*; and
- Pursuant to Article XVIII, Section 16 5(d) of the Colorado Constitution, the first $40.0 million in excise taxes collected annually on the sale of adult-use recreational marijuana is required to be used by the Building Excellent Schools Today (BEST) program. *Our balancing plan would transfer $15.0 million from the existing fund balance in the BEST Program's Capital Assistance Fund into the Public School Fund, reducing the need for General Fund appropriations to support K-12 Total Program funding by $15.0 million.* This amount would be replaced by a portion of the marijuana excise taxes required to be used for the BEST Program (this mechanism is discussed in greater detail in Appendix B at the end of this letter).

K-12 Education

For the Department of Education, we are requesting $5.527 billion total funds (an increase of $68.7 million or 1.3 percent), including $3.965 billion General Fund (an increase of $200.8 million or 5.3 percent). Most of this funding is to finance public education; the remainder funds the operations of the Department of Education including the Colorado School for the Deaf and Blind.

With respect to financing K-12 education, our proposal increases average per pupil spending by $182.02 to a total of $7,606.68 (an increase of 2.45 percent). After reducing the negative factor by $180.8 million over the past four fiscal years, we are disappointed that fiscal circumstances require us to increase the negative factor, even modestly, in FY 2017-18. Our request increases the negative factor from $830.7 million in FY 2016-17 to $876.1 million for FY 2017-18. It would require an additional $52.17 per student or $45.4 million to keep the negative factor flat in FY 2017-18. To eliminate the negative factor entirely would require $1,007.50 per pupil.

Under our proposal, Total Program funding will be $6.614 billion (up from $6.396 billion in FY 2016-17), comprised of $3.789 billion from the General Fund, $2.451 billion from local funds, and $373.5 million from the State Education Fund and Public School Fund.

In addition to the weakness in the General Fund, another factor affecting available resources for K-12 education is the depleted balance of the State Education Fund (SEF). In recent years, transfers from the SEF to support K-12 education and reduce the negative factor exceeded revenue to the fund and thus were not sustainable. In the request, we project a small reserve in the SEF of approximately $104.6 million.

Health Care Policy and Financing

The Department of Health Care Policy and Financing administers Colorado's Medicaid program. The Department currently has an appropriation of $9.12 billion total funds, including $2.65 billion General Fund. The request reflects a total funds increase of $373.5 million (4.1 percent), and a General Fund increase of $142.8 million (5.4 percent).

In FY 2017-18, we expect a 7.1 percent higher caseload than the original FY 2016-17 appropriation. The charts on pages 7 and 8 display the major categories of the Medicaid population as well as the financial resources required by each.

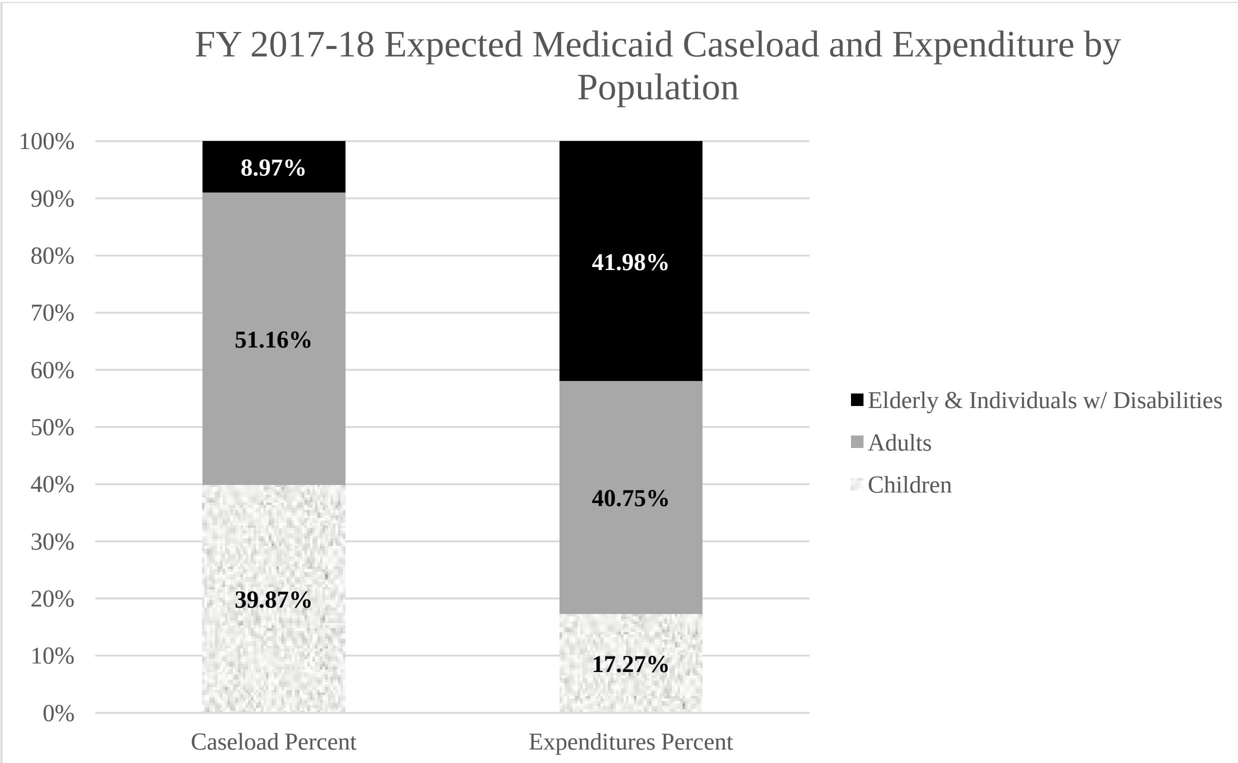
The Medicaid population has increased faster than overall population growth in recent years for a number of reasons. These include demographic changes, the impacts of the Great Recession, as well as expanded eligibility. The overwhelming majority of the costs for the growth in Medicaid populations have been borne by the federal government or revenue from the HPF. As the State's share of the Federal Affordable Care Act (ACA) expansion grows over the next three years, revenue from the HPF will be used to meet this obligation.

The recent growth in General Fund appropriations to the Medicaid program has been the result of higher caseloads in the categories that existed prior to State eligibility expansions. The ACA's main impact on the General Fund has been from higher numbers of people who had been eligible but not enrolled in Medicaid prior to its passage. This growth would have occurred without the expansion populations getting coverage in Colorado and indeed occurred in states that did not expand Medicaid.

The Department of Health Care Policy and Financing has been pursuing numerous health care delivery changes. This budget request reflects the enrollment of all eligible Medicaid clients in the Accountable Care Collaborative / Regional Care Collaborative Organization (ACC / RCCO) program starting July 2018, with the implementation of the Accountable Care Collaborative Phase II. In FY 2015-16, this program added 159,558 new clients and demonstrated an estimated $205.1 million in gross avoided costs. Costs are avoided through coordinated primary care, which is less expensive than episodic or emergency treatment of medical conditions. The majority of these avoided costs are gained through coordinated care for individuals with disabilities. These clients are often more medically vulnerable than clients without disabilities, and frequently have multiple chronic conditions and require greater intensive care, such as inpatient hospital stays.

The following chart and table show the expected composition of the Medicaid caseload and associated respective costs (percentage totals do not sum due to rounding).

FY 2017-18 Estimates	Caseload	Percent of Total Caseload	Expenditure	Percent of Total Expenditure
Children	591,872	39.9%	$1,111,206,342	17.3%
Adults	759,588	51.2%	$2,621,559,610	40.8%
Elderly & Individuals with Disabilities	133,176	9.0%	$2,700,701,181	42.0%
Total	1,484,636	100.0%	$6,433,467,133	100.00%



The Department's new requests for funding in FY 2017-18 are highlighted by the following items:

- The Department requests an increase of $430.4 million total funds, $139.7 million General Fund, for caseload and per capita changes for Medicaid, Child Health Plan Plus (CHP+), and the Medicare Modernization Act (MMA);
- The request allows for the continuation of the policy of having no waiting lists for individuals with intellectual or developmental disabilities who are eligible for the Supported Living Services and Children's Extensive Support programs, along with allowing for emergency placements and transitions for individuals not covered under other programs;
- The budget includes a request to enhance and expand the Accountable Care Collaborative (R-6) by taking major steps to integrate physical health and behavioral health care delivery systems and implementing value-based payment reforms. By FY 2018-19, these reforms are estimated to reduce General Fund by more than $11 million; and,
- This request also includes implementation of several recommendations of the Regional Center Task Force (R-10) in order to help individuals transition out of regional centers.

Human Services

The Department of Human Services currently has an appropriation of $1,902.6 million total funds, including $831.6 million General Fund. The request reflects a total funds increase of $51.8 million (2.7 percent), and a General Fund increase of $34.0 million (4.1 percent).

In the proposed budget, the top priorities of the Department of Human Services include continued staffing and operational improvements at the Division of Youth Corrections (DYC) and augmenting child welfare resources in the state.

For the DYC, the request includes: 1) $5.0 million General Fund and 80.6 FTE to improve security in its facilities and to comply with the federal Prison Rape Elimination Act; 2) $2.0 million General Fund and 16.0 FTE to ensure 24-hour medical care in its facilities; and, 3) $1.0 million General Fund to contract for mental health services in detention facilities.

For the Division of Child Welfare, the Department is requesting an additional $4.0 million total funds, including $3.6 million General Fund to provide counties with 58 additional child welfare caseworkers. Additionally, the Department is requesting $320,830 total funds, including $266,289 General Fund to improve state oversight and technical assistance for county child welfare programs.

Other requests in the Department of Human Services include:

- $16.6 million total funds, including $5.0 million General Fund, to help counties pay for the administrative costs of delivering social/human services. Since FY 2011-12, counties' administrative costs have exceeded available state funding, making it difficult for counties to cover the costs of administering their social/human services programs. This funding will support the administration of the Food Assistance Program, Low Income Energy Assistance Program, Adult Cash Assistance Program and Child Support Services;
- Repurposing $900,000 General Fund from the existing budget for the Crisis Response System to fund improvements and enhanced capacity to the statewide mental health crisis hotline and peer support resources;
- $428,410 General Fund and 4.6 FTE for Adult Protective Services quality assurance staff to oversee adult protection and provide follow-up technical assistance to counties. The number of reports of suspected abuse, reports of neglect and exploitation, and the number of open cases have all increased in Colorado in recent years due to the implementation of mandatory reporting in 2014, which was again expanded in 2016;
- $609,307 General Fund for security upgrades and increased capital outlay expenditures due to aging equipment at the Mental Health Institutes. This request will provide active shooter training, replacement cameras, and other security equipment at the Institutes, while a request for $350,377 General Fund will fund a stable equipment replacement schedule for unsafe or broken equipment that has extended beyond its useful life; and,
- An additional $661,947 and 8.0 FTE is requested for the Mental Health Institutes from the Marijuana Tax Cash Fund to hire Certified Addictions Counselors (CACs). The additional CACs will fill a need for substance use disorder outpatient treatment,

education, and ongoing recovery support among patients at the hospitals, with the goal of supporting a safe return to the community.

Corrections and Public Safety

In the Department of Corrections, the request reflects no change in the size of the population under its supervision (19,767 offenders). The Department currently has an appropriation of $846.8 million total funds, including $759.2 million General Fund. The request reflects a total funds increase of $17.5 million (2.1 percent), and a General Fund increase of $12.2 million (1.6 percent).

The Department is requesting to redirect $4.6 million of Personal Services funding toward several initiatives, including:

- Hepatitis C treatment ($2.0 million) to approximately double the number of offenders receiving Hepatitis C Virus treatment to 70 offenders;
- Maintenance funding ($1.5 million) to address the growing backlog of repair and maintenance projects across state correctional facilities;
- Creation of a mother-baby unit ($328,884) to allow infants and toddlers through 30 months of age to stay with their mother after birth in order to increase bonding between the mother and child;
- Educational staffing ($216,382) for Sterling Correctional Facility offenders in extended restrictive housing to provide offenders with a minimum of four hours of out-of-cell time per day and pro-social programs; and,
- Food service equipment ($600,000) to replace the equipment that is reaching, or is beyond, its useful life and to reduce costs associated with emergency repairs and replacements.

The Department of Public Safety currently has an appropriation of $413.3 million, including $123.1 million General Fund. The request reflects a total funds increase of $ $13.5 million 3.3 percent), which includes a General Fund decrease of $625,879 (0.5 percent). In addition to common policy changes, the majority of this increase supports the following three initiatives:

- $1.7 million cash funds from the Highway Users Tax Fund (HUTF) "Off the Top" and 12.0 FTE for the Colorado State Patrol to hire and maintain additional state troopers;
- $952,000 cash funds from HUTF "Off the Top" to purchase GPS Total Mapping Stations for use by the Colorado State Patrol; and,
- $125,000 General Fund in the Colorado Bureau of Investigation for a dedicated overtime budget for crime scene call-outs from local law enforcement agencies.

The Department of Public Safety's budget will also be affected by our request to transfer $12.5 million from the General Fund into the Disaster Emergency Fund in each year from FY 2017-18 through FY 2020-21. These transfers are necessary to pay for the response, recovery, and administration of grant funding for the September 2013 floods. (This request is explained in greater detail on page 18 below.)

Higher Education

The Department of Higher Education requests $4.2 billion total funds, including $898.1 million General Fund for FY 2017-18. This request is $27.1 million General Fund (3.1 percent) higher than the FY 2016-17 appropriation. The primary components of this request include $22.2 million General Fund for decision items ($154.7 million total funds) and base adjustments of $4.9 million General Fund for required certificate of participation (COP) financing.

The bulk of the appropriation to the Department of Higher Education supports the 29 public colleges and universities and three technical colleges in the state system. The proposed increase of $20.5 million General Fund for the Colorado public higher education system will address operating costs and health care increases for institutions and will help moderate tuition increases for students and families. Our request is comprised of $16.0 million for Governing Boards, $631,397 for other public institutions such as Area Technical Colleges, and $3.8 million for Financial Aid. (A 2.2 percent inflationary increase and funding for health care increases drive a need for $74.1 million in total institutional base costs. Of this sum, about 22.0 percent is covered by General Fund. Each 1.0 percent increase in tuition results in about $9.7 million of revenue for institutions.) With this modest General Fund increase, it is anticipated that tuition increases will average around 6.0 percent statewide, with variation amongst the institutions ranging from 5.0 percent to 7.7 percent.

The $3.8 million increase for Financial Aid mentioned above is in addition to the $151.0 million in base financial aid resources from the General Fund, which is continued in FY 2017-18.

Additionally, the budget includes $1.6 million General Fund to revitalize History Colorado's eight community museums around the state, most of which are in Colorado’s rural areas, including Montrose, Fort Garland, Trinidad, Pueblo, Leadville, and Platteville.

Transportation

The majority of the annual budget for Colorado Department of Transportation (CDOT) is adopted by the Colorado Transportation Commission and approved by the Governor. However, some components are subject to annual appropriation by the General Assembly including the amount of General Fund resources under S.B. 09-228. We propose legislation that would reduce the General Fund transfers to the Highway Users Tax Fund enacted in S.B. 09-228 and H.B. 16-1416. For FY 2016-17, this transfer will be reduced from $158.0 million to $79.0 million. For FY 2017-18, the expected transfer of $109.3 million would be reduced by $30.3 million, to $79.0 million. With these reductions, we anticipate that CDOT will still have sufficient funding to complete the State Highway 14 to State Highway 402 project on Interstate 25 in Larimer County.

Separately, we request a $1.45 million appropriation ($1.0 million above the current appropriation) to CDOT from the Marijuana Tax Cash Fund in order to widen the scope of their marijuana impaired driving public awareness campaign.

Elected Officials, Legislature, and Judicial Branch
We have allocated sufficient General Fund to accommodate anticipated growth in total compensation costs, along with an additional 2.0 percent General Fund increase ($10.9 million) for statewide elected officials, the General Assembly, and the Judicial Branch. Note that $6.1 million of this $10.9 million is reflected in the General Fund set-aside (the remainder is contained in the Judicial Department's budget).

Economic Development and Energy

- Based on current law, the Economic Development Commission (EDC), which is supported by the Office of Economic Development and International Trade (OEDIT), will sunset at the end of FY 2016-17. The request includes continuation funding of $5.0 million for next year (and 4.0 FTE associated with that funding). We request that the Joint Budget Committee sponsor legislation to continue the EDC for another five years beginning in FY 2017-18.
- Additionally in OEDIT, we are requesting 1.0 FTE and $97,500 General Fund to hire a Deputy Director for the Outdoor Recreation Industry Office (ORec). The new Deputy would enable the ORec Office to manage day-to-day administration, while also focusing on long-term strategic plans, goals, and relationships across the state.
- Also under current law, the Colorado Energy Office (CEO) sunsets at the end of FY 2016-17. The budget request includes continuation funding of $3.1 million to its two main cash funds (and 24.0 FTE associated with that funding), and an additional $2.0 million for its weatherization program. The request includes a $1.6 million appropriation from the General Fund into the Clean and Renewable Energy Fund, a $1.5 million appropriation from Severance Tax to the Innovative Energy Fund, and a $2.0 million General Fund direct appropriation to the Low-income Energy Assistance Fund. We request that the Joint Budget Committee sponsor legislation to continue the CEO for another five years beginning in FY 2017-18.

Marijuana Enforcement and Related Programs

- The Office of Marijuana Coordination (OMJC) requests to sunset itself in FY 2017-18 given that the work of implementing Amendments 20 and 64 is approaching completion. The request is to transfer 1.0 FTE and $113,914 in Marijuana Tax Cash Funds from the OMJC to the Governor's Office (to support hiring a staff person to maintain long-term coordination efforts), and to eliminate 1.0 FTE and $103,030 in remaining Marijuana Tax Cash Funds. This request requires conforming legislation;
- The Office of Information Technology requests an ongoing appropriation of $1.1 million in Marijuana Tax Cash Funds to create the hardware, software, and technological infrastructure needed to support, maintain, and segment multi-agency marijuana-related data. Funding will also support analytics software for analyzing and presenting that data;
- The Department of Regulatory Agencies requests $317,956 from the Marijuana Tax Cash Fund and 1.0 FTE ($278,253 and 1.0 FTE ongoing) to improve enforcement of the medical marijuana grey market. Funds will allow the Colorado Medical Board (CMB) to

expand its collaboration with local, state and federal regulators and law enforcement in supporting the State of Colorado's efforts to eliminate the medical marijuana grey market by enforcing practice standards to protect patients;

- The Department of Local Affairs requests legislation to expand the use of marijuana tax revenues to include housing for at-risk individuals with behavioral health needs, and individuals either experiencing or at risk of homelessness. More information about these initiatives is contained below;
- The Department of Agriculture requests funding for Phase Two of its office consolidation. The existing laboratory space is in need of repair and cannot accommodate additional workload. Over the past year, sample analysis in the biochemistry lab saw an increase of almost 52.0 percent, and with the hiring of new pesticide inspectors, this increase in marijuana samples could continue;
- Through the Department of Education, we are requesting to increase the funding for providing school health professionals by $9.7 million from the Marijuana Tax Cash Fund. The increase will fund an additional 105 health professionals in schools in order to increase substance abuse and mental health prevention and intervention programs;
- In the Department of Transportation, we propose an increase from the Marijuana Tax Cash Fund of $1.0 million in order to widen the scope of CDOT's marijuana impaired driving public awareness campaign; and,
- Finally, we are setting aside $16 million from marijuana taxes to put toward legislative and budget initiatives related to: controlling marijuana trade on the grey market; addressing criminal justice diversion and implementing a public health approach to drug use; other behavioral health programming; and the evaluation of our current policies and programs related to marijuana.

Capital Construction and Information Technology Infrastructure

As a result of the limited availability of General Fund revenues, this budget funds only the most critical infrastructure projects as identified by the planning unit within the Office of the State Architect. The most significant of these projects are summarized as follows:

- $20.0 million for a large portion of the Level I Controlled Maintenance projects identified by the State Architect;
- $31.6 million for continuation of capital construction projects begun in the FY 2016-17 budget, including $5.5 million for refurbishment and safety upgrades in facilities operated by DYC; $14.8 million for the completion of the DYC Adams Youth Center replacement, and $11.2 million for the continued build-out of the Public Safety Communications Network Tower system maintained by the Office of Information Technology;
- $5.4 million for the expansion of the high-security Robert Hawkins Building at the Mental Health Institute at Pueblo to accommodate court-ordered mental health competency evaluations;
- $4.5 million for replacement of the hot water loop in the Limon Correctional Facility;

- $6.0 million for the completion of repairs to the State Capitol roof; and,
- $16.7 million cash funds for the Department of Agriculture (CDA) to complete Phase Two of office consolidation by constructing lab and warehouse space adjacent to the CDA office building. The request will be funded by four cash sources: revenue from the sale of the CDA labs, funding from the Agriculture Management Fund, the Inspection and Consumer Services Cash Fund, and the Marijuana Cash Fund.

In addition, the Office of Information Technology has recommended funding for several important IT infrastructure projects:

- $3.1 million in reappropriated funds and 7.0 FTE in FY 2017-18 and beyond, to fund the next round of initiatives related to Secure Colorado. Funding will support solutions in five issue areas: (1) security operations investigations; (2) correlating enterprise risk; (3) regulatory compliance; (4) risk assessment, testing and remediation; and, (5) consistency in identity management and employee access;
- $2.0 million in ongoing General Fund appropriation to create the Colorado Technology Advancement and Emergency Fund. This request would establish a sustained and flexible funding stream that would allow OIT to be a proactive partner with state agencies for their IT needs. Governance of the fund would include statewide agency executive leadership and would allocate funding for the following four program areas: (1) emergency IT funding; (2) project equipment and services; (3) technical debt; and, (4) service utilization spikes; and,
- $12.6 million General Fund for Phase III of the Department of Corrections Offender Management System, which will integrate parole and community provider data, the Parole Board system, and several DOC operation modules.

Workforce Total Compensation

Our budget allocates $48.8 million total funds ($26.2 million General Fund) to accommodate a 2.5 percent across-the-board pay increase for State employees. In addition, we have budgeted $20.8 million total funds ($13.1 million General Fund) for the employer share of health, life, and dental benefit for employees, which will continue the State's commitment to cover 80 percent of these insurance premium costs. The total funds increase for the two Public Employees Retirement Association Amortization Equalization Distributions equals $13.0 million, of which $8.0 million is General Fund.

Other Departments

The Department of Labor and Employment currently has an appropriation of $244.2 million total funds, including $20.8 million General Fund. The request reflects a total funds increase of $4.3 million (1.8 percent), and a General Fund increase of $557,824 (2.7 percent). The Department requests $445,000 cash funds to develop a new application for the Conveyance program to replace the current outdated system.

The Department of Local Affairs currently has an appropriation of $306.1 million total funds, including $26.0 million General Fund. The request reflects a total funds increase of $11.1 million (3.6 percent), and a General Fund increase of $2.7 million (10.2%). The request for FY 2017-18 includes a package of funding requests to address affordable housing and homelessness issues statewide. Specific initiatives include:

- $2.0 million General Fund to increase the production of affordable housing by approximately 250 units per year. Funds will be targeted toward low-income households across the state that spend more than 50 percent of their income on housing, including seniors and households in communities at risk of rising prices resulting from gentrification;
- $4.0 million from the Marijuana Tax Cash Fund to develop permanent supportive housing units for people with behavioral health needs. In the first five years, this funding will allow for the acquisition, rehabilitation, or construction of approximately 354 units of service-enriched supportive housing paired with 300 housing vouchers for Colorado's most vulnerable behavioral health consumers; and,
- $12.3 million from the Marijuana Tax Cash Fund to support and develop the continuum of needs for Colorado's homeless population. In the first five years, the Department's goal is to build 1,200 new permanent supportive housing (PSH) units for chronically homeless individuals and 300 rapid rehousing (RRH) units with vouchers for individuals experiencing episodic homelessness. For residents of PSH and RRH, the ultimate goal is to live as independent of supportive services and public subsidy as possible.

Additionally, DOLA requests to use $104,927 in Energy and Mineral Impact Assistance Funds to hire 1.0 FTE to coordinate state resources in rural communities that are economically impacted by closures of major employers such as coal production facilities.

The Department of Military and Veterans Affairs currently has an appropriation of $225.4 million total funds, including $8.3 million General Fund. The request reflects a total funds increase of $1.2 million (0.5 percent), and a General Fund increase of $982,427 (11.8 percent). This amount includes two primary initiatives:

- A $300,000 General Fund increase to continue providing tuition assistance to Colorado National Guard members; and,
- $80,628 General Fund to hire 1.0 FTE (prorated to 0.9 FTE for FY 2017-18 for the pay date shift) to be the State Cooperative Agreement Program Manager that will provide needed oversight of the Department's cooperative agreement program with the federal government.

The Department of Natural Resources currently has an appropriation of $266.0 million total funds, including $28.7 million General Fund. The request reflects a total funds decrease of $5.5 million (2.1 percent), and a General Fund increase of $2.0 million (7.0 percent). Requests for new funding include the following:

- $82,667 General Fund and 1.0 FTE for the Division of Water Resources to hire an Assistant Subdistrict Coordinator in the Rio Grande Basin;
- $72,858 cash funds and 1.0 FTE for the Colorado Water Conservation Board to add a Program Assistant II to the Instream Flow Program;
- $70,176 spending authority from the Satellite Monitoring System Cash Fund for the Division of Water Resources to purchase and install stream gages with satellite connectivity; and,
- $216,829 cash funds spending authority for Colorado Parks and Wildlife to cover loan payments to the Colorado Water Conservation Board for their portion of the costs of the Chatfield Reservoir Reallocation Project.

The Department of Personnel & Administration currently has an appropriation of $190.2 million total funds, including $13.1 million General Fund. The request reflects a total funds increase of $3.6 million (1.9 percent), and a General Fund decrease of $2.1 million (-15.8 percent). Notable items include:

- $54,429 reappropriated funds to upgrade to a new Electronic Case Management (E-CAM) system for the Office of Administrative Courts; and,
- $2.9 million reappropriated funds to replace 824 fleet vehicles, of which 408 are designated as potential compressed natural gas vehicles.

These requests will be allocated to state agencies through the administrative law judge services and fleet vehicle common policies.

The Department of Public Health and Environment currently has an appropriation of $563.5 million total funds, including $47.6 million General Fund. The request reflects a total funds increase of $20.1 million (3.6 percent), and a General Fund decrease of $205,287 (-0.4 percent). Notable items include:

- $1.2 million Total funds ($433,042 General Fund) to adjust funding and fees to maintain current level of services provided by the Clean Water Program;
- $417,435 reappropriated funds and 5.0 FTE to handle increasing caseload and eliminate backlogs for the Intellectual and Developmental Disabilities Community Services section that handles on-site surveys and compliance oversight for this population;
- $770,844 Total funds ($43,519 General Fund) and 8.0 FTE to address increased survey and complaint assessment caseload growth for Acute Care and Nursing Facilities and the complaint program; and,

- $250,000 cash funds to assist rural local governments operating small landfills to either bring their landfill into compliance or close the landfill.

The Department of Regulatory Agencies currently has an appropriation of $86.1 million total funds, including $1.8 million General Fund. The request reflects a total funds increase of $5.3 million (6.1 percent), and a General Fund increase of $96,556 (5.5 percent). Notable items include:

- $317,956 cash funds and 1.0 FTE in FY 2017-18 ($278,253 and 1.0 FTE in FY 2018-19 and beyond) to improve enforcement of the medical marijuana grey market. Funds will allow the Colorado Medical Board to expand its collaboration with local, state and federal regulators and law enforcement in supporting the State of Colorado's efforts to eliminate the medical marijuana grey market by enforcing practice standards to protect patients; and,
- Two separate initiatives that result in savings for FY 2017-18. First, Personal Services reductions of $50,000 in the Division of Banking and of $30,000 in the Division of Insurance capture savings associated with streamlining and reorganization efforts. Second, as a one-time initiative, the Department also requests to reduce its leased space appropriation by $459,714 total funds, including $98,313 General Fund, to capture an available rent credit related to the State's share of commission paid on its new lease agreement.

The Department of Revenue currently has an appropriation of $338.5 million total funds, including $100.7 million General Fund. The request reflects a total funds increase of $16.4 million (4.9 percent), and a General Fund increase of $7.7 million (7.6 percent). Other components of its request include:

- $183,042 cash funds from the Licensing Services Cash Fund to support hardware and software maintenance for Wait-Less kiosks in the Division of Motor Vehicles (DMV). The Wait-Less system collects vital data regarding wait times and transaction times, provides statistical information to improve office procedures, and provides on-line appointment scheduling. The DMV also requests an increase of $1.1 million cash fund spending authority to move three driver's license offices to larger locations, with the aim of serving more customers and reducing wait times;
- $4.0 million total funds (including $209,642 General Fund and $3.8 million cash fund spending authority from the License Plate Cash Fund) to replenish depleted license plate inventories and keep up with increasing demand from population growth and vehicle sales. The General Fund portion will fund the issuance of license plates that are exempt from the fee, as required by law;
- The GenTax system – which processes more than 10 million tax returns and over $11 billion annually – requires more sophisticated infrastructure hosting and support, as demands on the system have grown. Processing delays currently result in longer wait periods for customers. The requested $3.9 million General Fund will upgrade the system and allow for more on-site IT support and optimal functionality, including the ability to migrate more types of taxes and fees in Revenue Online to e-filing; and,

- Three requests totaling $446,555 cash funds that will support increased staff and operating costs for liquor enforcement, auto industry regulation, and racing oversight. Changes in activity in these areas have caused a need to augment these regulatory functions.

Discussion of Senate Bill 16-218

As a result of the April 2016 Colorado Supreme Court's decision in *BP America v. Colorado Department of Revenue*, taxpayers can claim additional severance tax deductions related to their transportation, manufacturing, and processing costs incurred in their oil and gas extraction activities.

Senate Bill 16-218 was passed at the end of the 2016 legislative session to account for severance tax refunds related to the court ruling. The bill created a reserve fund and diverts income tax revenue to the fund to help pay the refunds. However, the legislation does not distinguish between severance tax refunds related to the court decision and severance tax refunds that would have occurred regardless of the decision. Therefore, income tax revenue is currently being used to cover some severance tax refunds that would have occurred regardless of the decision.

Under S.B. 16-218, $56.8 million in income tax revenue was diverted in FY 2015-16 to the reserve fund to pay for severance tax refunds. Of this amount, $17.8 million was due to refunds related to the court ruling, while $39.0 million was mostly a result of large ad valorem credits reducing tax liabilities. The September OSPB forecast assumes that $43.7 million in income taxes will be diverted from the General Fund to the reserve fund to cover severance tax refunds paid out in FY 2016-17.

Senate Bill 16-218 also placed a restriction on $77.4 million on severance tax money allocated to DNR and DOLA, preventing the money from being expended in case the money is needed to help cover the refunds. In August, the Joint Budget Committee voted to release $19.9 million of the amount to DOLA. As such, $57.5 million remains restricted pursuant to S.B. 16-218.

Discussion of the Financial Impact of September 2013 Floods

From September 9 through September 12, 2013, several communities along Colorado's Front Range were affected by a series of catastrophic floods, causing approximately $4 billion in damage and killing 10 people. In response to these disasters, we worked with the General Assembly to set aside $111.5 million to help pay for the emergency response to, and long-term recovery from, these devastating floods. Several federal agencies have also contributed more than $1.5 billion for the costs associated with rebuilding communities affected by the floods.

Many of these federal grants require matching funds from Colorado governments. In particular, grants from the Federal Emergency Management Agency require a 25 percent match from local agencies in order to draw down federal dollars. In the weeks following the flooding, we pledged that the State would provide one half of the required match for these grants (12.5 percent) for communities that felt the greatest effects from the floods.

As rebuilding efforts have progressed, it has become apparent that the $111.5 million we set aside will be insufficient to cover the costs associated with the response and recovery from the floods. Expenditure patterns to date, coupled with anticipated spending that will occur through FY 2020-21 indicate that the State will require an additional $64.1 million to pay for the response, recovery, and administration of grant funding for these floods.

This request anticipates that a transfer of $12.5 million from the General Fund into the Disaster Emergency Fund will be required in each year from FY 2017-18 through FY 2020-21.

Detailed Request Overview

The following tables show our Total Funds and General Fund request for FY 2017-18.

Table 2. Total Funds (by major category)

	FY 2016-17	FY 2017-18	Change	% Change
Health Care Policy and Financing	$9,116,880,878	$9,490,386,935	373,506,057	4.1%
K-12 Education	5,457,998,350	5,526,728,267	68,729,917	1.3%
Higher Education	4,076,057,002	4,229,859,322	153,802,320	3.8%
Public Safety/Courts	1,950,048,668	1,992,478,979	42,430,311	2.2%
Human Services	1,902,561,730	1,954,339,793	51,778,063	2.7%
Transportation	1,404,629,871	1,578,942,604	174,312,733	12.4%
All Other Departments	3,241,448,652	3,338,908,651	97,459,999	3.0%
Total Departments	27,149,625,151	28,111,644,551	962,019,400	3.5%
GF Transfers to Capital Construction	84,483,807	88,537,914	4,054,107	4.8%
Old Age Pension/Older Coloradans	112,086,487	117,544,578	5,458,091	4.9%
Rebates/Expenditure Adj.	7,923,917	1,300,000	(6,623,917)	-83.6%
GF Transfer to HUTF	79,000,000	79,017,148	17,148	0.0%
GF Transfers to Funds	171,700,657	104,195,009	(67,505,648)	-39.3%
Other (Set-asides)	23,950,000	47,111,809	23,161,809	96.7%
Total	$27,628,770,019	$28,549,351,009	$920,580,990	3.3%

Note: for Tables 2 and 3, the category of Public Safety/Courts is comprised of the Departments of Corrections, Public Safety, and Judicial.

Table 3. General Fund (by major category)

	FY 2016-17	FY 2017-18	Change	% Change
K-12 Education	$3,764,627,106	$3,965,473,351	$200,846,245	5.3%
Health Care Policy and Financing	2,654,394,214	2,797,230,737	142,836,523	5.4%
Public Safety/Courts	1,368,636,368	1,399,223,720	30,587,352	2.2%
Higher Education	871,034,716	898,147,453	27,112,737	3.1%
Human Services	831,637,907	865,642,334	34,004,427	4.1%
Treasury	146,008,257	158,931,734	12,923,477	8.9%
All Other Departments	353,779,900	369,339,201	15,559,301	4.4%
Total Departments	9,990,118,468	10,453,988,530	463,870,062	4.6%
GF Transfer to Capital Construction	84,483,807	88,537,914	4,054,107	4.8%
Old Age Pension/Older Coloradans	112,086,487	117,544,578	5,458,091	4.9%
Rebates/Expenditures Adj.	7,923,917	1,300,000	(6,623,917)	-83.6%
GF Transfer to HUTF	79,000,000	79,017,148	17,148	0.0%
GF Transfers to Funds	171,700,657	104,195,009	(67,505,648)	-39.3%
Other Adjustments	23,950,000	16,111,809	(7,838,191)	-32.7%
Total	10,469,263,336	10,860,694,988	391,431,652	3.7%

Note: for Tables 2 and 3, the category of Public Safety/Courts is comprised of the Departments of Corrections, Public Safety, and Judicial.

Table 4 below highlights the structure of the General Fund request:

Table 4. General Fund Overview

OSPB Forecast	FY 2016-17 General Fund	FY 2017-18 General Fund	Change over FY 2016-17	FY 2017-18 % Change
General Fund Available	11,010,060,266	11,525,500,429	515,440,162	4.7%
General Fund Expenditures	10,469,263,336	10,860,694,988	391,431,652	3.7%
Ending General Fund	540,796,930	664,805,440	124,008,510	22.9%
General Fund Reserve Requirement	636,432,541	664,805,440	28,372,899	4.5%
GF Above (Below) Reserve Level	(95,635,611)	0	95,635,611	N/A

FY 2016-17 General Fund Overview

FY 2016-17 General Fund Revenue Available ($11,010.1 million)

Our budget uses the September 2016 revenue estimates from the Office of State Planning and Budgeting. Our FY 2016-17 budget begins with a $519.2 million beginning balance. This beginning fund balance is $45.7 million higher than previously estimated in the September forecast based on updated information released by the Office of the State Controller on the ending FY 2015-16 fund balance. We project revenue of $10,413.2 million plus revenue adjustments of $46.0 million as projected in the September OSPB revenue forecast. In addition, our budget balancing plan transfers $31.7 million of severance tax funds previously restricted by H.B.16-218 into the General Fund in FY 2016-17. In total, the beginning balance, revenues, and adjustments total to $11,010.1 million General Fund available.

FY 2016-17 General Fund Expenditures ($10,469.3 million)

The General Fund expenditures total $10,469.3 million, including $9,791.3 million which is subject to the General Fund reserve requirement and $678.0 million which is not subject to the General Fund reserve requirement. The $9,791.3 million which is subject to the limit includes $9,767.3 million which was appropriated in the 2016 session plus a placeholder set-aside of $23.95 million for potential Department of Health Care Policy and Financing supplemental requests. The $678.0 million which is not subject to the statutory reserve requirement includes $46.0 million for Certificates of Participation (COP). The COPs are subject to the statutory appropriations limit but are exempt from the associated reserve requirement, pursuant to Section 24-75-201.1 (2) (b), C.R.S. The $678.0 million not subject to the reserve requirement reflects a reduction of $79.0 million in the HUTF transfer from the General Fund. This reduction is taken in FY 2016-17 to free up General Fund that will carry forward into FY 2017-18 and help with our request year's budget balancing.

FY 2016-17 General Fund Ending Balance ($540.8 million)

The ending FY 2016-17 balance of $540.8 million falls below the FY 2016-17 6.5 percent General Fund reserve requirement of $636.4 million by $95.6 million. This partial reserve shortfall is temporary for FY 2016-17, and the reserve is fully replenished in FY 2017-18 with our balancing plan.

FY 2017-18 General Fund Overview

FY 2017-18 General Fund Revenue Available ($11,525.5 million)

Our FY 2017-18 General Fund budget assumes a beginning fund balance of $540.8 million which is the ending FY 2016-17 balance indicated above. Added to this sum are General Fund revenue estimates of $10,931.7 million and adjustments of $18.6 million per the OSPB forecast. To this total are added two revenue policy adjustments that add a net of $34.4 million to the General Fund. These policy adjustments include a reduction of $12.5 million for a General Fund transfer into the Disaster Emergency Fund, and an increase of $46.9 million for a transfer of funds from the State Employee Reserve Fund into the General Fund.

FY 2017-18 General Fund Expenditures ($10,860.7 million)

Our FY 2017-18 General Fund expenditure request includes $10,227.8 million subject to the statutory General Fund reserve requirements and $632.9 million General Fund which is exempt from the reserve requirement.

The FY 2017-18 General Fund amount subject to the reserve requirement includes $10,212.7 million contained within department budgets and $15.1 million reflected as set-asides. The $15.1 million for General Fund set-asides include the following: $19.0 million for the Department of Health Care Policy and Financing's potential expenses associated with their 2013 and 2014 CHIPRA Bonus, $6.1 million for elected officials budgets, $4.0 million for the Department of Human Services anticipated expenses associated with the H.B.16-169 Task Force, $1.0 million for H.B.16-1309 Municipal Court Public Defenders, and a set-aside General Fund reduction of $15.0 million associated the refinancing of the K-12 operating budget with Public School Fund dollars. (As mentioned earlier, these Public School Fund dollars funds are freed up with our balancing plan's proposal to transfer $15.0 million from the BEST Program's Capital Assistance Fund into the Public School Fund). Note that the $6.1 million elected officials budget was calculated based on a 2.0 percent increase on eligible base expenditures of $10.9 million, less $4.7 million for the Judicial Department's additional compensation request above the State common policy of 2.5 percent.

Within the $632.9 million amount exempt from the reserve requirement, $50.8 million is for Certificates of Participation (COPs) which are subject to the statutory General Fund appropriations limit but are exempt from the associated reserve requirement. The remaining General Fund is primarily associated with areas that were reflected in our September OSPB forecast. However, our request proposes a reduction to the Hospital Provider Fee which eliminates the $195.0 million TABOR refund projected in FY 2017-18. Our request also contains a $30.3 million reduction to the FY 2017-18 S.B. 09-228 HUTF transfer from the General Fund for budget balancing purposes. Our request contains a capital construction transfer from the General Fund of $88.5 million, which is $20.2 million higher than was assumed in the September OSPB forecast. Finally, we have set aside $1.0 million General Fund for future amendments to this budget request.

FY 2017-18 General Fund Ending Balance ($664.8 million)

In addition to the budgeted new spending discussed above, the request grows the State's General Fund ending reserve for FY 2017-18 to $664.8 million. This sum is $124.0 million, or 23 percent, higher than the FY 2016-17 ending balance of $540.8 million. Of this $124.0 million increase in the ending reserve, $95.6 million is associated with shoring up the FY 2016-17 ending balance and $28.4 million is associated with reserve requirements from the $436.5 million of new General Fund spending in FY 2017-18 that is subject to the reserve requirement. The 6.5 percent General Fund reserve is calculated on a base of $10,227.8 million General Fund subject to the reserve requirement.

Closing Comments

We thank the leadership of the General Assembly and the members of the Joint Budget Committee for their hard work and partnership. We appreciate your consideration of our request. Should you have any questions, please contact Henry Sobanet, the Director of the Office of State Planning and Budgeting, at 303-866-3317.

Sincerely,

John W. Hickenlooper
Governor

Cc: Senator Kent Lambert, Joint Budget Committee Vice-Chair
Senator Pat Steadman, Joint Budget Committee
Senator Kevin Grantham, Joint Budget Committee
Representative Dave Young, Joint Budget Committee
Representative Bob Rankin, Joint Budget Committee
Senate President Bill Cadman
Speaker of the House of Representatives Dickie Lee Hullinghorst
Mr. John Ziegler, Joint Budget Committee Staff Director
Lieutenant Governor and Chief Operating Officer, Donna Lynne
Mr. Doug Friednash, Chief of Staff, Governor John W. Hickenlooper
Ms. Amy Venturi, Deputy Chief of Staff, Governor John W. Hickenlooper
Mr. David Padrino, Chief of Staff, Lieutenant Governor Donna Lynne
Mr. Kurtis Morrison, Director of Legislative Affairs, Governor John W. Hickenlooper
Ms. Lauren Schreier, Deputy Director of Legislative Affairs, Governor John W. Hickenlooper
Mr. Erick Scheminske, Deputy Director, Governor's Office of State Planning and Budgeting

Appendix A
Law Changes Required to Implement the FY 2017-18 Budget Request

Several of the balancing actions discussed above, coupled with other components of this request for the FY 2017-18 budget, require legislative changes. We respectfully request that the Joint Budget Committee sponsor legislation to accommodate the following changes:

- The provisions of S.B. 09-228 and H.B. 16-1416 should be modified to establish General Fund transfers into the HUTF of $79.0 million in both FY 2016-17 and FY 2017-18;
- Legislation will be necessary to transfer $46.9 million from the State Employees Reserve Fund into the General Fund in FY 2017-18;
- Legislation is required to transfer $31.7 million of the Severance Tax revenue restriction established by S.B. 16-218 into the General Fund in FY 2016-17;
- Current law requires a 6.5 percent General Fund reserve in FY 2016-17. Our budget request assumes that this requirement will be reduced to 5.5 percent of General Fund expenditures in FY 2016-17;
- The mechanism to reduce General Fund appropriations in K-12 Total Program financing by $15.0 million through the use of marijuana excise taxes in the BEST program will require statutory modifications as discussed in Appendix B;
- We estimate that the existing provisions of H.B. 16-1309, relating to new requirements for public defenders in municipal court proceedings, will require approximately $3.0 million in General Fund appropriations. Our budget sets aside $1.0 million for implementation of this bill, which will require a modification of the bill's effective date to January 2018;
- Legislation is necessary to accommodate the transfer of $12.5 million from the General Fund into the Disaster Emergency Fund relating to expenses associated with the catastrophic funding experienced in several Colorado communities in September 2013. This issue is discussed in greater detail on page 18 of this letter;
- Currently, cash funds in the Colorado State Title and Registration System (CSTARS) account can only be used for the development and operation of CSTARS, and county activities related to titling and registering vehicles. Our request includes a change to allow for purchasing license plates and validating tabs with CSTARS revenue in FY 2017-18, partially making up for a structural deficit in the fund caused by programming issues and material fee exemptions;
- Under current law, the Economic Development Commission and the Colorado Energy Office will sunset on June 30, 2017. We have allocated resources for the continuation of both offices in FY 2017-18. We request five-year extensions for both entities;
- Given that the work of implementing Amendments 20 and 64 is approaching completion, we request legislation to sunset the Governor's Office of Marijuana Coordination beginning in FY 2017-18;

- We request legislation to expand the use of marijuana revenues to include housing for behavioral health consumers and individuals experiencing or at-risk of experiencing homelessness; and,
- The Department of Public Health and Environment's Clean Water Sector cash fees are set in statute. As such, the Department requests to maintain Division funding and provide commensurate fee increases for the Clean Water Program.

Appendix B
Capital Assistance Fund Transfer

The Governor's FY 2017-18 budget request includes a placeholder for legislation to transfer $15.0 million from the Capital Assistance Fund (BEST Program) to the Public School Fund. The additional $15.0 million in the Public School Fund will be used to offset General Fund appropriations required under the School Finance Act. The proposal is summarized in Table 1 below.

Table 1: Capital Assistance Fund Transfer Proposal	**General Fund**	**Cash Funds**	**Total Funds**
Revenue / Transfer Impacts			
Transfer from Capital Assistance Fund	$0	($15,000,000)	($15,000,000)
Transfer to Public School Fund	$0	$15,000,000	$15,000,000
Total Transfers	**$0**	**$0**	**$0**
Expenditure Impacts			
Impact to School Finance (Total Program)			
Refinance General Fund with additional Funds in the Public School Fund	($15,000,000)	$15,000,000	$0

Impact to BEST Program

The Department of Education administers a capital construction grant program known as Building Excellent Schools Today (BEST). The BEST program provides competitive grants to public schools to fund capital construction and major renovation or maintenance projects. There are three types of grants available: (1) BEST Lease-Purchase Grants for typically larger projects; (2) BEST Cash Grants for smaller projects such as roofs, boiler replacements, and fire alarms; and (3) BEST Emergency Grants for unanticipated events that create health and safety concerns at education buildings.

The BEST Program is funded through the Capital Assistance Fund (CAF). The CAF has four primary sources of state revenue: (1) State Land Trust Funds; (2) Colorado Lottery Spillover Funds; (3) Marijuana Excise Taxes; and (4) Interest Earnings. In addition, local matching funds from entities receiving grants flow through the State Treasury into the CAF.

In FY 2017-18, the Department of Education projects that the CAF's beginning fund balance will be $253.0 million. When including both local and state funding, FY 2017-18 total revenues are estimated at $111.1 million and expenditures are estimated at $212.8 million. Based on these projections, the CAF will have an ending balance in FY 2017-18 of $212.2 million. The Governor's proposed transfer from the CAF to the Public School Cash Fund will decrease the projected ending balance in the CAF from $212.2 million to $197.2 million. The amount of the $15 million transfer will not impact current Lease Purchase Agreements or impact current cash grant awards. In addition, the fund balance going forward should be sufficient to meet the obligations that the Department of Education is currently projecting for FY 2017-18 and FY 2018-19. See table 2 for the current cash flow summary for the CAF.

Table 2: Capital Assistance Fund Cash Flow Summary (in millions)

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Beginning Fund Balance	**$176.7**	**$244.1**	**$354.7**	**$253.0**	**$197.2**
Revenues Into Fund					
Transfer In from Treasury and Local Government Pass-Thru	$191.5	$86.7	$27.2	$16.4	$16.4
Transfer In from Public School Fund	92.5	65.8	40.0	40.0	40.0
Transfer In Marijuana Excise Tax (including one-time BB funding in 2015)	0.0	80.0	40.0	40.0	40.0
Transfer In from Lottery	2.0	8.1	1.0	1.0	1.0
Interest	2.0	2.6	2.9	2.0	1.5
TOTAL REVENUES	**$312.0**	**$243.2**	**$111.1**	**$99.4**	**$98.9**
Expenditures From Fund					
Cash Expenditures	$244.7	$132.6	$131.8	$140.2	$140.1
Emergency Reserve	0.0	0.0	1.0	0.0	0.0
Reserve for on-going Grants	0.0	0.0	41.4	0.0	0.0
Reserve pursuant to 22-43.7-104 (3.5)	0.0	0.0	38.6	0.0	0.0
TOTAL EXPENDITURES	**$244.7**	**$132.6**	**$212.8**	**$140.2**	**$140.1**
Ending Fund Balance	**$244.1**	**$354.7**	**$253.0**	**$212.2**	**$156.0**
Proposed Transfer Out of $15 million to Public School Fund	**$0.0**	**$0.0**	**$0.0**	**$15.0**	**$0.0**
Ending Fund Balance with Governor's Request	**$244.1**	**$354.7**	**$253.0**	**$197.2**	**$156.0**

Summary of Law Changes

1. **Section 22-43.7-104 be amended to add a new paragraph (7):**

   (7) IN THE FISCAL YEAR COMMENCING JULY 1, 2017, THE STATE TREASURER SHALL TRANSFER $15,000,000 FROM MONEYS IN THE ASSISTANCE FUND TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 (1), C.R.S. MONEYS TRANSFERRED PURSUANT TO THIS PARAGRAPH SHALL BE USED TO OFFSET GENERAL FUND APPROPRIATIONS REQUIRED TO MEET THE STATE'S SHARE OF TOTAL PROGRAM.

2. **Section 22-54-114 be amended to add a new paragraph (2.8):**

   (2.8) THE GENERAL ASSEMBLY INTENDS THAT THE MONEY TRANSFERRED TO THE STATE PUBLIC SCHOOL FUND PURSUANT TO SECTION 22-43.7-104 (7), C.R.S. PURSUANT TO XXXX BILL, ENACTED IN 2017, BE AVAILABLE FOR APPROPRIATION DURING THE 2017-18 BUDGET YEAR TO OFFSET UP TO $15,000,000 IN GENERAL FUND APPROPRIATIONS NEEDED TO MEET THE STATE'S SHARE OF TOTAL PROGRAM.

Total Funds Comparison

	FY 2016-17 Initial Appropriation	FY 2017-18 Governor's Budget Request	$ Change	% Change
Department of Agriculture	$50,007,210	$50,457,646	$450,436	0.9%
Department of Corrections	$846,756,203	$864,259,312	$17,503,109	2.1%
Department of Education	$5,457,998,350	$5,526,728,267	$68,729,917	1.3%
Governor - Lt. Governor - State Planning and Budgeting	$307,252,612	$331,723,333	$24,470,721	8.0%
-- Office of the Governor	*$21,074,282*	*$22,801,442*	*$1,727,160*	*8.2%*
-- Office of the Lieutenant Governor	*$659,036*	*$659,036*	*$0*	*0.0*
-- Office of State Planning and Budgeting	*$2,216,262*	*$2,716,262*	*$500,000*	*22.6%*
-- Economic Development Programs	*$58,959,770*	*$57,482,452*	*($1,477,318)*	*(2.5)%*
-- Office of Information Technology	*$224,343,262*	*$248,064,141*	*$23,720,879*	*10.6%*
Department of Health Care Policy and Financing	$9,116,880,878	$9,490,386,935	$373,506,057	4.1%
Department of Higher Education	$4,076,057,002	$4,229,859,322	$153,802,320	3.8%
Department of Human Services	$1,902,561,730	$1,954,339,793	$51,778,063	2.7%
Judicial Department	$689,991,264	$701,458,231	$11,466,967	1.7%
Department of Labor and Employment	$244,151,762	$248,436,210	$4,284,448	1.8%
Department of Law	$78,164,694	$79,936,247	$1,771,553	2.3%
Legislative Department	$45,868,293	$46,098,501	$230,208	0.5%
Department of Local Affairs	$306,112,580	$317,241,443	$11,128,863	3.6%
Department of Military and Veterans Affairs	$225,411,689	$226,590,702	$1,179,013	0.5%
Department of National Resources	$266,054,974	$260,597,083	($5,457,891)	(2.1)%
Department of Personnel	$190,212,511	$193,781,866	$3,569,355	1.9%
Department of Public Health and Environment	$563,473,936	$583,590,480	$20,116,544	3.6%
Department of Public Safety	$413,301,201	$426,761,436	$13,460,235	3.3%
Department of Regulatory Agencies	$86,142,731	$91,435,342	$5,292,611	6.1%
Department of Revenue	$338,472,414	$354,905,005	$16,432,591	4.9%
Department of State	$22,087,139	$22,596,055	$508,916	2.3%
Department of Transportation	$1,404,629,871	$1,578,942,604	$174,312,733	12.4%
Department of the Treasury	$518,036,107	$531,518,738	$13,482,631	2.6%
SUBTOTAL Department Operating	**$27,149,625,151**	**$28,111,644,551**	**$962,019,400**	**3.5%**

Transfer to Capital Construction Fund	$84,483,807	$88,537,914	$4,054,107	4.8%
Old Age Pension Fund / Older Coloradans Fund	$112,086,487	$117,544,578	$5,458,091	4.9%
*Cigarette Rebate (FY17 forecast adjustment)	($1,745,586)	$0	$1,745,586	(100.0)%
*Marijuana Rebate to Local Governments (FY17 forecast adj.)	$2,145,332	$0	($2,145,332)	(100.0)%
*Aged Property Tax and Heating Credit (FY17 forecast adj.)	$1,300,000	$0	($1,300,000)	(100.0)%
*Homestead Exemption (FY17 forecast adjustment)	$5,006,155	$0	($5,006,155)	(100.0)%
Interest on School Loans	$1,200,000	$1,300,000	$100,000	8.3%
*Volunteer FPPA (FY17 forecast adjustment)	$20,000	$0	($20,000)	(100.0)%
*Amendment 35 General Fund (FY17 forecast adjustment)	($1,984)	$0	$1,984	(100.0)%
Transfers to Highway Users Tax Fund	$79,000,000	$79,017,148	$17,148	0.0%
Transfers to State Education Fund (SB 13-234)	$25,321,079	$25,321,079	$0	0.0
Transfers to Other Funds	$146,379,578	$78,873,930	($67,505,648)	(46.1)%
SUBTOTAL Other	**$455,194,868**	**$390,594,649**	**($64,600,219)**	**(14.2)%**

* These items reflect adjustments for FY 2016-17 based on OSPB's September 2016 forecast. The full amounts for these items are reflected in department operating budgets.

Placeholders for Supplementals and Budget Amendments	$23,950,000	$47,111,809	$23,161,809	96.7%
TOTAL FUNDS	**$27,628,770,019**	**$28,549,351,009**	**$920,580,990**	**3.3%**

Total General Fund Comparison

	FY 2016-17 Initial Appropriation	FY 2017-18 Governor's Budget Request	$ Change	% Change
Department of Agriculture	$10,753,079	$10,504,019	($249,060)	(2.3)%
Department of Corrections	759,196,124	771,356,028	$12,159,904	1.6%
Department of Education	3,764,627,106	3,965,473,351	$200,846,245	5.3%
Governor - Lt. Governor - State Planning and Budgeting	35,996,004	39,458,936	$3,462,932	9.6%
-- Office of the Governor	*4,703,539*	*4,876,707*	*173,168*	*3.7%*
-- Office of the Lieutenant Governor	*439,027*	*439,027*	*0*	*0.0*
-- Office of State Planning and Budgeting	*638,174*	*1,138,174*	*500,000*	*78.3%*
-- Economic Development Programs	*25,563,807*	*22,586,489*	*(2,977,318)*	*(11.6)%*
-- Office of Information Technology	*4,651,457*	*10,418,539*	*5,767,082*	*124.0%*
Department of Health Care Policy and Financing	2,654,394,214	2,797,230,737	$142,836,523	5.4%
Department of Higher Education	871,034,716	898,147,453	$27,112,737	3.1%
Department of Human Services	831,637,907	865,642,334	$34,004,427	4.1%
Judicial Department	486,328,896	505,382,223	$19,053,327	3.9%
Department of Labor and Employment	20,786,362	21,344,186	$557,824	2.7%
Department of Law	15,138,947	15,565,445	$426,498	2.8%
Legislative Department	44,789,293	45,019,501	$230,208	0.5%
Department of Local Affairs	26,012,580	28,663,304	$2,650,724	10.2%
Department of Military and Veterans Affairs	8,305,504	9,287,931	$982,427	11.8%
Department of National Resources	28,742,941	30,746,476	$2,003,535	7.0%
Department of Personnel	13,145,504	11,065,029	($2,080,475)	(15.8)%
Department of Public Health and Environment	47,629,976	47,424,689	($205,287)	(0.4)%
Department of Public Safety	123,111,348	122,485,469	($625,879)	(0.5)%
Department of Regulatory Agencies	1,769,297	1,865,853	$96,556	5.5%
Department of Revenue	100,710,413	108,393,832	$7,683,419	7.6%
Department of the Treasury	146,008,257	158,931,734	$12,923,477	8.9%
SUBTOTAL Department Operating	**$9,990,118,468**	**$10,453,988,530**	**$463,870,062**	**4.6%**

Transfer to Capital Construction Fund	$84,483,807	$88,537,914	$4,054,107	4.8%
Old Age Pension Fund / Older Coloradans Fund	$112,086,487	$117,544,578	5,458,091	5.0%
*Cigarette Rebate (FY17 forecast adjustment)	($1,745,586)	$0	1,745,586	(100.0)%
*Marijuana Rebate to Local Governments (FY17 forecast adj.)	$2,145,332	$0	(2,145,332)	(100.0)%
*Aged Property Tax and Heating Credit (FY17 forecast adj.)	$1,300,000	$0	(1,300,000)	(100.0)%
*Homestead Exemption (FY17 forecast adjustment)	$5,006,155	$0	(5,006,155)	(100.0)%
Interest on School Loans	$1,200,000	$1,300,000	100,000	8.3%
*Volunteer FPPA (FY17 forecast adjustment)	$20,000	$0	(20,000)	(100.0)%
*Amendment 35 General Fund (FY17 forecast adjustment)	($1,984)	$0	1,984	(100.0)%
Transfers to Highway Users Tax Fund	$79,000,000	$79,017,148	17,148	0.0%
Transfers to State Education Fund (SB 13-234)	$25,321,079	$25,321,079	0	0.0%
Transfers to Other Funds	$146,379,578	$78,873,930	(67,505,648)	(46.1)%
SUBTOTAL Other Spending	**$455,194,868**	**$390,594,649**	**($64,600,219)**	**(14.2)%**

* These items reflect adjustments for FY 2016-17 based on OSPB's September 2016 forecast. The full amounts for these items are reflected in department operating budgets.

Placeholders for Supplementals and Budget Amendments	$23,950,000	$16,111,809	($7,838,191)	(32.7)%
TOTAL Spending (With TABOR Refund)	**$10,469,263,336**	**$10,860,694,988**	**$391,431,652**	**3.7%**

Total General Fund Subject to Reserve Requirement and COPs

	FY 2016-17 Initial Appropriation	FY 2017-18 Governor's Budget Request	$ Change	% Change
Department of Agriculture	$10,753,079	$10,504,019	($249,060)	(2.3)%
Department of Corrections	$759,196,124	$771,356,028	12,159,904	1.6%
Department of Education	$3,764,627,106	$3,965,473,351	200,846,245	5.3%
Governor - Lt. Governor - State Planning and Budgeting	$35,996,004	$39,458,936	3,462,932	9.6%
-- Office of the Governor	*4,703,539*	*4,876,707*	*173,168*	*3.7%*
-- Office of the Lieutenant Governor	*439,027*	*439,027*	*0*	*0.0*
-- Office of State Planning and Budgeting	*638,174*	*1,138,174*	*500,000*	*78.3%*
-- Economic Development Programs	*25,563,807*	*22,586,489*	*(2,977,318)*	*(11.6)%*
-- Office of Information Technology	*4,651,457*	*10,418,539*	*5,767,082*	*124.0%*
Department of Health Care Policy and Financing	$2,653,961,624	$2,796,800,332	142,838,708	5.4%
Department of Higher Education	$871,034,716	$898,147,453	27,112,737	3.1%
Department of Human Services	$831,637,907	$865,642,334	34,004,427	4.1%
Judicial Department	$486,328,896	$505,382,223	19,053,327	3.9%
Department of Labor and Employment	$20,786,362	$21,344,186	557,824	2.7%
Department of Law	$15,138,947	$15,565,445	426,498	2.8%
Legislative Department	$44,789,293	$45,019,501	230,208	0.5%
Department of Local Affairs	$21,782,580	$24,413,304	2,630,724	12.1%
Department of Military and Veterans Affairs	$8,305,504	$9,287,931	982,427	11.8%
Department of National Resources	$28,742,941	$30,746,476	2,003,535	7.0%
Department of Personnel	$13,145,504	$11,065,029	(2,080,475)	(15.8)%
Department of Public Health and Environment	$47,197,386	$46,994,284	(203,102)	(0.4)%
Department of Public Safety	$123,111,348	$122,485,469	(625,879)	(0.5)%
Department of Regulatory Agencies	$1,769,297	$1,865,853	96,556	5.5%
Department of Revenue	$71,710,413	$78,498,373	6,787,960	9.5%
Department of the Treasury	$3,308,257	$3,398,290	90,033	2.7%
SUBTOTOAL Department Operating	**$9,813,323,288**	**$10,263,448,817**	**$450,125,529**	**4.6%**

Placeholders for Supplementals and Budget Amendments	$23,950,000	$15,111,809	($8,838,191)	(36.9)%
SUBTOTAL Other Spending	**$23,950,000**	**$15,111,809**	**($8,838,191)**	**(36.9)%**

TOTAL Spending (With TABOR Refund)	**$9,837,273,288**	**$10,278,560,626**	**$441,287,338**	**4.5%**

Total General Fund Exempt from Reserve Requirement

	FY 2016-17 Initial Appropriation	FY 2017-18 Governor's Budget Request	$ Change	% Change
Department of Health Care Policy and Financing	432,590	430,405	(2,185)	(0.5)%
Department of Local Affairs	4,230,000	4,250,000	20,000	0.5%
Department of Public Health and Environment	432,590	430,405	(2,185)	(0.5)%
Department of Revenue	29,000,000	29,895,459	895,459	3.1%
Department of the Treasury	142,700,000	155,533,444	12,833,444	9.0%
SUBTOTAL Department Operating	**$176,795,180**	**$190,539,713**	**$20,681,829**	**10.8%**

Transfer to Capital Construction Fund	$84,483,807	$88,537,914	$4,054,107	4.8%
Old Age Pension Fund / Older Coloradans Fund	112,086,487	117,544,578	5,458,091	4.9%
*Cigarette Rebate (FY17 forecast adjustment)	($1,745,586)	$0	1,745,586	(100.0)%
*Marijuana Rebate to Local Governments (FY17 forecast adj.)	$2,145,332	$0	(2,145,332)	(100.0)%
*Aged Property Tax and Heating Credit (FY17 forecast adj.)	$1,300,000	$0	(1,300,000)	(100.0)%
*Homestead Exemption (FY17 forecast adjustment)	$5,006,155	$0	(5,006,155)	(100.0)%
Interest on School Loan	$1,200,000	$1,300,000	100,000	8.3%
*Volunteer FPPA (FY17 forecast adjustment)	$20,000	$0	(20,000)	(100.0)%
*Amendment 35 General Fund (FY17 forecast adjustment)	($1,984)	$0	1,984	(100.0)%
Transfers to Highway Users Tax Fund	$79,000,000	$79,017,148	17,148	0.0%
Transfers to State Education Fund (SB 13-234)	$25,321,079	$25,321,079	0	0.0
Transfers to Other Funds	$146,379,578	$78,873,930	(67,505,648)	(46.1)%
SUBTOTAL Other Spending	**$455,194,868**	**$390,594,649**	**($64,600,219)**	**(14.2)%**

* These items reflect adjustments for FY 2016-17 based on OSPB's September 2016 forecast. The full amounts for these items are reflected in department operating budgets.

Placeholder for Supplementals and Budget Amendments	$0	$1,000,000	$1,000,000	N/A
TOTAL Spending (With TABOR Refund)	**$455,194,868**	**$391,594,649**	**($63,600,219)**	**(14.0)%**

Total Cash Fund Comparison

	FY 2016-17 Initial Appropriation	FY 2017-18 Governor's Budget Request	$ Change	% Change
Department of Agriculture	$32,772,130	$33,617,321	$845,191	2.6%
Department of Corrections	$39,454,112	$39,962,631	$508,519	1.3%
Department of Education	$1,011,967,311	$878,830,132	($133,137,179)	(13.2)%
Governor - Lt. Governor - State Planning and Budgeting	$43,978,954	$47,861,019	$3,882,065	8.8%
-- Office of the Governor	*$11,898,892*	*$13,171,332*	*$1,272,440*	*10.7%*
-- Office of the Lieutenant Governor	*$1,184*	*$1,184*	*$0*	*0.0%*
-- Office of State Planning and Budgeting	*$0*	*$0*	*$0*	*N/A*
-- Economic Development Programs	*$30,827,950*	*$32,327,950*	*$1,500,000*	*4.9%*
-- Office of Information Technology	*$1,250,928*	*$2,360,553*	*$1,109,625*	*88.7%*
Department of Health Care Policy and Financing	$1,012,485,521	$1,020,138,679	$7,653,158	0.8%
Department of Higher Education	$2,467,212,460	$2,571,525,777	$104,313,317	4.2%
Department of Human Services	$388,657,140	$392,485,924	$3,828,784	1.0%
Judicial Department	$164,992,153	$157,216,275	($7,775,878)	(4.7)%
Department of Labor and Employment	$71,493,888	$72,396,693	$902,805	1.3%
Department of Law	$15,612,031	$15,898,804	$286,773	1.8%
Legislative Department	$179,000	$179,000	$0	0.0
Department of Local Affairs	$194,098,487	$201,747,581	$7,649,094	3.9%
Department of Military and Veterans Affairs	$1,211,976	$1,198,569	($13,407)	(1.1)%
Department of National Resources	$202,967,586	$196,199,421	($6,768,165)	(3.3)%
Department of Personnel	$16,928,150	$13,090,439	($3,837,711)	(22.7)%
Department of Public Health and Environment	$185,983,908	$193,524,907	$7,540,999	4.1%
Department of Public Safety	$190,312,212	$201,165,598	$10,853,386	5.7%
Department of Regulatory Agencies	$78,137,343	$82,893,899	$4,756,556	6.1%
Department of Revenue	$230,466,408	$239,538,931	$9,072,523	3.9%
Department of State	$22,087,139	$22,596,055	$508,916	2.3%
Department of Transportation	$747,880,934	$852,280,882	$104,399,948	14.0%
Department of the Treasury	$354,252,675	$354,813,979	$561,304	0.2%
SUBTOTAL Department Operating	**$7,473,131,518**	**$7,589,162,516**	**$116,030,998**	**1.6%**
Placeholder for Supplementals and Budget Amendments	$0	$31,000,000	$31,000,000	N/A
TOTAL Spending	**$7,473,131,518**	**$7,620,162,516**	**$147,030,998**	**2.0%**

Total Reappropriated Fund Comparison

	FY 2016-17 Initial Appropriation	FY 2017-18 Governor's Budget Request	$ Change	% Change
Department of Agriculture	$2,371,548	$2,371,548	$0	0.0
Department of Corrections	$46,748,326	$51,170,313	4,421,987	9.5%
Department of Education	$33,075,421	$33,530,958	455,537	1.4%
Governor - Lt. Governor - State Planning and Budgeting	$220,765,787	$237,922,358	17,156,571	7.8%
-- Office of the Governor	*563,706*	*876,105*	*312,399*	*55.4%*
-- Office of the Lieutenant Governor	*218,825*	*218,825*	*0*	*0.0%*
-- Office of State Planning and Budgeting	*1,578,088*	*1,578,088*	*0*	*N/A*
-- Economic Development Programs	*85,291*	*85,291*	*0*	*0.0*
-- Office of Information Technology	*218,319,877*	*235,164,049*	*16,844,172*	*7.7%*
Department of Health Care Policy and Financing	$12,406,599	$16,069,145	3,662,546	29.5%
Department of Higher Education	$715,297,309	$737,540,965	22,243,656	3.1%
Department of Human Services	$127,872,227	$132,361,191	4,488,964	3.5%
Judicial Department	$34,245,215	$34,434,733	189,518	0.6%
Department of Labor and Employment	$9,401,877	$9,516,993	115,116	1.2%
Department of Law	$45,630,682	$46,639,353	1,008,671	2.2%
Legislative Department	$900,000	$900,000	0	0.0
Department of Local Affairs	$10,915,745	$11,577,032	661,287	6.1%
Department of Military and Veterans Affairs	$800,000	$800,000	0	0.0
Department of National Resources	$7,703,225	$6,947,706	(755,519)	(9.8)%
Department of Personnel	$160,138,857	$169,626,398	9,487,541	5.9%
Department of Public Health and Environment	$41,167,484	$44,834,876	3,667,392	8.9%
Department of Public Safety	$38,369,062	$40,936,645	2,567,583	6.7%
Department of Regulatory Agencies	$4,852,173	$5,317,274	465,101	9.6%
Department of Revenue	$6,471,205	$6,147,854	(323,351)	(5.0)%
Department of Transportation	$5,866,138	$8,551,970	2,685,832	45.8%
Department of Treasury	$17,775,175	$17,773,025	(2,150)	(0.0)%
SUBTOTAL Department Operating	**$1,542,774,055**	**$1,614,970,337**	**$72,196,282**	**4.7%**

Placeholders for Supplementals and Budget Amendments	$0	$0	$0	N/A

TOTAL Spending	**$1,542,774,055**	**$1,614,970,337**	**$72,196,282**	**4.7%**

Total Federal Funds Comparison

	FY 2016-17 Initial Appropriation	FY 2017-18 Governor's Budget Request	$ Change	% Change
Department of Agriculture	$4,110,453	$3,964,758	($145,695)	(3.5)%
Department of Corrections	$1,357,641	$1,770,340	$412,699	30.4%
Department of Education	$648,328,512	$648,893,826	$565,314	0.1%
Governor - Lt. Governor - State Planning and Budgeting	$6,511,867	$6,481,020	($30,847)	(0.5)%
-- Office of the Governor	*$3,908,145*	*3,877,298*	*(30,847)*	*(0.8)%*
-- Office of the Lieutenant Governor	*$0*	*0*	*0*	*N/A*
-- Office of State Planning and Budgeting	*$0*	*0*	*0*	*N/A*
-- Economic Development Programs	*$2,482,722*	*2,482,722*	*0*	*0.0*
-- Office of Information Technology	*$121,000*	*121,000*	*0*	*0.0*
Department of Health Care Policy and Financing	$5,437,594,544	$5,656,948,374	$219,353,830	4.0%
Department of Higher Education	$22,512,517	$22,645,127	$132,610	0.6%
Department of Human Services	$554,394,456	$563,850,344	$9,455,888	1.7%
Judicial Department	$4,425,000	$4,425,000	$0	0.0
Department of Labor and Employment	$142,469,635	$145,178,338	$2,708,703	1.9%
Department of Law	$1,783,034	$1,832,645	$49,611	2.8%
Department of Local Affairs	$75,085,768	$75,253,526	$167,758	0.2%
Department of Military and Veterans Affairs	$215,094,209	$215,304,202	$209,993	0.1%
Department of National Resources	$26,641,222	$26,703,480	$62,258	0.2%
Department of Public Health and Environment	$288,692,568	$297,806,008	$9,113,440	3.2%
Department of Public Safety	$61,508,579	$62,173,724	$665,145	1.1%
Department of Regulatory Agencies	$1,383,918	$1,358,316	($25,602)	(1.8)%
Department of Revenue	$824,388	$824,388	$0	0.0
Department of Transportation	$650,882,799	$718,109,752	$67,226,953	10.3%
SUBTOTAL Department Operating	**$8,143,601,110**	**$8,453,523,168**	**$309,952,905**	**3.8%**

Placeholder for Supplementals and Budget Amendments	$0	$0	$0	(100.0)%

TOTAL Spending	**$8,143,601,110**	**$8,453,523,168**	**$309,922,058**	**3.8%**

Total FTE Comparison

	FY 2016-17 Initial Appropriation	FY 2017-18 Governor's Budget Request	$ Change	% Change
Department of Agriculture	291.4	291.4	0.0	0.0%
Department of Corrections	6,242.7	6,247.9	5.2	0.1%
Department of Education	599.5	599.4	(0.1)	(0.0)%
Governor - Lt. Governor - State Planning and Budgeting	1,090.0	1,106.0	16.0	1.5%
-- Office of the Governor	*65.7*	*64.7*	*(1.0)*	*-1.5%*
-- Office of the Lieutenant Governor	*6.0*	*6.0*	*0.0*	*0.0%*
-- Office of State Planning and Budgeting	*20.5*	*20.5*	*0.0*	*0.0%*
-- Economic Development Programs	*60.3*	*62.3*	*2.0*	*3.2%*
-- Office of Information Technology	*937.5*	*952.5*	*15.0*	*1.6%*
Department of Health Care Policy and Financing	435.8	452.9	17.1	3.9%
Department of Higher Education	24,491.4	24,491.4	0.0	0.0
Department of Human Services	4,793.4	4,951.0	157.6	3.3%
Judicial Department	4,615.1	4,616.1	1.0	0.0%
Department of Labor and Employment	1,279.8	1,279.8	0.0	0.0
Department of Law	483.5	483.5	0.0	0.0
Legislative Department	285.0	285.0	0.0	0.0
Department of Local Affairs	173.9	176.6	2.7	1.6%
Department of Military and Veterans Affairs	1,392.4	1,393.3	0.9	0.1%
Department of National Resources	1,462.7	1,464.6	1.9	0.1%
Department of Personnel	421.5	422.3	0.8	0.2%
Department of Public Health and Environment	1,311.3	1,330.1	18.8	1.4%
Department of Public Safety	1,781.1	1,803.8	22.7	1.3%
Department of Regulatory Agencies	588.2	590.5	2.3	0.4%
Department of Revenue	1,430.4	1,436.3	5.9	0.4%
Department of State	137.4	137.4	0.0	0.0
Department of Transportation	3,326.8	3,326.8	0.0	0.0
Department of the Treasury	32.9	32.9	0.0	0.0
TOTAL FTE	**56,666.2**	**56,919.0**	**252.8**	**0.4%**

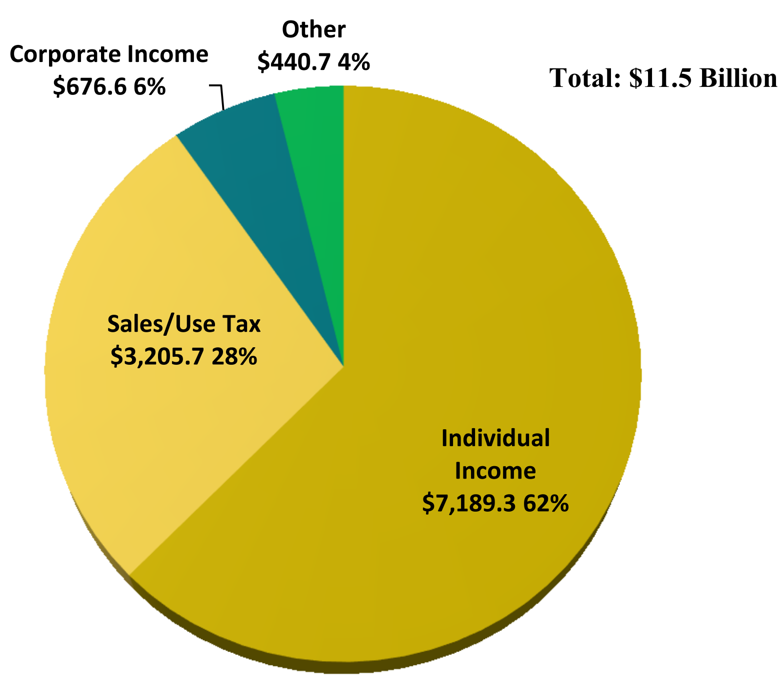
General Fund and State Education Fund Revenue

The following section discusses General Fund and State Education Fund revenue received by the State, using the OSPB September 2016 revenue forecast. 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, which are heavily influenced by the performance of the economy. General Fund revenue is expected to continue to increase in the current budget year and next with Colorado's sustained economic growth, although at more moderate rates than most prior years of the expansion.

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 one-third of one percent of taxable income from Colorado taxpayers to help fund K-12 education. In this way, the State Education Fund is more like a special account in the General Fund.

Income and sales taxes are the largest sources of General Fund revenue ─ The following pie chart shows the composition of the revenue sources that go to both the State General Fund and State Education Fund for FY 2016-17 based on the OSPB September forecast. Income, sales, and use taxes make up 96 percent of the total.

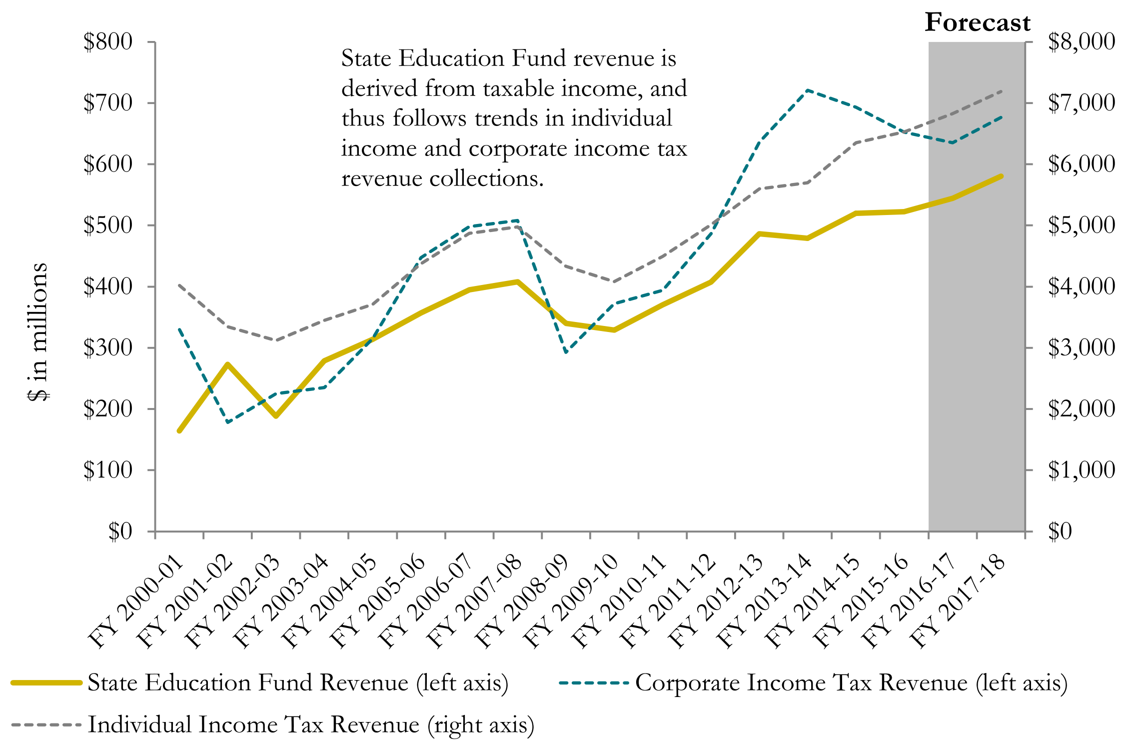
Figure 1. General Fund and State Education Fund Revenue in FY 2017-18, $s in Millions



Source: OSPB September 2016 forecast

***General Fund money diverted 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. Therefore, a portion of revenue from income taxes is diverted from the General Fund to the SEF every year. Because this revenue comes from taxable income, it follows the trends in the State's individual income and corporate income tax revenue collections as shown below. The diversion is forecasted at $580.5 million in FY 2017-18, an expected increase of 6.6 percent from FY 2016-17.

Figure 2. State Education Fund Revenue from One-Third of One Percent of Taxable Income



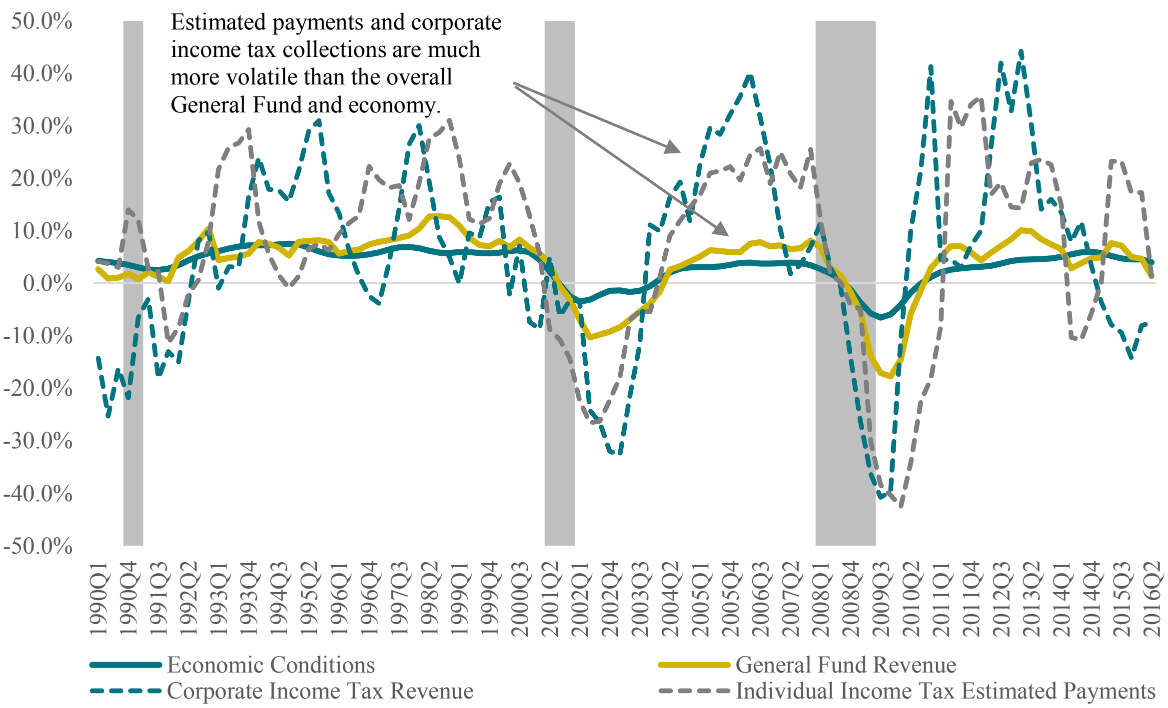
Source: Office of the State Controller and OSPB September 2016 forecast

In addition to the diversion of income tax revenue, policies enacted over the past several years have transferred other General Fund money to the State Education Fund. Notably, one-time transfers of money in excess of the required General Fund ending reserve in Fiscal Years 2010-11 through 2013-14 produced higher than usual amounts of resources for the State Education Fund. This has resulted in the SEF funding a larger share of K-12 education in the past few fiscal years than it has historically. However, this recent higher spending, combined with lower amounts of ongoing revenue to the Fund, is reducing the Fund's balance. In FY 2015-16, the year-end balance in the Fund dropped 55.8 percent from its level in FY 2014-15, and a larger drop of 65.7 percent is expected in FY 2016-17, when the projected ending balance will be just over $100 million.

***Economic conditions affect revenue to the General Fund and State Education Fund, and some revenue sources are highly volatile* ─** Income and sales tax collections are heavily influenced by the performance of the economy. When more people earn and spend money, and businesses experience increased sales, tax revenue grows. Conversely, revenue declines during economic downturns, sometimes by large amounts as income and spending levels weaken.

Some General Fund revenue sources − notably corporate income taxes and individual income tax estimated payments[1] − are highly volatile, which can cause larger fluctuations in revenue than is seen in overall economic conditions, as well as potentially large forecast errors. The following figure illustrates the volatility of these two revenue sources. The figure shows the year-over-year percent change in quarterly inflation-adjusted corporate income tax revenue and estimated individual income tax payments, along with total inflation-adjusted General Fund revenue, in relation to the performance of the state economy.

Figure 3. Quarterly Economic Performance, General Fund Revenue, Corporate Income Tax Revenue and Estimated Individual Income Tax Payments, Year-over-Year % Change*



* General Fund revenue in the Figure excludes smaller miscellaneous revenue sources, such as pari-mutuel taxes, estate taxes, fines, fees, and interest earnings. The state's economic conditions are measured by the Federal Reserve Bank of Philadelphia's State Coincident Economic Activity Index for Colorado. Shading indicates recessionary periods.

Source: Federal Reserve Bank of Philadelphia, Office of the State Controller, and OSPB calculations

The time period in Figure 3 includes three national recessions. Colorado's economy and General Fund revenue were only modestly impacted by the recession in the early 1990s. However, the state's economy was much more adversely affected by the two recessions in the 2000s ─ one during the 2001 to 2002 period and the Great Recession in 2008 to 2009. During each of those

[1] Estimated income tax payments are taxes paid on taxable income that is not subject to withholding, such as earnings from self-employment, rents, and investments.

recessions, General Fund revenue fell by over $1 billion, or around 16 percent. As illustrated in Figure 3, these revenue declines were larger than the downturn in overall economic conditions. This was largely due to the dramatic decline in the stock market and corporate profits during those periods that caused a marked drop in individual income tax estimated payments and corporate income tax collections.

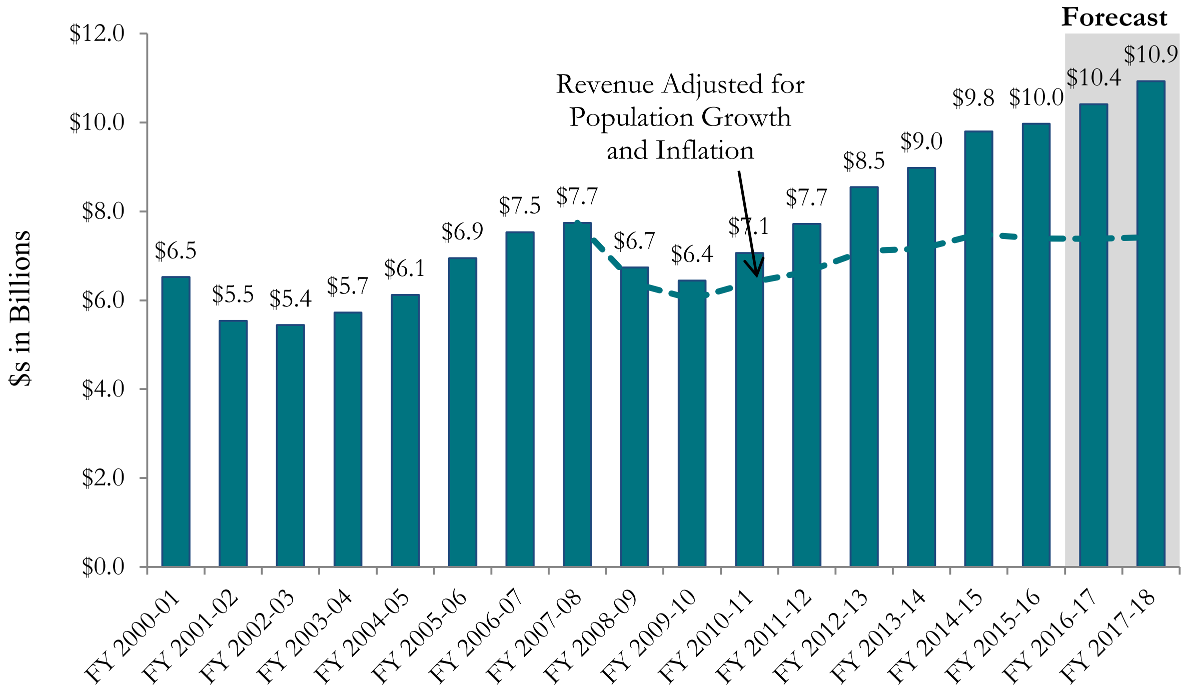
Forecast for General Fund revenue ─ Colorado's economy is expected to remain in expansion, and thus generate continued growth in General Fund revenue for the current budget year and next. Figure 4 illustrates revenue to the General Fund by fiscal year, including the OSPB September 2016 forecast for General Fund revenue in FY 2016-17 and FY 2017-18. After increasing 9.2 percent and 1.7 percent in FY 2014-15 and 2015-16, respectively, General Fund revenue is projected to increase 4.5 percent in FY 2016-17 and 5.0 percent in FY 2017-18.

Colorado's favorable attributes continue to produce stronger economic growth for the state than the nation overall. The state has a concentration of high-skilled workers, increasing levels of new business formation, and a diverse base of growing technology-intensive and business services industries. As a result, the urban areas along the Front Range have among the lowest unemployment in the country. The oil and gas industry's deep contraction that contributed to slowing in the overall economy starting in 2015 appears to have reached a bottom, though industry activity is expected to remain at subdued levels. Even so, the absence of the large decline in spending in the economy going forward will help overall economic conditions.

The oil and gas industry's contraction, along with weaker investment gains and lower corporate profits, all combined to reduce General Fund revenue growth in FY 2015-16 from the robust increase of the prior year. For FY 2016-17 and FY 2017-18, with these factors largely behind us and accounted for, continued economic expansion should produce larger increases in revenue, but closer to long-term averages. Revenue growth will be more moderate than in prior years as a tight labor market is constraining economic growth for the state and increases in corporate income tax revenue and investment gains are expected to continue to be modest.

It is important to note that the forecast for the estimated payments component of individual income tax revenue and corporate income tax collections are highly uncertain due to the volatility of these revenue sources. Further, although there are no clear indications of an economic downturn currently in the United States or Colorado, recessions are difficult to foresee. A drop in employment and income levels, along with losses in the stock market and declining corporate profits that are associated with an economic downturn would have adverse effects on General Fund and State Education Fund revenue and the State budget. Material changes to revenue expectations may occur in future forecasts that incorporate new information on trends in actual collections and economic conditions.

Figure 4. General Fund Revenue, Actual and Forecast, with Revenue Adjusted for Population Growth and Inflation since FY 2007-08, $s in Billions



Source: Office of the State Controller and OSPB September 2016 forecast

Individual Income Tax

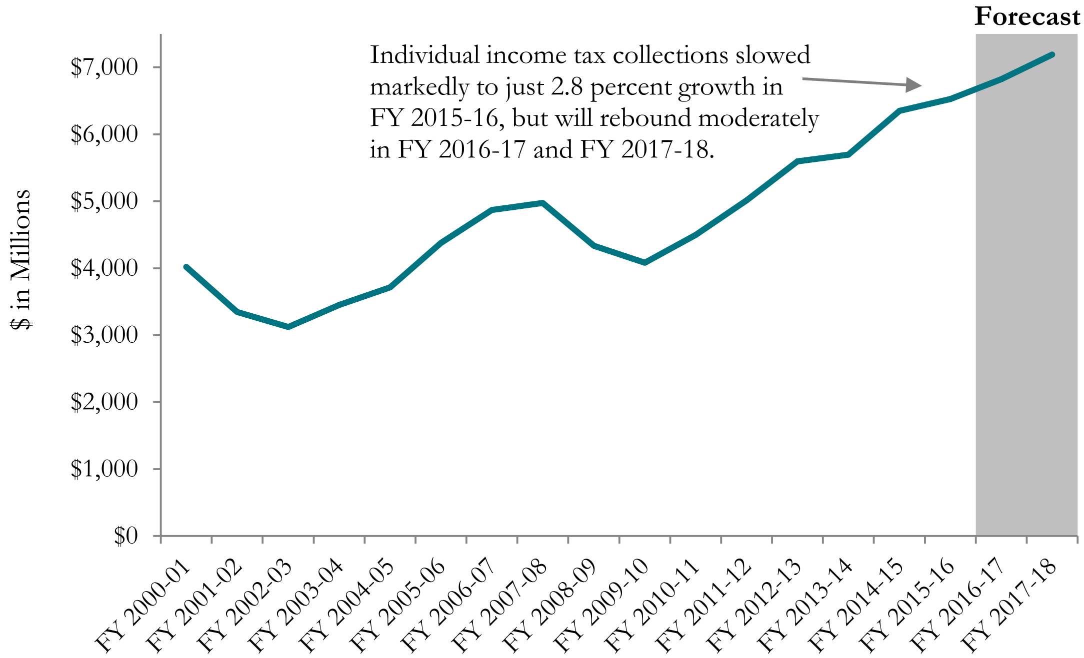
Income tax paid by individuals is by far the largest source of tax revenue to the State. In FY 2017-18, income tax revenue is projected to total $7.2 billion, representing 62 percent of total General Fund revenue. Individual income tax revenue is forecast to increase in FY 2016-17 and FY 2017-18 by 4.6 percent and 5.3 percent, respectively.

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, is also generally subject to the individual income tax.

In a growing economy, income tax revenue increases at a relatively steady pace due to job growth and expanding business activity. As discussed above, however, investment income received by individuals from equites and other assets can fluctuate much more than the overall economy from year to year, contributing to volatility in income tax revenue. Changes to federal and State tax deductions and exemptions, as well as to State tax credits, can also contribute to volatility.

Figure 5 shows the trend in individual income tax revenue since FY 2000-01 and includes the OSPB September 2016 forecast through FY 2017-18. The large drop in spending and income in the state from the oil and gas industry's contraction weighed on income tax collections in FY 2015-16 when growth fell to just 2.8 percent from 11.5 percent the year prior; weaker investment gains from a tepid stock market and tax policies that reduced tax liabilities also dampened income tax revenue. However, the factors that placed downward pressure on individual income tax collections last fiscal year will abate, allowing for more growth going forward with continued job and income growth in the state. The forecasted revenue increases, however, are modest compared with prior years of the expansion due to tempered economic growth in the state.

Figure 5. Individual Income Tax Revenue, History and Forecast, $s in Millions



Source: Office of the State Controller and OSPB September 2016 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 collections are expected to decrease slightly in FY 2016-17, the third consecutive year with a decline. Corporate income taxes are projected to rebound modestly in FY 2017-18 with a 6.6 percent increase to total $676.6 million.

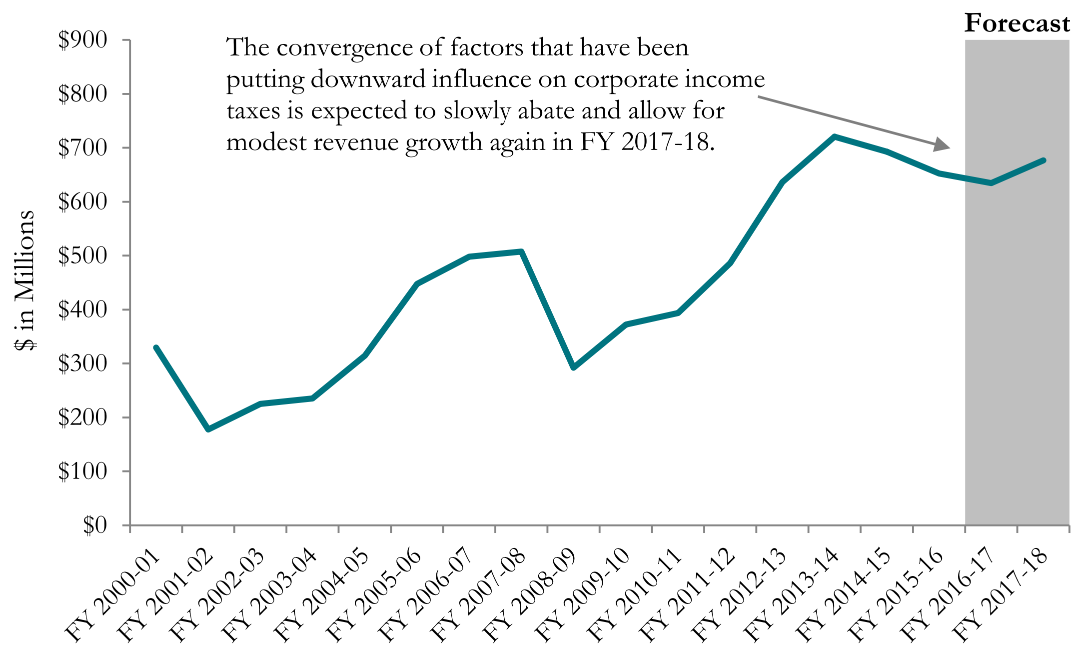
Corporate income tax revenue fluctuates much more than overall General Fund revenue and the state economy. It is among the most volatile General Fund revenue sources as it is influenced by special economic factors and the structure of the corporate income tax code. Trends in corporate profits are the main determinant of corporate income tax collections. Similar to the individual income tax, changes in tax laws can make corporate tax collections more volatile, especially during changes in broader economic conditions.

As shown in Figure 6, corporate income tax revenue experienced robust growth in the first part of the current expansion as a result of increasing sales in the rebounding economy and leaner business operations that increased profits. Corporate tax collections began to weaken in FY 2014-15, however, due to a number of factors, including slowing in the global economy, as well as higher levels of business competition, tightening labor conditions, and more costly business inputs that lowered profit margins.

A main contributor to the decreases in corporate income tax revenue in the past couple of years has been the strong appreciation in the dollar that weighed on exports and the profits of multinational corporations. Further, the manufacturing industry, which includes petroleum refining, typically pays the largest share of corporate income tax collections. Therefore, the recent weaknesses in the global economy that has weighed on the demand for manufactured goods as well as the steep drop in oil and gas and other commodity prices have been important factors in the weakness in corporate income tax revenue to the state.

Recent trends, however, suggest that the headwinds on corporate income tax collections are beginning to lessen. The value of the dollar has fallen slightly since the beginning of the year. In addition, manufacturing has been experiencing modestly improved conditions for the past several months, though activity remains sluggish. Further, although oil and gas prices remain low, the absence of a decline in prices will enable modest growth in corporate income taxes from that sector going forward.

Figure 6. Corporate Income Tax Revenue, History and Forecast, $s in Millions



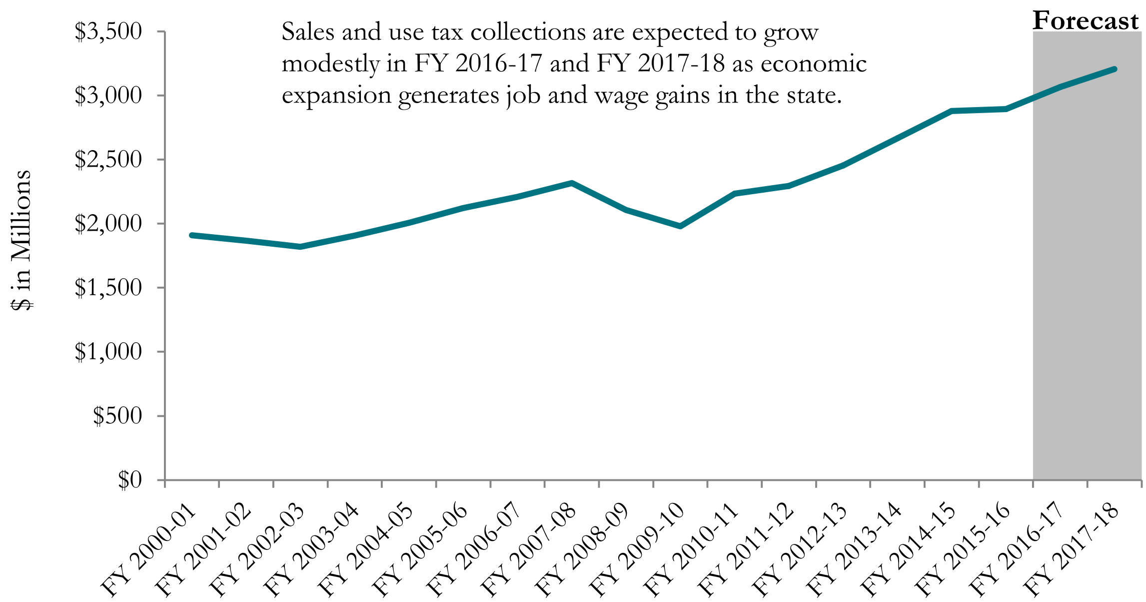
Source: Office of the State Controller and OSPB September 2016 forecast

Sales and Use Taxes

The State's sales and use tax collections makes up a little under 30 percent of General Fund revenue. Most products and a small number of services are subject to the tax, and both households and businesses pay sales and use taxes. Due to continued economic and population growth, state sales and use tax revenue will grow moderately through FY 2017-18 when collections are expected to increase 4.5 percent and total $3.2 billion.

As shown in Figure 7, sales and use tax revenue grows at a steady pace when the economy is expanding and declines during recessions. Growth in sales and use tax revenue slowed in FY 2015-16 due in part to weakening retail prices as well as the drop in spending in the state tied to the oil and gas industry's contraction. Other possible contributors to the slowdown include consumer preferences for purchases from online vendors, some of which do not collect sales tax, as well as reduced spending on taxable goods. Sustained growth in housing costs in many more populated areas of the state is reducing disposable income and is weighing on growth in consumer spending. Nonetheless, sales and use tax revenue has recently begun to show signs of stronger growth with less drag from weak retail prices along with the end of the oil and gas contraction; collections are expected to post moderately higher growth rates through FY 2017-18.

Figure 7. Sales and Use Tax Revenue, History and Forecast, $s in Millions

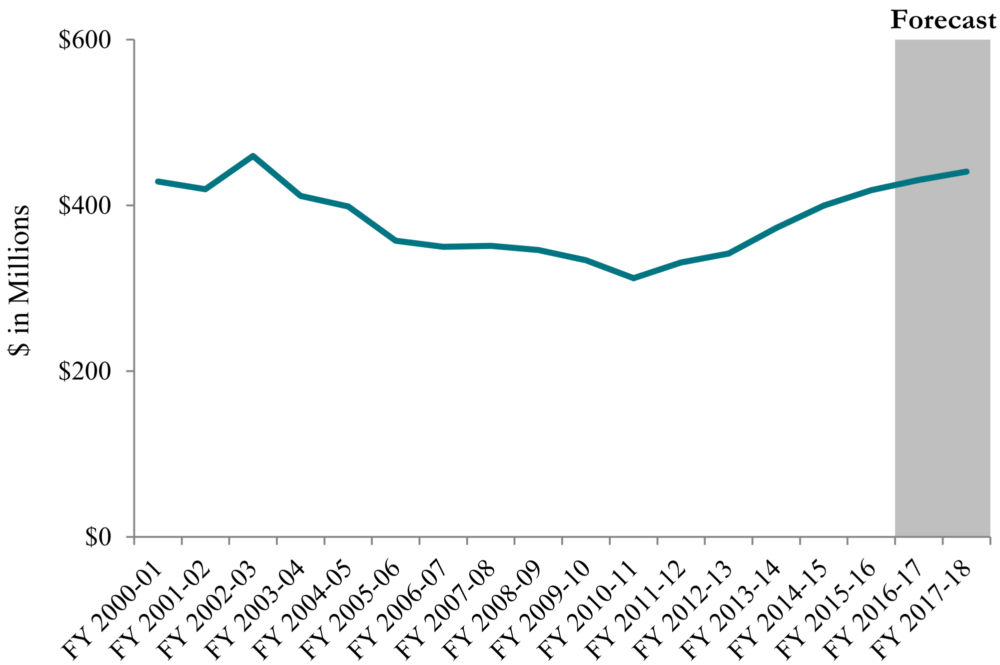


Source: Office of the State Controller and OSPB September 2016 forecast

Other Revenue to the General Fund

Several smaller sources make up the rest of General Fund revenue. These include excise taxes on cigarette, tobacco, and liquor products; taxes paid by insurers on premiums; pari-mutuel wagering; interest income; and fines and fees. As shown in Figure 8, revenue from these sources is expected to grow modestly during the forecast period, and is projected to total $440.7 million in FY 2017-18.

Figure 8. Other General Fund Revenue, History and Forecast, $s in Millions



Source: Office of the State Controller and OSPB September 2016 forecast

COLORADO
Gov. John Hickenlooper

FY 2017-18 GOVERNOR'S REQUEST

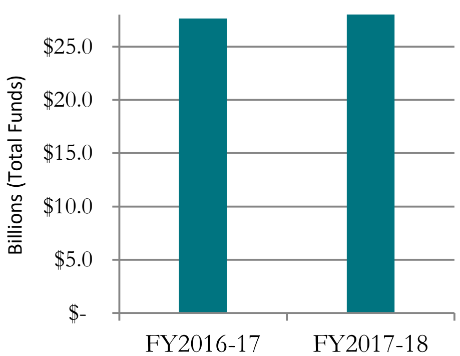
$10.86 billion General Fund

$28.55 billion Total Funds

"Colorado's economy continues to grow, though more slowly than in recent years. Managing the competing demands of the State Constitution and formulas in current law, this budget prioritizes the highest needs of the state with a modest 3.3 percent increase."

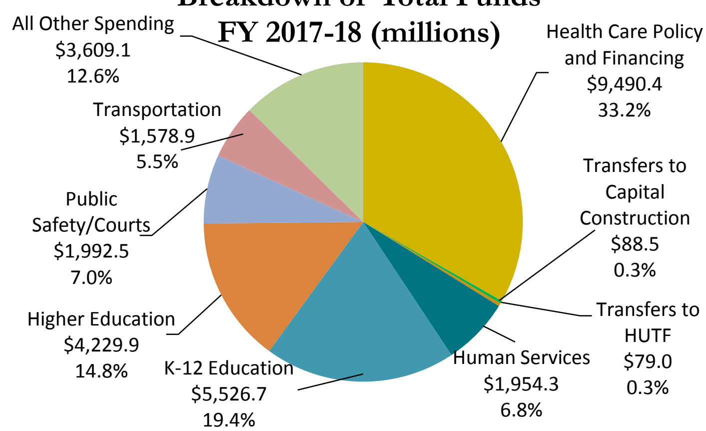
-*Governor John Hickenlooper*

Change in Total Funds FY 2016-17 to FY 2017-18

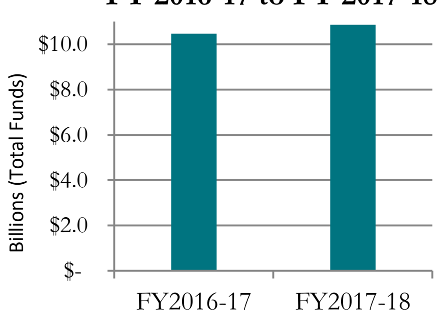


+3.3% $920.6 million

Breakdown of Total Funds FY 2017-18 (millions)

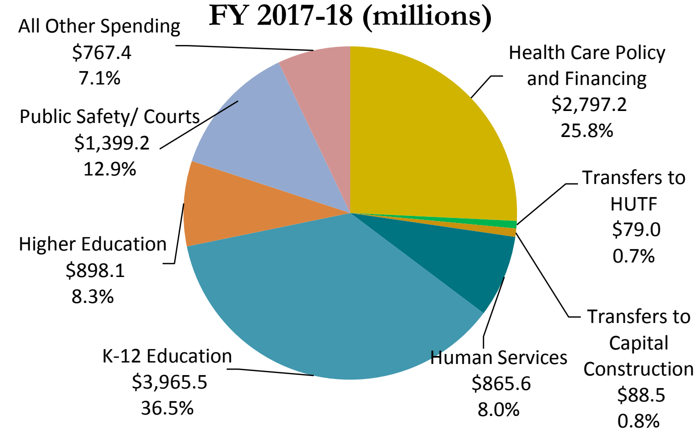


Change in General Funds FY 2016-17 to FY 2017-18



+3.7% $391.4 million

Breakdown of General Funds FY 2017-18 (millions)



John W. Hickenlooper
Governor

Henry Sobanet
Director, OSPB

EXECUTIVE BUDGET REQUEST

Statewide Budget Overview
FY 2017-18

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

Issue	Major General Fund Issues FY 2016-17	FY 2017-18
Reduction of TABOR Refund due to reduced Hospital Provider Fee collections		$195.00
Severance tax restriction	$31.70	
Highway Users Tax Fund Transfer Decrease	$79.00	$30.30
State Employee Reserve Fund Transfer		$46.90
Set Aside for HCPF CHIPRA Bonus 2013 and 2014 Potential Exp		($19.00)

FY 2017-18 Major Budget Highlights
(in Millions, except for FTE)

Budget Highlights	GF /1	TF	FTE	Budget Changes By Major Area	GF /1	TF	FTE
K-12 Education Formula Funding	$198.15	$48.38	0.0	Base Budget Changes	$66.46	$169.52	18.4
Medicaid Caseload Growth /2	139.69	430.41	0.0	Common Policy / NonPrioritized Issues	1.08	10.07	0.9
K-12 Increase to Negative Factor	45.00	45.00	0.0	Mandatory Funding and Caseload Issues	335.93	476.88	0.0
Operating Increase for Higher Education	20.51	36.55	0.0	Other Request Items	60.41	305.55	233.5
DYC Security Staffing in Facilities	5.01	5.01	80.6	**Total Department Operating Change**	**$463.87**	**$962.02**	**252.8**

/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, Office of Community Living, and Medicare Modernization Act payments.

FY 2017-18 Department Budgets Request -- November 1, 2016
(in Millions)

General Fund: Department	FY 2016-17 Approp	FY 2017-18 Request	$ Change	Total Funds: Department	FY 2016-17 Request	FY 2017-18 Request	$ Change
Agriculture	$10.75	$10.50	($0.25)	Agriculture	$50.01	$50.46	$0.45
Corrections	$759.20	$771.36	12.16	Corrections	$846.76	$864.26	17.50
Education	$3,764.63	$3,965.47	200.85	Education	$5,458.00	$5,526.73	68.73
Governor	$36.00	$39.46	3.46	Governor	$307.25	$331.72	24.47
Health Care Policy and Financing	$2,654.39	$2,797.23	142.84	Health Care Policy and Financing	$9,116.88	$9,490.39	373.51
Higher Education	$871.03	$898.15	27.11	Higher Education	$4,076.06	$4,229.86	153.80
Human Services	$831.64	$865.64	34.00	Human Services	$1,902.56	$1,954.34	51.78
Judicial	$486.33	$505.38	19.05	Judicial	$689.99	$701.46	11.47
Labor and Employment	$20.79	$21.34	0.56	Labor and Employment	$244.15	$248.44	4.28
Law	$15.14	$15.57	0.43	Law	$78.16	$79.94	1.77
Legislature	$44.79	$45.02	0.23	Legislature	$45.87	$46.10	0.23
Local Affairs	$26.01	$28.66	2.65	Local Affairs	$306.11	$317.24	11.13
Military and Veterans Affairs	$8.31	$9.29	0.98	Military and Veterans Affairs	$225.41	$226.59	1.18
Natural Resources	$28.74	$30.75	2.00	Natural Resources	$266.05	$260.60	(5.46)
Personnel and Administration	$13.15	$11.07	(2.08)	Personnel and Administration	$190.21	$193.78	3.57
Public Health and Environment	$47.63	$47.42	(0.21)	Public Health and Environment	$563.47	$583.59	20.12
Public Safety	$123.11	$122.49	(0.63)	Public Safety	$413.30	$426.76	13.46
Regulatory Agencies	$1.77	$1.87	0.10	Regulatory Agencies	$86.14	$91.44	5.29
Revenue	$100.71	$108.39	7.68	Revenue	$338.47	$354.91	16.43
State	$0.00	$0.00	0.00	State	$22.09	$22.60	0.51
Transportation	$0.00	$0.00	0.00	Transportation	$1,404.63	$1,578.94	174.31
Treasury	$146.01	$158.93	12.92	Treasury	$518.04	$531.52	13.48
TOTAL /3	**$9,990.12**	**$10,453.99**	**$463.87**	**TOTAL /3**	**$27,149.63**	**$28,111.64**	**$962.02**

/3 May not add due to rounding errors.

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

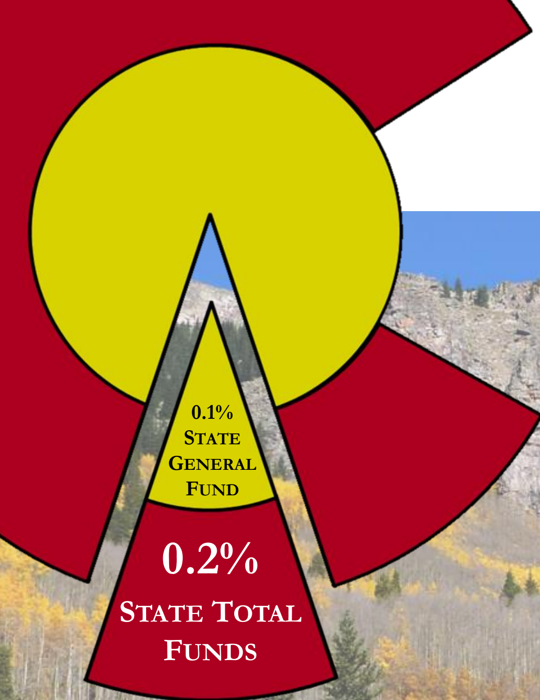
Issue	FY 2013-14 Approp	Request	$ Change
Other General Fund Adjustments Outside Operating Budgets	$394.66	$318.17	($76.49)
General Fund Transfers for Capital Construction	84.48	88.54	4.05
TOTAL	**$479.14**	**$406.71**	**($72.44)**
Total FY 2017-18 General Fund Request (operating request plus items outside of operating request)	**$10,469.26**	**$10,860.69**	**$391.43**

EXECUTIVE BUDGET REQUEST

Major Changes in FY 2017-18 Department Operating Budgets

Reflects changes to Current FY 2016-17 Appropriations

Issue	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds	FTE
Department of Corrections						
Base Budget Changes	$15,241,458	$318,031	$501,318	$492,699	$16,553,506	1.8
Other Non-Prioritized Requests (Common Policy & Other)	(1,478,467)	180,488	4,056,720	0	2,758,741	0.0
Redirected Personal Services	0	10,000	0	0	10,000	3.4
Food Inflation	317,184	0	0	0	317,184	0.0
Medical Caseload	(1,920,271)	0	0	0	(1,920,271)	0.0
Technical Adjustments	0	$0	(136,051)	(80,000)	(216,051)	0.0
Total Changes Requested for Corrections	**$12,159,904**	**$508,519**	**$4,421,987**	**$412,699**	**$17,503,109**	5.2
Department of Education						
Base Budget Changes	$2,341,522	($1,229,764)	$425,461	$565,314	$2,102,533	(4.0)
Other Non-Prioritized Requests (Common Policy & Other)	38,132	1,979	30,076	0	70,187	0.0
Total Program Increase (School Finance Formula), including $45.4 million Negative Factor increase	198,151,694	(149,767,160)	0	0	48,384,534	0.0
Categorical Programs	0	7,816,926	0	0	7,816,926	0.0
School Health Professional	0	9,700,000	0	0	9,700,000	3.0
All Other	314,897	340,840	0	0	655,737	0.9
Total Changes Requested for K-12 Education	**$200,846,245**	**($133,137,179)**	**$455,537**	**$565,314**	**$68,729,917**	(0.1)
Department of Health Care Policy and Financing						
Base Budget Changes	$2,387,411	($28,024,964)	$142,353	($67,324,394)	($92,819,594)	0.3
Other Non-Prioritized Requests (Common Policy & Other)	878,190	14,527	0	893,713	1,786,430	0.0
Medical Services Caseload Increases	124,330,802	10,348,553	3,790,151	222,926,778	361,396,284	0.0
Behavioral Health Community Programs Increases	(406,491)	11,420,458	0	9,948,577	20,962,544	0.0
Children Basic Health Plan Caseload Increases	(1,878,825)	1,665,246	0	18,723,581	18,510,002	0.0
Medicare Modernization Caseload Increases	19,674,000	0	0	0	19,674,000	0.0
Office of Community Living Caseload Increases	(2,025,296)	8,427,248	0	3,467,720	9,869,672	0.0
MMIS Operations	(566,430)	2,953,578	(275,978)	21,413,169	23,524,339	1.8
All Other	443,162	848,512	6,020	9,304,686	10,602,380	15.0
Total Changes Requested for HCPF	**$142,836,523**	**$7,653,158**	**$3,662,546**	**$219,353,830**	**$373,506,057**	**17.1**
Department of Higher Education						
Base Budget Changes	$4,928,780	($12,098,030)	$6,147,553	$132,610	($889,087)	0.0
Other Non-Prioritized Requests (Common Policy & Other)	0	13,984	4,974	0	18,958	0.0
Operating Request For Public Colleges and Universities	20,506,613	0	16,043,004	0	36,549,617	0.0
Tuition Spending Authority Increase	0	116,397,363	0	0	116,397,363	0.0
Revitalization Funding for Community Museums	1,589,044	0	0	0	1,589,044	0.0
All Other	88,300	0	48,125	0	136,425	0.0
Total Changes Requested for Higher Education	**$27,112,737**	**$104,313,317**	**$22,243,656**	**$132,610**	**$153,802,320**	**0.0**
Department of Human Services						
Base Budget Changes	$10,811,979	($835,100)	$672,228	$1,859,208	$12,508,315	40.6
Other Non-Prioritized Requests (Common Policy & Other)	721,956	(5,916)	97,055	(11,894)	$801,201	0.9
County Child Welfare Staffing - Phase 3	3,661,197	407,057	0	2,320	$4,070,574	0.0
DYC Security Staffing in Facilities	5,010,631	0	0	0	$5,010,631	80.6
County Administration	5,000,000	3,333,333	0	8,333,333	$16,666,666	0.0
DYC 24 Hour Medical Coverage	1,990,931	0	0	0	$1,990,931	16.1
DYC Dentention Mental Health	1,011,954	0	0	0	$1,011,954	0.0
All Other	5,795,779	929,410	3,719,681	(727,079)	$9,717,791	19.4
Total Changes Requsted for Human Services	**$34,004,427**	**$3,828,784**	**$4,488,964**	**$9,455,888**	**$51,778,063**	**157.6**
/1 Includes only the amount in the Human Services request. Another $4.0 million is requested in the legislation placeholder for the SB 16-169 Task Force.						
All Other Departments						
Base Budget Changes	$30,752,372	$95,795,876	$26,066,579	$79,444,854	$232,059,681	(20.3)
Other Non-Prioritized Requests (Common Policy & Other)	915,887	1,952,194	1,639,982	129,478	4,637,541	0.0
All Other Requested Changes	15,241,967	35,116,329	9,217,031	427,385	60,002,712	93.3
Total All Other Department Changes	**$46,910,226**	**$132,864,399**	**$36,923,592**	**$80,001,717**	**$296,699,934**	**73.0**
Total Statewide Operating Budget Request						
Base Budget Changes	$66,463,522	$53,926,049	$33,955,492	$15,170,291	$169,515,354	18.4
Other Non-Prioritized Requests (Common Policy & Other)	1,075,698	2,157,256	5,828,807	1,011,297	$10,073,058	0.9
Mandatory Funding and Caseload Changes	335,925,613	(117,905,655)	3,790,151	255,066,656	$476,876,765	0.0
All Other Requested Changes	60,405,229	177,853,348	28,621,832	38,673,814	305,554,223	233.5
Total Statewide Changes	**$463,870,062**	**$116,030,998**	**$72,196,282**	**$309,922,058**	**$962,019,400**	**252.8**
Outside the Operating Request (change amount only)						
Transfers to Other Funds Decrease	($82,505,648)	$15,000,000	$0	$0	($67,505,648)	0.0
Capital Construction Increase	4,054,107	0	0	0	4,054,107	0.0
General Fund Forecasted expenditures outside operating budgets (i.e. OAP, cigarette and marijuana rebates, interest on school loans, etc.)	(1,148,678)	0	0	0	(1,148,678)	0.0
Other and Placeholder Adjustments	7,161,809	16,000,000	0	0	23,161,809	0.0
Total Outside the Operating Request	**($72,438,410)**	**$31,000,000**	**$0**	**$0**	**($41,438,410)**	**0.0**
TOTAL FY 2017-18 Funding Request Change from the current FY 2016-17 Appropriation	**$391,431,652**	**$147,030,998**	**$72,196,282**	**$309,922,058**	**$920,580,990**	**252.8**



COLORADO
Department of Agriculture

FY 2017-18 Governor's Request

$10.5 million General Fund

Share of Statewide General Fund: 0.1%

$50.5 million Total Funds

Share of Statewide Total Funds: 0.2%

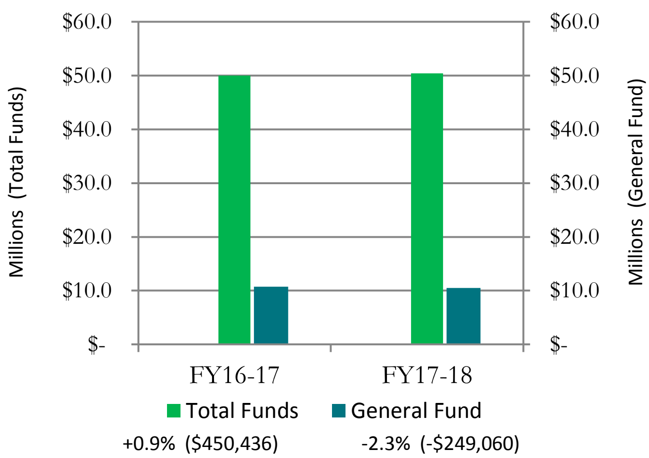
Mission Statement

To strengthen and advance Colorado agriculture; promote a safe, high quality and sustainable food supply; and protect consumers, the environment, and natural resources.

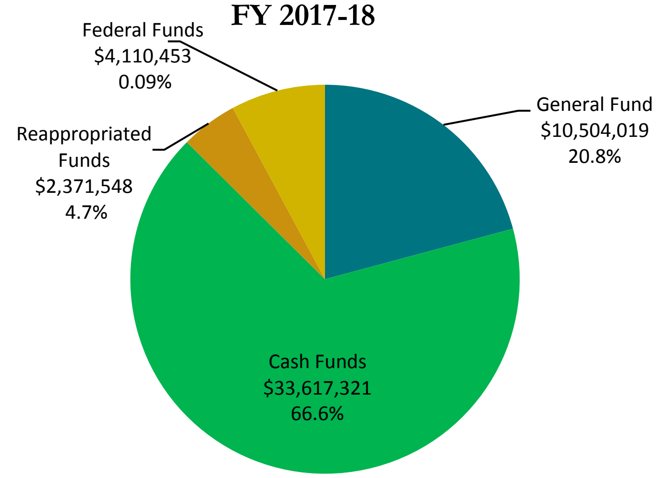
Department Description

Colorado's agriculture industry contributes significantly to the state's overall economy, creates employment for more than 173,000 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 Health Division, the Brands Division, the Colorado State Fair, the Conservation Services Division, the Inspection and Consumer Services Division, the Markets Division, and the Plant Industry Division.

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



Breakdown of Total Funds FY 2017-18



STRATEGIC POLICY INITIATIVES

COLORADO
Department of Agriculture

1 Enhance Public Understanding of Colorado Agriculture

Communicating information about Colorado agriculture and Department programs to the public and the media helps enhance public understanding of Colorado agriculture. A major tool in this effort is social media.

- Followers of the Department's Facebook page increased from 3,115 to 4,117. This far surpassed the Department's goal of 3,425 with this surge being indicative of increased outreach, and shows that both stakeholders and interested members of the public view the Department as a trusted source.
- The Department uses Facebook both to interact with followers about the lighter side of agriculture and to disseminate important topical and program information. Similarly, the Department's outreach efforts are resulting in increased website page views and media impressions.

2 Improve Customer Service Experience With Department Stakeholders

Several key strategies are being implemented aimed at enhancing customer service and driving operational efficiencies.

- One of these is AgLicense, which enables customers to apply or renew and pay for their licenses, registrations, and inspections online, intended to improve operational efficiencies and enhance customer service. The number of Department programs successfully completing renewal applications online using AgLicense increased to 15, surpassing the goal of 14 and marking an increase of six programs over 2015.
- The desired longer-term outcome of these initiatives is to improve the Department's customer satisfaction rating as measured by an every-other-year survey of stakeholders. The most recent survey, conducted in January 2016, reported a satisfaction rating of 86% which was a reversal of the trend that had seen this rating decline from 91% in February 2011 to its low of 84% in February 2014.

3 Increase Marketing and Sales Opportunities in Colorado's Food & Ag Chain

The sale of cattle and calves account for more than 50% of Colorado's total agricultural cash receipts, making it by far and away, the largest segment of the state's agriculture industry.

- Maintaining regulatory disease-free status is central to the ability of Colorado's livestock producers to continue to move livestock and products freely through interstate and international market channels. The Department continually enhances its animal disease traceability system (USA Herds) so that there is better trace-back of disease and greater prevention control of significant livestock disease.
- Trade development and export promotion, another key strategy, focuses on connecting Colorado food and agricultural suppliers with international buyers. The Department coordinated a "Colorado Pavilion" at two recent leading international trade shows. All Colorado suppliers who participated expect to generate new business, and of participants at each trade show, 44% and 25% have already increased sales.

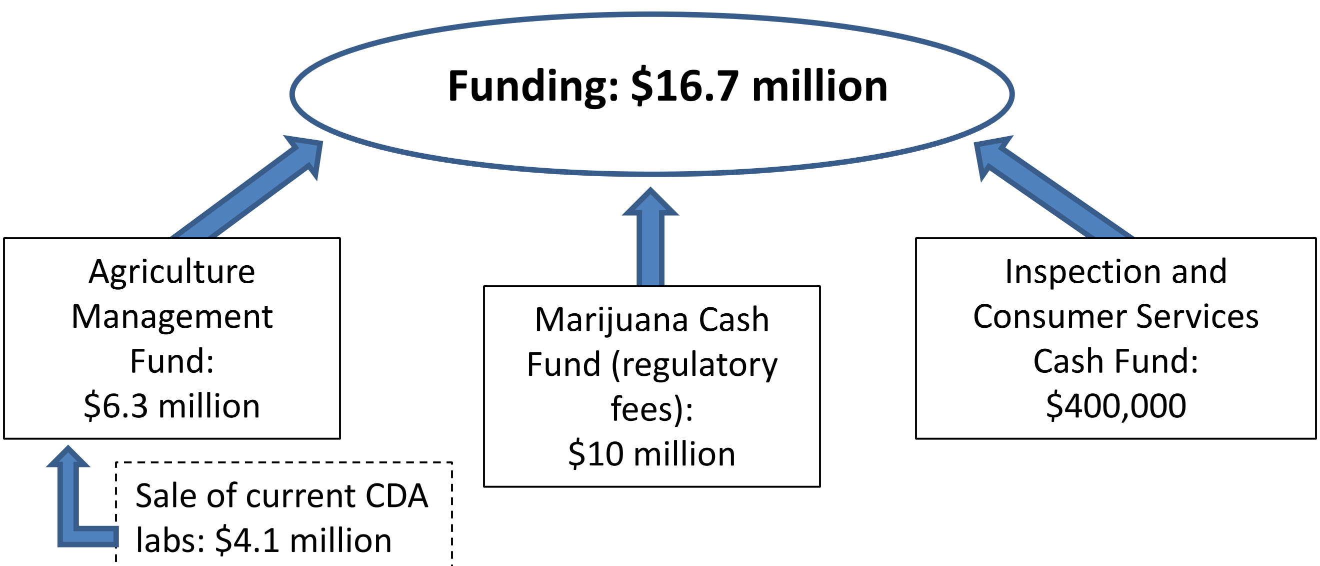
Capital Construction: Office Consolidation Phase Two

$16.7 million Cash Funds

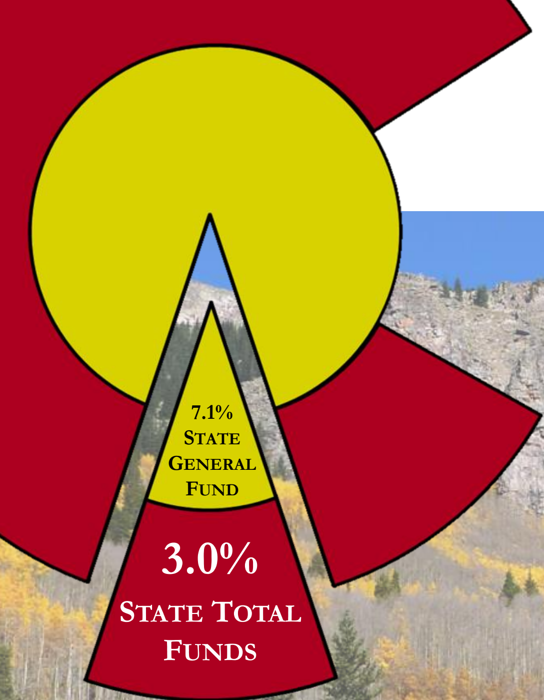
2

Improve Customer Service

- The Department of Agriculture (CDA) requests $16.7 million cash funds to complete Phase Two of office consolidation, which will move the rest of the Department Divisions to the same location, including the labs.
- The Department is purchasing a vacant piece of land behind the Broomfield office for $1.1 million. Part of that deal is selling the warehouse space at the National Stock Show to the City and County of Denver.
- The current space the labs occupy is in need of repair and cannot handle additional workload, particularly that related to marijuana.



COLORADO
Department of Corrections



FY 2017-18 Governor's Request

$771.4 million General Fund

Share of Statewide General Fund: 7.1%

$864.3 million Total Funds

Share of Statewide Total Funds: 3.0%

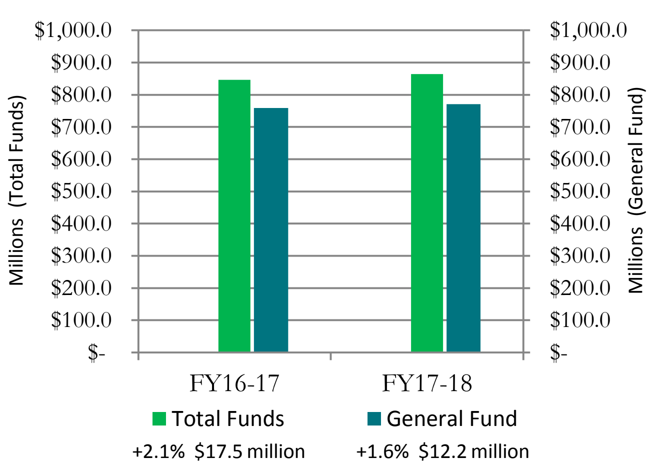
Mission Statement

To protect the citizens of Colorado by holding offenders accountable and engaging them in opportunities to make positive behavioral changes and become law-abiding, productive citizens.

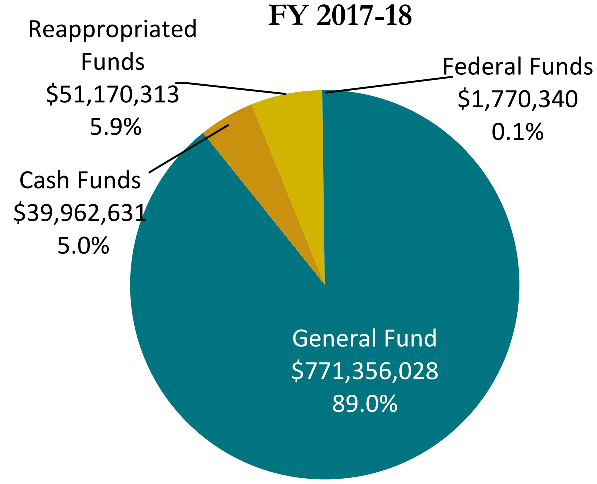
Department Description

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, 2016, the DOC is responsible for housing and supervising a total of 19,757 offenders in both state and private facilities and for supervising 8,929 parolees. The DOC budget includes 6,242.7 FTE in FY 2016-17, 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.

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



Breakdown of Total Funds FY 2017-18



STRATEGIC POLICY INITIATIVES

COLORADO
Department of Corrections

1 Implement Re-entry Living Units/Pods

The Department aimed to implement re-entry living units/pods in 12 level II, III, and IV state correctional facilities, along with private facilities, by September 1, 2015. The DOC met this goal and is now focusing on implementing programs.

- A key element to successful re-entry involves implementing programs in the re-entry living units/pods to enhance offender motivation, problem solving, and thinking processes.
- DOC has identified appropriate programs relevant to re-entry that will best support a releasing offender. Numerous programs have been offered to offenders such as The 7 Habits on the Inside, Thinking for a Change, InsideOut Dad, and Strategies for Self Improvement and Change phases I and II.

2 Reduce Technical Parole Violators

Under the new logic for calculating technical parole violation (TPV) revocations, the DOC will work to reduce the percentage of TPV revocations from 2.6% to 2.0% by June 30, 2017, by appropriately matching intermediate sanctions to the level of the violation and the risk of the offender.

- Intermediate sanctions are actions taken to address non-compliant behavior without a formal disciplinary hearing. Sure and Swift is one key intermediate sanction for offenders that utilizes short-term jail stays in lieu of revocation/regression back to prison.
- The DOC has implemented Incentives, a parolee positive reinforcement program, in conjunction with the Colorado Violation Decision Making Process (CVDMP). CVDMP allows for a range of sanction options for parolees based on the severity of the violation and the risk to reoffend.

3 Increase the Percentage of Parolees in Stable Housing Environments

The Department aims to increase the percentage of parolees in stable housing environments from 76.5% to 80.0% by June 30, 2017, thereby reducing the number of parolees on a homeless status and increasing their chances to successfully re-enter into society.

- The DOC will assign a team of officers specifically dedicated to the homeless population in the Denver metro area, which has the highest concentration of parolees designated as homeless. These CPOs will be assigned to the parolee prior to release from prison and will also work closely with community and faith-based organizations to link parolees with stable housing resources.
- The DOC will continue to work closely with the Governor's Homeless Initiatives director and the Department of Local Affairs/Division of Housing. This team is committed to combating homelessness to assist parolees in their transition back to society.

FY 2017-18 Change Requests

R-01 Mother Baby Unit

$10,000 Cash Funds in FY2017-18 and 0.7 FTE, annualizing to 1.7 FTE in FY2018-19

- The Department requests funding of net-zero from General Fund and $10,000 cash funds spending authority, and 0.7 FTE in FY 2017-18 to establish a Mother-Baby Unit to be located at the La Vista Correctional Facility. This request will annualize in FY 2018-19 to 1.7 FTE. The General Fund portion of this request will be covered by redirected personal services funding.
- Having a mother incarcerated and being separated from her child perpetuates a multitude of societal problems, including increased mental disorder and continuing the familial cycle of criminal justice involvement.

R-02 Sterling Correctional Facility Restrictive Housing Staffing

1

Implement Re-entry Living Units

2.7 FTE in FY2017-18 and 3.0 FTE in FY2018-19

- DOC requests a net zero cost initiative that will add 2.7 FTE educational staff to the Sterling Correctional Facility (SCF) restrictive housing living units. This request will annualize in FY 2018-19 to 3.0 FTE. The General Fund portion of this request will be covered by redirected personal services funding.
- Allowing offenders housed within restrictive housing living units to participate in a minimum four hours of daily out-of-cell activities will better prepare these offenders for successful reintegration into general population living units and eventually society.

R-03 Hepatitis C Treatment

$0 General Fund in FY 2017-18

- The Department requests a net zero General Fund cost initiative that will make available $2 million for expanded treatment of offenders diagnosed with the Hepatitis C Virus (HCV). Program costs for General Fund will be covered by redirected personal services funding.
- The Department currently has over 2,200 offenders diagnosed with HCV. Chronic HCV infection causes inflammation of the liver leading to diminished liver function or liver failure.
- Existing funds allow the treatment of 30 to 35 offenders per year.

R-04 Maintenance Operating

$0 General Fund in FY 2017-18

- To meet the demands of aging facilities and equipment, the Department requests a net $0 General Fund ongoing maintenance operating increase for FY 2017-18 including funding for the Colorado Mental Health Institute -Pueblo (CMHI-P) to assist building repair and maintenance, equipment replacement, and variable mileage expenses. There will be a corresponding increase to Department of Human Services (DHS) reappropriated funds (RF) for $99,591 in spending authority in the CMHI-P operating expense line item. Program costs for General Fund will be covered by redirected personal services funding.
- Current funding for maintenance operating does not adequately provide for needed goods, services, upkeep, repair, and preventative maintenance needs for 471 buildings funded by this appropriation. Aging facilities require substantial maintenance-related expenses for basic upkeep and replacement and/or repair of essential equipment.

FY 2017-18 CHANGE REQUESTS

COLORADO
Department of Corrections

R-05 Food Service Equipment

$0 General Fund in FY 2017-18

- The Department is proposing to redirect $600,000 from the Food Service and Mental Health personal services appropriations to the Food Service operating appropriation for the purpose of replacing or repairing aging equipment and freezers/coolers. This will be an ongoing request.
- All prison facilities are over 15 years old; six are over 50 years old (and two over 100 years old).
- Colorado's aging prison facilities require substantial maintenance related expenses for basic upkeep, and replacement and/or repair of essential equipment.

R-06 Food Inflation

$317,184 General Fund in FY2017-18

- The Department of Corrections (DOC) is requesting a $317,184 General Fund increase in FY 2017-18 in the Food Service subprogram and the Youthful Offender System subprogram for food inflation. The request reflects a 2.0 percent increase for the Food Service Operating appropriation as well as the Purchase of Services appropriations for meals prepared by the Colorado Mental Health Institute at Pueblo (CMHIP).
- The United States Department of Agriculture (USDA) is projecting 1.5 to 2.5 percent food inflation in calendar year 2016. Current funding will not allow the Department to provide a nutritious and quality meal to offenders without a corresponding increase to offset rising food costs.

R-07 External Capacity

2

Reduce Technical Parole Violations

$0 General Fund in FY 2017-18

- The Department of Corrections (DOC) requests a net $0 General Fund increase in FY 2017-18 in order to match private prison, Community Return-to-Custody (CRCF), and jail bed needs with the projected offender population and Department performance plan goals.
- The Department's performance plan includes a strategic policy initiative to reduce technical parole violation revocations (TPVs). Successful execution of this initiative requires a higher number of local jail beds for the use of intermediate sanctions for parolees committing TPVs.

R-08 Medical Caseload

($1.9 million) General Fund in FY 2017-18

- The Department requests a net General Fund decrease of $1,920,271 in FY 2017-18 in the Medical Services Subprogram appropriations, representing an approximate 0.5 percent decrease from the FY 2016-17 funding level. The request will address changes in Per Offender Per Month (POPM) rates in the Purchase of Medical Services from Other Facilities and Purchase of Pharmaceuticals line items.
- Compared to the current funded levels, the proposed methodology would result in a decrease in POPM of $11.55 in the Purchase of Medical Services rate for FY 2017-18.
- Due to a rise in prescription drug inflation, the Purchase of Pharmaceuticals rate is projected to increase from $92.82 POPM to $95.88 POPM
- This request will adjust funding to match medical POPM needs and will allow the Department to provide statutorily-mandated health care to the offender population.

COLORADO

Department of Corrections

Priority: R-01
Mother Baby Unit
FY 2017-18 Change Request

Cost and FTE
• The Department requests funding of net-zero from General Fund and $10,000 cash funds spending authority, and 0.7 FTE in FY 2017-18 to establish a Mother-Baby Unit to be located at the La Vista Correctional Facility. This request will annualize in FY 2018-19 to 1.7 FTE. The General Fund portion of this request will be covered by redirected personal services funding.
Current Program
• The Department is statutorily mandated to provide medical care for offenders. Women identified as pregnant at the time of intake receive prenatal care by the Department. Upon the birth of the child, the child is either placed with a family member or into the custody of the State of Colorado.
Problem or Opportunity
• Between 1977 and 2007, there was an 832 percent rise in the female prison population in the United States (Bureau of Justice Statistics, 2008). Of those, four percent of state and three percent of federal offenders were identified as pregnant at time of intake. • The State of Colorado Department of Corrections does not currently have a program in place to address this issue nor to offer a solution for both the women and children affected by such challenges. • Routine staff turnover in the Department has created a pay differential that reduced the need for personal services appropriations.
Consequences of Problem
• Research regarding the children of incarcerated mothers demonstrates that 5.5 million children come from backgrounds where a parent is incarcerated, on probation, or on parole. These children suffer “enduring trauma”, the clinical name that is applied to children who have never achieved basic safety and trust through attachment, resulting in compulsive behaviors, aggression, substance dependency, theft, and sexual misconduct. • Studies also indicate that common outcomes due to lack of early attachment among children of women offenders are: delays in social and emotional development; early emotional and relationship problems; academic difficulties; high rates of intergenerational criminality and, for males, a lifetime risk of incarcerations that is three to five times more than the national average. • Having a mother incarcerated and being separated from her child perpetuates a multitude of societal problems, including increased mental disorder and continuing the familial cycle of criminal justice involvement.
Proposed Solution
• Redirect $328,884 General Fund from the Mental Health personal services appropriation to establish a 20-bed mother baby unit. The redirected funds will provide 0.7 FTE social workers and associated personal services, operating, and start-up costs. • The $10,000 cash funds spending authority is for estimated gifts, grants, and donations from private and non-profit groups that have expressed interest in supporting a mother baby unit.

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Cost and FTE
• The Department of Corrections (DOC) proposes a net zero cost initiative that will add 2.7 FTE teachers to the Sterling Correctional Facility (SCF) restrictive housing living units. This request will annualize in FY 2018-19 to 3.0 FTE. The General Fund portion of this request will be covered by redirected personal services funding.

Current Program
• The Department houses an average of 170 offenders in three restrictive housing living units at SCF. These offenders are confined to their individual cells for over 22 hours per day. • Offenders assigned to the restrictive housing living units have limited educational and cognitive-based programming offerings and can only participate in such offerings on an individual basis within their cells.

Problem or Opportunity
• The Department is committed to leading the nation with on-going administrative segregation reform. Allowing offenders housed within restrictive housing living units to participate in a minimum four hours of daily out-of-cell activities will better prepare these offenders for successful reintegration into general population living units and eventually society. • The out-of-cell activities will allow teachers to provide programming including General Educational Development and Adult Basic Education curriculums, as well as cognitive-based programs that would be taught in a pro-social group setting. The addition of education staff will play an integral role in providing offenders with both in-cell and out-of-cell educational activities. • Routine staff turnover in the Department has created a pay differential that reduced the need for personal services appropriations.

Consequences of Problem
• Without additional resources, the offenders assigned to extended restrictive housing units will continue to be isolated in their cells for over 22 hours per day, with limited opportunities to participate in out-of-cell individual and pro-social activities.

Proposed Solution
• Redirect $216,382 General Fund from the Sex Offender Treatment personal services appropriation to fund this request. The redirected funds will provide 2.7 FTE teachers and associated Education personal services, operating, and start-up costs. • The addition of 2.7 FTE teachers will expand the current educational and cognitive-based programs and allow the offenders to participate in the offerings in pro-social group settings. • The increased out-of-cell time offered to these high risk offenders will serve to better prepare them for successful reintegration into less restrictive general population facilities and eventually back into the community.

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Cost and FTE

- The Department of Corrections (DOC) proposes a net zero General Fund cost initiative that will make available $2 million for expanded treatment of offenders diagnosed with the Hepatitis C Virus (HCV). Program costs for General Fund will be covered by redirected personal services funding.

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). Private prison and pre-release parole revocation populations are excluded to calculate the eligible recipients of pharmaceuticals.
- The Department started a HCV treatment pilot program in FY 2014-15 that has achieved great success with 38 of 38 treated offenders testing virus free following treatment.

Problem or Opportunity

- The Department currently has over 2,200 offenders diagnosed with HCV. Chronic HCV infection causes inflammation of the liver leading to diminished liver function or liver failure.
- Existing funds allow the treatment of 30 to 35 offenders per year.
- Routine staff turnover in the Department has created a pay differential that reduced the need for personal services appropriations.

Consequences of Problem

- If the requested redirection of funding is not implemented, the Department will continue to treat a limited number of chronically ill offenders suffering with the symptoms of HCV.

Proposed Solution

- Redirect $700,000 from the Medical personal services and $1.3 million from the Mental Health personal services appropriations to the Purchase of Pharmaceuticals appropriation. The redirected funds will double the current available funding for HCV treatment.
- Increasing the number of offenders treated will reduce the percentage of the offender population with the potential to spread an infectious disease.

COLORADO
Department of Corrections

Priority: R-04
Maintenance Operating
FY 2017-18 Change Request

Cost and FTE

- To meet the demands of aging facilities and equipment, the Department of Corrections (DOC) requests a net $0 General Fund ongoing maintenance operating increase for FY 2017-18 including funding for the Colorado Mental Health Institute - Pueblo (CMHI-P) to assist building repair and maintenance, equipment replacement, and variable mileage expenses. There will be a corresponding increase to Department of Human Services (DHS) reappropriated funds for $99,591 in spending authority in the CMHI-P operating expense line item. Program costs for General Fund will be covered by redirected personal services funding.

Current Program

- The program supports uninterrupted operation of the overall physical facilities within the DOC. This includes physical plant management of basic building services and systems such as heating, power, lighting, security hardware, and fire alarms. All are absolutely essential to the operation of a correctional facility.
- The variable mileage rate for facility vehicles is also paid from maintenance operating funding**.**

Problem or Opportunity

- Current funding for maintenance operating does not adequately provide for needed goods, services, upkeep, repair, and preventative maintenance needs for 471 buildings funded by this appropriation. Aging facilities require substantial maintenance-related expenses for basic upkeep and replacement and/or repair of essential equipment.
- There are a growing number of maintenance projects in need of completion that have been deferred because of other emergency maintenance requirements that facilitate the secure operation of prisons. Currently, there are 600 deferred maintenance projects across the Department totaling over $310.2 million. Two years ago, this list contained 223 deferred projects totaling $209.3 million.
- DOC has installed thousands of additional cameras with video recording equipment over the years to help improve safety and security of facilities. Approximately 10 to 20 percent of the aging camera equipment fails each year and must be replaced. This has negatively impacted the maintenance budget and limited the available funds for other maintenance needs.
- All DOC facilities are over 15 years old; six are over 50 years old, and two are over 100 years old.
- Routine staff turnover in the Department has created a pay differential that has reduced the need for personal services appropriations.

Consequences of Problem

- The Department will continue to defer needed projects and equipment replacement, which could eventually lead to complete failures, potentially increased costs for emergency response from vendors, and higher costs for emergency alternative operations for major equipment replacement.

Proposed Solution

- Redirect $750,000 General Fund from the Sex Offender Treatment personal services appropriation, and $750,000 from the Parole personal services appropriation, to fund this request. The redirected funds will allow the Department to begin work on the growing backlog of repair and maintenance projects across state facilities.

COLORADO

Department of Corrections

Priority: R-05
Food Service Equipment
FY 2017-18 Request

Cost and FTE

- The Department is proposing to redirect $600,000 from the Food Service and Mental Health personal services appropriations to the Food Service operating appropriation for the purpose of replacing or repairing aging equipment and freezers/coolers. This will be an ongoing request.

Current Program

- The preparation of offender meals is a critical function in Department of Corrections (DOC) prisons. The Department has over $13 million in kitchen equipment and warehouse freezers/coolers; approximately $6 million has exceeded its projected life expectancy.
- The Department has a stated goal of spending a minimum of $750,000 per year to replace equipment that is beyond its useful life.

Problem or Opportunity

- All prison facilities are over 15 years old; six are over 50 years old (and two over 100 years old) which requires substantial maintenance related expenses for basic upkeep, and replacement and/or repair of essential equipment. Even the newest facilities are reaching the end of life for equipment installed during the original construction.
- The industry standard for institutional food service equipment is an average 10 percent replacement of total investment on an annual basis.
- Warehouse freezers are in need of immediate attention due to failing compressors and other components. A recent failure at the Sterling Correctional Facility cost $110,000 to replace.

Consequences of Problem

- Current funding means a high percentage of equipment is being replaced due to failure, leading to potentially higher costs for emergency purchases.
- Without working food service equipment nutritious meals diminish and serving substitutes can become costly due to serving cold food on Styrofoam. If freezers fail, the potential is high for product being lost due to spoilage.

Proposed Solution

- The Department proposes redirecting $600,000 from the Food Service and Mental Health personal services appropriations to fund this request.
- The additional $600,000 will enable the Department to replace food service equipment at the industry standard.

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COLORADO
Department of Corrections

Priority: R-06
Food Service Inflation
FY 2017-18 Change Request

Cost and FTE

- The Department of Corrections (DOC) is requesting a $317,184 General Fund increase in FY 2017-18 in the Food Service subprogram and the Youthful Offender System subprogram for food inflation. The request reflects a 2.0 percent increase for the Food Service Operating appropriation as well as the Purchase of Services appropriations for meals prepared by the Colorado Mental Health Institute at Pueblo (CMHIP).

Current Program

- The Food Service subprogram provides quality, nutritious meals to over 14,081 offenders, 3 meals per day, and 365 days per year. This equates to approximately 15,418,695 meals being prepared every year.
- The food service program at CMHIP prepares meals for offenders housed at the San Carlos Correctional Facility (SCCF), LaVista Correctional Facility (LVCF), and the Youthful Offender System (YOS). The Department reimburses CMHIP for these costs under the Purchase of Services line in the Food Service subprogram and YOS subprogram.

Problem or Opportunity

- The United States Department of Agriculture (USDA) is projecting 1.5 to 2.5 percent food inflation in calendar year 2016. Current funding will not allow the Department to provide a nutritious and quality meal to offenders without a corresponding increase to offset rising food costs.
- The request will also increase the funding to CMHIP for meals provided at the Pueblo facilities to keep pace with the rate of inflation.

Consequences of Problem

- Without additional operating funds, DOC and CMHIP will continue to absorb increasing food costs and restrict spending in other operating areas. For CMHIP, this may also affect other critical areas, such as patient transportation, durable medical goods, and work-therapy supplies.
- The continued deferral of equipment replacement beyond the range of acknowledged standards will expand obsolescence to where negative returns accumulate. The Department will experience higher maintenance on worn out machines, equipment break downs resulting in the purchase of higher cost convenience foods, and more staff time to deal with disruptive situations.

Proposed Solution

- DOC is requesting an inflationary increase of $317,184 related to raw food prices split between DOC and CMHIP.
- The funding request will allow DOC and CMHIP to keep pace with raw food increases so that both departments can provide quality meals to offenders.

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COLORADO
Department of Corrections

Priority: R-07
External Capacity Caseload
FY 2017-18 Change Request

Cost and FTE

- The Department of Corrections (DOC) requests a net $0 General Fund increase in FY 2017-18 in order to match private prison, Community Return-to-Custody (CRCF), and jail bed needs with the projected offender population and Department performance plan goals.

Current Program

- DOC 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 prison providers are utilized for housing offenders in excess of DOC's physical capacity. In addition, local jails hold offenders that are awaiting a prison bed. CRCF beds house those parolees whose parole has been revoked under defined circumstances.
- The Department's current budget supports an operational capacity of 14,349 state prison beds, 3,358 private prison beds, 216 CRCF beds, and 598 jail beds.

Problem or Opportunity

- Population forecasts from Legislative Council Staff (LCS) and the Division of Criminal Justice (DCJ) have varied significantly compared to actual prison populations thus far in 2016.
- The Department's performance plan includes a strategic policy initiative to reduce technical parole violation revocations (TPVs). Successful execution of this initiative requires a higher number of local jail beds for the use of intermediate sanctions for parolees committing TPVs.
- The Department's recent utilization of CRCF beds has been below the current funded level.

Consequences of Problem

- Varying forecasts compared to actual populations have presented a challenge in presenting a funding request change for private prisons at this time.
- The Department does not have enough local jail beds to enforce intermediate sanctions for parolees committing TPVs in alignment with Department strategic policy initiatives.

Proposed Solution

- The Department does not believe it is reasonable at this time to request any funding increases or decreases related to population. A budget amendment will be submitted at a later date to incorporate more recent forecasts and actual populations
- A realignment of funds to increase the number of jail beds while simultaneously decreasing CRCF beds will promote the Department's strategic efforts to reduce technical parole violations through the use of intermediate sanctions that incorporate short jail stays. An additional 38 jail beds will be funded as a result.

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Cost and FTE

- The Department requests a net General Fund decrease of $1,920,271 in FY 2017-18 in the Medical Services Subprogram appropriations, representing an approximate 0.5 percent decrease from the FY 2016-17 funding level. The request will address changes in Per Offender Per Month (POPM) rates in the Purchase of Medical Services from Other Facilities and Purchase of Pharmaceuticals line items.

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). Private prison and pre-release parole revocation populations are excluded to calculate the eligible recipients of pharmaceuticals.
- For FY 2017-18, the Department projects an eligible population of 17,608 offenders for purchased medical services and 14,214 for pharmaceuticals.

Problem or Opportunity

- Compared to the current funded levels, the proposed methodology would result in a decrease in POPM of $11.55 in the Purchase of Medical Services rate for FY 2017-18.
- Due to a rise in prescription drug inflation, the Purchase of Pharmaceuticals rate is projected to increase from $92.82 POPM to $95.88 POPM.

Consequences of Problem

- If the requested funding changes are not implemented, the Department will be overfunded in the Purchase of Medical Services and underfunded in Purchase of Pharmaceuticals line items resulting in appropriations that do not accurately reflect projected medical spending levels in the current fiscal year.
- The Department is mandated by 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 will adjust funding to match medical POPM needs and will allow the Department to provide statutorily mandated health care to the offender population with more accurate appropriations.

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COLORADO
Department of Corrections

Priority: R-09
Technical Adjustments
FY 2017-18 Change Request

Cost and FTE

- The Department of Corrections (DOC) requests a decrease of $136,051 Reappropriated Funds (RF) and $80,000 Federal Funds (FF) across various subprograms in conjunction with Long Bill letternote corrections.
- Additionally, the Department requests a realignment of General Fund in the amount of $84,325 from the Utilities subprogram to the Maintenance subprogram in order to better represent spending for utilities at the Pueblo Campus for DOC facilities under the interagency agreement with the Department of Human Services (DHS).
- Across all fund sources, this request represents a net 0.5 percent decrease in FY 2017-18 from the current FY 2016-17 funding levels in the various impacted subprograms.
- The Department also requests name changes in various budget lines throughout the Long Bill in order to more accurately reflect the actual usage of funds and be consistent with language in Colorado Revised Statutes (CRS).

Current Program

- Throughout the Long Bill, there are several letternote annotations that serve to more thoroughly describe sources and uses of funds appropriated to the Department.
- The names of budget lines in the Long Bill are also intended to accurately describe uses of appropriated funds.
- The Department currently funds $84,325 of the utilities provided via the DOC/DHS interagency agreement from the Utilities Subprogram, Utilities line item.

Problem or Opportunity

- There are currently invalid letternotes throughout the Long Bill in the following subprograms: Inspector General, Food Service, Mental Health, Education, and Community Re-entry.
- Budget line items that need to be changed in order to more accurately reflect usage of funds exist in the External Capacity, Maintenance, Food Service, and Youthful Offender System subprograms.
- A portion of utilities expenses for DOC's Pueblo facilities are currently recorded under the Utilities subprogram and should be funded under the Maintenance subprogram.

Consequences of Problem

- Outdated information in some of the letternotes in the current Long Bill results in appropriations and spending authorities that are misstated.
- Specific budget line item names need to be changed in order to provide more transparency in spending and consistency with statute language.
- Utilities spending for DOC facilities in Pueblo is not reflected appropriately in the Long Bill.

Proposed Solution

- Updating the requested letternotes and associated appropriations will more accurately reflect sources and uses of funds in FY 2017-18 and forward.
- Changing the names of budget line items as requested will more accurately represent the usage of funds in the affected subprograms as well as provide more consistency with verbiage in CRS.

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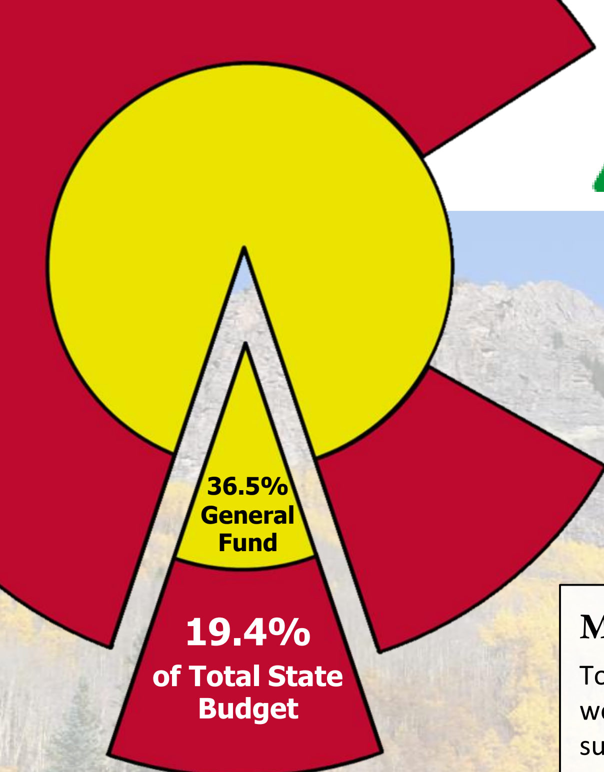


COLORADO
Department of Education

FY 2017-18 GOVERNOR'S REQUEST

$3.97 billion General Fund

Share of Statewide General Fund: 36.5%

$5.53 billion Total Funds

Share of Statewide Total Funds: 19.4%

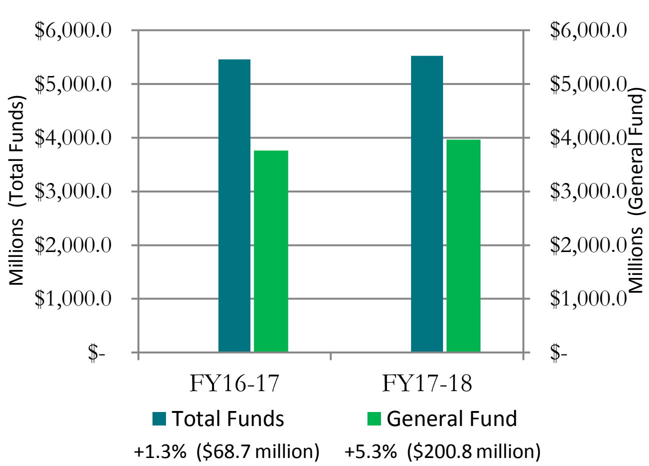
Mission Statement

To ensure that all students are prepared for success in society, work, and life by providing excellent leadership, service, and support to schools, districts, and communities across the state.

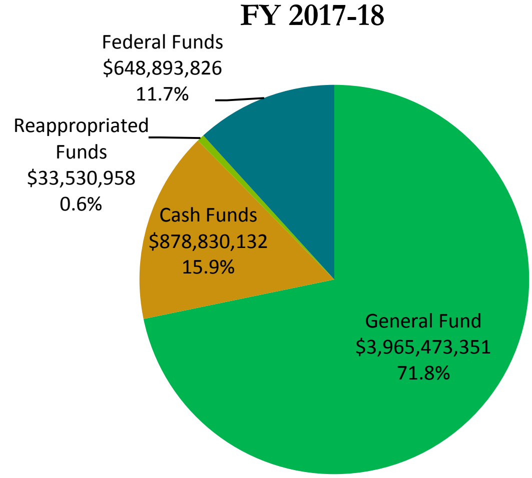
Department Description

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 865,454 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.

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



Breakdown of Total Funds FY 2017-18



STRATEGIC POLICY INITIATIVES

COLORADO
Department of Education

1 Every Student Starts Strong with a Solid Foundation in Grades Preschool-Third

The Department seeks to increase the school readiness of our youngest learners by increasing the percentage of four-year-olds served by the Colorado meeting age expectations in literacy and math by 3 percent in 2017 and by 5 percent in 2019.

- To help accomplish this, the Department is encouraging professional development and parent engagement. Literacy and Math levels were at 79.7% and 65.5% respectively in 2015.

2 Every Student Reads at or Above Grade Level by the End of Third Grade

Ensure every student reaches benchmark in reading by third grade by increasing achievement on the state assessment.

- To help accomplish this, the Department is encouraging professional development and focusing on students with disabilities.
- Due to the changes to state assessments, 2015 results are not comparable to previous years.

3 Every Student Meets or Exceeds Expectations

Ensure that all students meet or exceed benchmarks in state summative assessments by increasing the percentage of students scoring at benchmark or above in English language arts, mathematics and science.

- CMAS results indicate that in 2015, 40% of all students were at the benchmark for English language Arts, 31% % of all students were at the benchmark for Math, 32% of all students were at the benchmark for Science, and 20% of all students were at the benchmark for Social Studies.

4 Every Student Graduates Ready for College and Careers

Ensure every student graduates college and career ready by increasing the graduation rate to 86.6% in 2017, with the goal of 90.7% by 2019.

- In the 2014-15 school year, the graduation rate for all students was 82.5%, an improvement over the previous year's 81.2%.
- The Department is focusing on increasing early warning intervention tools as a way to increase the graduation rate, among other policies.

FY 2017-18 Change Requests

R-01 Total Program Funding for FY 2017-18

1

Increase the Readiness of Our Youngest Learners

$198.2 million General Fund, ($149.7 million) Cash Funds in FY 2017-18

•The Department requests an increase of $48.2 million total funds in FY 2017-18 for the state share portion of the Public School Finance Act and $0.2 million for the Hold Harmless Full-Day Kindergarten Program. The request is a 1.17 percent increase to state share payments from current FY 2016-17 appropriations. The request will fund a forecasted increase of 8,109 pupils (0.9% increase) and an inflation rate of 2.7%. The request increases the Negative Factor from $830.7 million to $876.1 million ($45.4 million) and will maintain a $104.6 million fund balance in the State Education Fund. The request is financed with an increase in General Fund of $198.2 million, an increase of $19.7 million from the State Public School Fund and a decrease of $169.7 million from the State Education Fund.

R-02 Categorical Programs Constitutional Required Increase

3

Every Student Exceeds Expectations

$7.8 million Cash Funds in FY 2017-18

•The Department requests a 2.7% inflationary increase of $7.8 million from the State Education Fund in FY 2017-18 for the categorical programs. Specifically, the Department requests the following increases: (1) $4.3 million for special education for children with disabilities; (2) $1.4 million for English language proficiency programs; (3) $1.4 million for public school transportation; (4) $507,156 for career and technical education; and (5) $166,415 for special education for gifted and talented students.

R-07 School Health Professional

$9.7 million Cash Funds and 3.0 FTE in FY 2017-18

•The Governor's Office requests an increase of $9.7 million from the Marijuana Tax Cash Fund and 3.0 FTE in FY 2017-18 for the School Health Professional Grant program. The increase in funding will be used to hire an additional 150 School Health Professionals to provide secondary public school students with behavioral health and substance abuse preventative education and intervention services.

Other Department Requests (R-03, R-04, R-05, and R-06)

$314,897 General Fund, $340,840 Cash Funds and 0.9 FTE in FY 2017-18

•The Department requests also includes: (1) $93,737 General Fund and 0.9 FTE to provide additional Staff Support for Concurrent Enrollment programs, (2) $340,840 State Education Fund to provide resources to revise state education standards as required by current statute; (3) $171,090 General Fund for increased legal costs at the Department; and (4) $50,070 General Fund for teacher salary increases at the School for the Deaf and Blind.

Placeholder Request to Transfer $15.0 million from the Capital Assistance Fund

$15.0 million transfer from Capital Assistance Fund to Public School Fund

•The Governor's Office requests that $15.0 million in uncommitted fund balance from the Capital Assistance Fund (BEST Program) be transferred to the Public to the Public School Fund. The additional funds in the Public School Fund will be used reduce $15.0 million in General Fund Appropriations for Total Program.

COLORADO Department of Education

Priority: R-01
Total Program Funding for FY 2017-18
FY 2016-17 Change Request

Cost and FTE

- The Department requests an increase of $48.2 million total funds in FY 2017-18 for the ***state share*** portion of the Public School Finance Act and $0.2 million for the Hold Harmless Full-Day Kindergarten Program. The request is a 1.17 percent increase to state share payments from current FY 2016-17 appropriations.

Current Program

- Colorado's 178 school districts are funded for 869,550 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 and the Governor's Office statewide budget balancing proposals, public schools in Colorado will receive an increase of $218.5 million. This increase includes a $170.3 million increase in local share and a $48.2 million increase in state share.

Problem or Opportunity

- In FY 2017-18, the Department projects that total student enrollment will increase by 8,109 pupils (0.9 percent). The Department also projects at-risk students will increase by 2,900 pupils (0.9 percent). The FY 2017-18 inflationary factor is 2.7 percent based on the Office of State Planning and Budgeting (OSPB's) September 2016 Economic Forecast.
- In recent years, the State Education Fund had sufficient fund balances to help offset increases needed from the State's General Fund for the School Finance Act. In FY 2017-18, there are insufficient fund balances to maintain the same levels of appropriations from the State Education Fund and these funds are being replaced with increased appropriations from the State General Fund.
- Based on the formulas and requirements contained in the School Finance Act and State Constitution, the state share increase for the School Finance Act is $93.6 million.
- However, due to the most recent economic forecasts for the State's General Fund and the need to replace State Education Fund appropriations with General Fund appropriations, the Governor's Office proposes changing the Negative Factor from $830.7 million to $876.1 million. Increasing the Negative Factor reduces the state share payment increase required in FY 2017-18 from $93.6 million to $48.2 million.

Consequences of Problem

- The $48.2 million state share increase for public schools is financed as follows: (1) an increase of $198.2 million from the General Fund, (2) an increase of $19.7 million from the State Public School Fund, and (3) a decrease of $169.7 million from the State Education Fund.

Proposed Solution

- The request provides an increase of $48.2 million for the School Finance Act and an increase of $0.2 million for the Hold Harmless Kindergarten program. The request also maintains a $104.6 million fund balance in the State Education Fund.

COLORADO
Department of Education

Priority: R-02
Categorical Programs Inflation Increase
FY 2017-18 Change Request

Cost and FTE

- The Department requests an inflationary increase of \$7.8 million from the State Education Fund in FY 2016-17 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 2016-17 is \$456.7 million. Of this amount, \$141.8 million is General Fund, \$148.2 million is cash funds (\$147.8 million from the State Education Fund and \$450,000 from Public School Transportation Fund), \$104,043 are funds transferred from other state agencies, and \$166.7 million are 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 2016 Economic Forecast indicates a 2.7 percent inflationary rate adjustment for FY 2017-18.

Consequences of Problem

- A 2.7 percent inflationary rate results in a \$7.8 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 \$7.8 million funding increase be allocated to the categorical programs with the greatest needs. Specifically the Department requests an increase of \$4.3 million for special education for children with disabilities, \$1.4 million for English language proficiency programs, \$1.4 million for public school transportation, \$507,156 for career and technical education and \$166,415 for special education for gifted and talented students.

Cost and FTE

- The Department requests 1.0 FTE and $93,737 General Fund in FY 2017-18 ($96,388 in FY 2018-19 and beyond) to fund a position to provide assistance and support to school districts for the concurrent enrollment program. Currently, the Department does not have a dedicated staff member for this program.

Current Program

- Concurrent enrollment is a program in which charter schools and districts choose to participate and provide opportunities for student participation. Students are able to earn high school and college credit through a single concurrent enrollment course. Since 2009, concurrent enrollment has grown to serve more than one-third of all high school students in nearly all school districts. CDE often receives requests from school districts to assist with concurrent enrollment processes, practices, and partner agreements.

Problem or Opportunity

- Initial implementation of concurrent enrollment was inconsistent as each school, district and college were left to navigate and create a process independently. It's estimated that approximately $3 million in staff time is being spent on navigating inefficient processes by school and district personnel.
- The Department has anecdotal reports from school staff and parents about filling out dozens of duplicative forms for a student to register for the concurrent enrollment in their district.
- Dedicated supports would improve concurrent enrollment for the 30,000+ students in the program. The LEAN process identified three systemic issues that exist and compound barriers within the Concurrent Enrollment program. A dedicated position is an opportunity to assist in surmounting those barriers. solutions.

Consequences of Problem

- Students, parents and school/district administrators will continue to face a process with unnecessary barriers to access concurrent enrollment education opportunities. The ROI for a streamlined district process could conservatively save $3 million annually.

Proposed Solution

- The request FTE position and funding will provide direct implementation supports to school districts for activities such as: identifying and removing duplicative enrollment processes, streamlining forms, assisting in advising/counseling strategies, and providing supports for districts and higher education institutions to put consistent agreements in place statewide. The additional FTE will help reduce the overall administrative burden, measure participation levels at districts, and help increase awareness and participation in the program.

Priority: R-04
Standards Revision
FY 2017-2018 Change Request

Cost and FTE

- The Department requests an increase of $340,840 (57.3% increase to current appropriation) from the State Education Cash Fund for the Preschool to Postsecondary Alignment program in FY 2017-18. The request provides funding to revise State education standards as required by state statute.

Current Program

- Senate Bill 08-212 Colorado's Achievement Plan for Kids (CAP4K) required the Colorado State Board of Education to adopt new preschool through 12th grade standards. These Colorado Academic Standards articulate learning expectations for Colorado students in 10 content areas: comprehensive health and physical education; dance; drama and theatre arts; math; music; reading, writing, and communicating; science; social studies; visual arts; and world languages as well as English language development.
- Since 2010, the Office of Standards and Instructional Support has provided technical assistance to Colorado districts, schools, and educators regarding the implementation of the Colorado Academic Standards.

Problem or Opportunity

- CAP4K (section 22-7-1005(6) C.R.S.) requires the State Board of Education to regularly review and revise the Colorado Academic Standards. The first review cycle is schedules for FY 2017-18 and every six years thereafter. The Department's request provides funding for the activities necessary to meet the statutory requirement. The activities specific to the standards revision process are not part of the ongoing workload and service delivery of the Department.

Consequences of Problem

- The Colorado Academic Standards form the foundation of local school district standards and the state assessment system. Without the funds to support the convening of content area standards revision committees and stakeholder engagement strategies, the CDE would not be able to conduct the activities necessary to complete a thorough, inclusive, and effectively managed review process of the standards.

Proposed Solution

- The Department's request provides the resources necessary to complete tasks related to the standards revision processes. These tasks include: (1) engaging feedback from educators and stakeholders on the current standards, (2) convening content area standards review committees to provide recommended revisions to the standards, (3) creating benchmark reports for each content area, (4) providing expert reviews of recommended standard revisions, (5) funding for staff travel and project management. Following the approval of the revised standards, the Office of Standards and Instructional Support will provide updated materials to develop supports for Colorado school districts, schools and educators.

COLORADO
Department of Education

Priority: R-05
Legal Services Increase
FY 2017-2018 Change Request

Cost and FTE

- Due to increasing costs in litigation and other services the Department of Law provides, the Department requests an increase of $171,090 to its General Fund Legal Services line. This represents a 64.7% increase over the base.

Current Program

- The Legal Services line of the Long Bill provides an appropriation for services the Department receives from the Attorney General's Office within the Department of Law.
- The Department of Law provides a range of services from litigation, advice on personnel matters, consultation with and legal advice to the State Board of Education, and interpretation and legal advice to Department staff charged with implementing the legislation and programs at the Department.

Problem or Opportunity

- The Department has seen a significant increase costs charged to the Legal Services line in the past two years, and this trend is expected to continue. In FY2015-16, the Department's Legal Services line was overspent by $80,831 (30.5% over the Legal Services appropriation for FY2015-16).
- The cost trend is expected to increase more in the current year and for FY2017-18, due to the schools and districts that may be in the 5th year of the accountability clock, the Department's waiver with the US Department of Education and how the reauthorization the No Child Left Behind to Every Student Succeeds Act.
- In particular, the decisions the State Board of Education must make around schools and districts in the fifth year on the accountability clock will require a great deal of guidance and assistance from the Attorney General's Office.

Consequences of Problem

- Without an additional appropriation, the Department will not have access to the legal advice, representation, and guidance it needs to navigate the significant issues it faces around accountability, new federal and state legislation, and the State Board's responsibilities for serving and setting rule and policy for districts and schools.

Proposed Solution

- Based on the current billing rate and estimates provided by the Department of Law, CDE requests $171,090 of additional spending authority in Legal Services General Fund line.

COLORADO
Department of Education

Priority: R-06
CSDB Teacher Salaries
FY 2017-2018 Change Request

Cost and FTE

- The Colorado School for the Deaf and the Blind (CSDB) requests an increase of $50,070 General Fund in FY 2017-18 for salary experience step increases for the teachers employed at the school.

Current Program

- CSDB teachers are statutorily required to be paid the equivalent of employees in El Paso District 11 based upon the previous school year's teacher salary schedule and the established CSDB procedures adopted to implement the salary schedule.

Problem or Opportunity

- CSDB teachers, who follow the District 11 scale, do not receive any State of Colorado across-the-board or merit salary increases, as they are compensated in accordance with the provisions of the salary schedule adopted by the Colorado Springs District 11 Board of Education as of January 1 of the previous fiscal year and the established CSDB procedures adopted to implement the salary schedule. It is important that CSDB aligns with the District 11 scale, and supports teachers in very difficult-to-fill positions. The Colorado Springs District 11 Board of Education and the Colorado Springs Education Association agreed upon experience step increases for teachers in the districts school calendar year 2016-2017.

Consequences of Problem

- If not funded, CSDB will still be required to compensate the teachers based upon statute but will be forced to reduce services in other areas to fund the increases.
- According to C.R.S (2009) Section 22-80-106.5, CSDB is required to compensate teachers based upon the El Paso District 11 salary schedule and the established CSDB procedures adopted to implement the salary schedule.

Proposed Solution

- CSDB proposes funding the experience step increase based upon the El Paso District 11 pay schedule.

Priority: R-07
School Health Professional Grant Program
FY 2017-18 Change Request

Cost/ FTE

- The Governor's Office requests an increase of $9.7 million Marijuana Cash Funds and 3.0 FTE to the School Health Professionals Grant Program in the Department of Education. The current appropriation for the program is $2.28 million Marijuana Cash Funds and 1.0 FTE.

Current Program

- The Department of Education, through the School Health Professionals Grant program, offers matching grants to School Districts, Local Education Authorities, and charter schools to increase the presence of school health professionals in schools to provide education, universal screening, referral and care coordination for secondary school students with substance abuse and other behavioral health needs.
- Current funding provides training and resources for staff to implement evidence-based programming on behavioral health and substance abuse prevention education for all students.

Problem or Opportunity

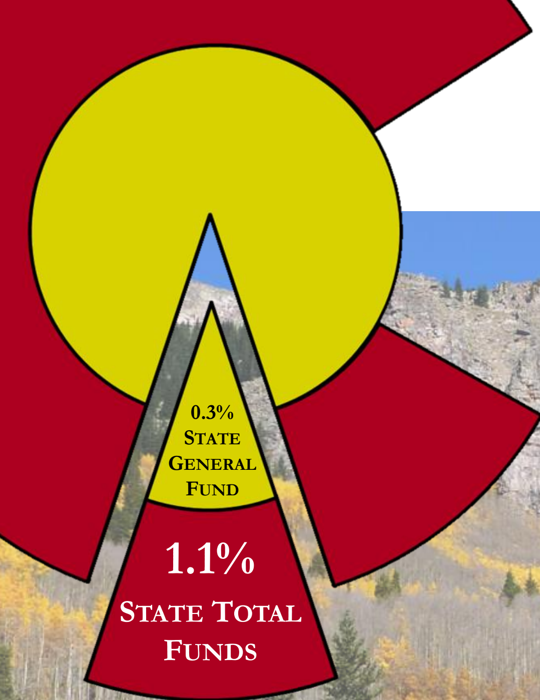
- School nurses are often the health care professional in the school who first assess and identify the subtle signs exhibited by students with mental health needs or indications of substance abuse. School nurses and other school health professionals (psychologists, social workers, etc) work on the front lines and are in the best position to make a positive impact and provide access to treatment resources for the challenges students face, such as depression, self-harm, substance abuse and suicide.
- The opportunity to initiate innovative and effective prevention programming is clearly significant, as is the demand to contribute to the emerging national conversation on ties between youth marijuana usage and mental and behavioral health.

Consequences of Problem

- The consequences of increased use of any substance, especially for children and adolescents whose neurological development is still in process, is potentially life altering in terms of academic achievement, and has potentially negative consequences of a social and emotional nature.
- A lack of coordination of care and resources is consistently cited in the literature related to mental and behavioral health needs, exemplified by the fact that only one provider exists for every 100 identified with a mental/behavioral health concern.

Proposed Solution

- The Governor's Office requests an increase of $9.7 million from the Marijuana Cash Fund to increase the number of school health professionals in Colorado Schools. The money will increase the number of matching grants provided by the Department of Education through the School Health Professional Grant Program. The Departments estimates that the increase in funding will increase the number of school health professionals by 150 new positions in school districts.
- The additional funding will increase the presence of licensed school health professionals that are highly trained in universal screenings, evidence based prevention programming and trainings in Colorado schools.



COLORADO
Gov. John Hickenlooper

FY 2017-18 Governor's Request

$39.5 million General Fund

Share of Statewide General Fund: 0.3%

$331.7 million Total Funds

Share of Statewide Total Funds: 1.1%

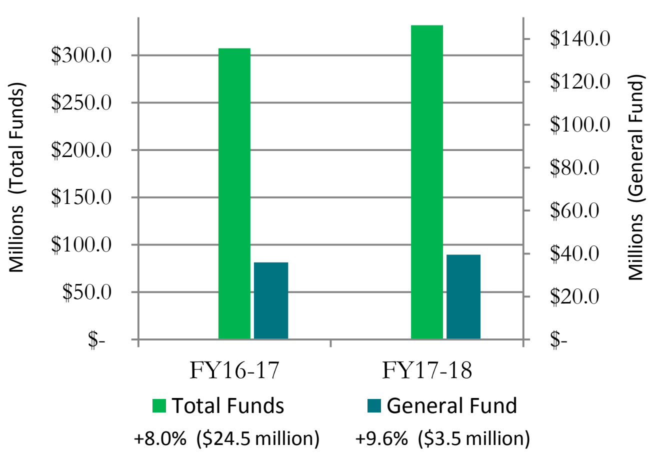
Mission Statement

The Governor's Office works every day to promote collaboration, innovation and efficiency to serve the greatest good for the people of Colorado.

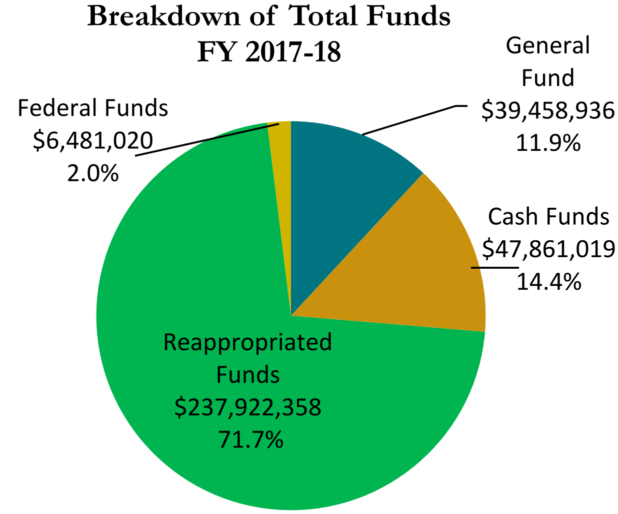
Department Description

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 (promoting market-based solutions for economic development in the energy industry), the Lieutenant Governor's Office (who acts in the capacity of the Governor when the Governor is out of the state or is otherwise unable to perform his constitutional responsibilities, and also serves as the State's Chief Operating Officer), the Office of State Planning and Budgeting (providing the Governor with information and recommendations to make sound budget policy decisions), the Office of Economic Development and International Trade (assisting in strengthening Colorado's prospects for long-term economic growth by providing broad-based support to Colorado businesses), and the Office of Information Technology (overseeing technology initiatives throughout the state and implementing strategies to maximize efficiencies in information technology service delivery).

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



Breakdown of Total Funds FY 2017-18



OIT Strategic Policy Initiatives

COLORADO
Governor's Office of
Information Technology

1 Delivering Smart Solutions and Reliable Customer Service

Increase in Service Excellence Rating 15% by June 30, 2017.

- Delivering consistent, high quality services to our agency customers is our priority. As we improve our service ticket hand-offs, clarify expectations and processes, and equip our technology professionals with the tools they need to best serve the customer, we are creating a more seamless and positive end-to-end customer experience across all channels.

2 Securing Colorado Through Innovation

95% of agencies with Risk Scores below 11 by June 30, 2017.

- OIT is responsible for the state's information security governance, architecture, risk and compliance, as well as overseeing day-to-day security operations. We strive to preserve the confidentiality, integrity, and availability of state and citizen data. We measure risk using the McAfee Risk Advisor, a tool which assesses the potential of a threat to exploit vulnerabilities of an asset and cause damage or unintended consequences.

3 Strengthening Colorado's Technology Landscape

80% of rural households have access to broadband by June 30, 2017.

- In addition to providing support to executive branch agencies, OIT is responsible for promoting a robust IT ecosystem throughout Colorado in collaboration with key stakeholders. We contribute to growing IT economic development by partnering with local communities and broadband providers to cultivate stronger broadband coverage for residents and businesses, attracting new tech companies to our community, developing young tech talent, and fostering relationships with local technology companies to strengthen their commitment to the state.

4 Advancing a Culture of Employee Support and Consideration

2% increase in OIT's Employee Engagement Score by June 30, 2017.

- Transforming how the public interacts with government is no easy task. That's why we strive to make OIT a place where creative people with passion for our community come together to solve complex problems and strive for continuous service improvement. At OIT, we are fostering an environment where employees take pride in delivering critical services that impact our entire state. OIT assesses engagement through an annual Employee Engagement Survey, which is administered by a third-party source during the fall of every year. Engagement scores are determined by calculating employee pride to work for the organization, feelings of personal accomplishment through work activities, and desire to remain with the organization.

OIT FY 2017-18 Change Requests

COLORADO
Governor's Office of Information Technology

R-01 Secure Colorado

2

Securing Colorado Through Innovation

$3.1 million Reappropriated Funds and 7.0 FTE in FY 2017-18, ongoing

- The Governor's Office of Information Technology (OIT) requests $3,091,644 in Reappropriated Funds and 7 FTE in FY 2017-18 and beyond to increase the overall cyber security budget, and to fund the next round of initiatives related to Secure Colorado.
- Three years ago, OIT set a budgetary goal of 5% of the statewide annual IT spend to be invested in cybersecurity. This request gets the state close to that goal for FY 2017-18.

R-02 Technology Advancement and Emergency Fund

3

Improving Colorado's Technology Landscape

$2.0 million General Fund in FY 2017-18, ongoing

- OIT seeks an increase of $2,000,000 General Fund for FY 2017-18 and ongoing for the creation of the Colorado Technology Advancement and Emergency Fund. This request would establish a sustained and flexible funding stream allowing OIT to be a proactive partner with state agencies for their IT needs.
- The Fund would be governed by an IT Steering Committee staffed by Executive Branch agency Directors on a rotating basis.

R-03 Marijuana Data Coordination

$1.1 million Cash Funds in FY 2017-18, $638,750 Cash Funds ongoing

- OIT seeks an increase of $1,109,625 in Cash Funds in FY 2017-18, and $638,750 in FY 2018-19 and ongoing, to create a data platform that will allow agencies to identify, collect, assimilate, store, analyze, disseminate, and present marijuana-related information in a secure, transformative, real-time manner.
- This proposal is a joint request between OIT and the Governor's Office of Marijuana Coordination in response to C.R.S. 24-33.5-516. This request will be paid for by the Marijuana Tax Cash Fund.

R-04 Deskside Staffing

1

Smart Solutions and Reliable Customer Service

$1.1 million Reappropriated Funds and 8.0 FTE in FY 2017-18 , ongoing

- OIT seeks an increase of $1,095,218 Reappropriated Funds and 8.0 FTE in FY 2017-18 ongoing, to create a statewide Deskside "swat team" within OIT to increase responsiveness to agency deskside needs.
- The 8.0 FTE requested will raise OIT to the staffing level from 5 years ago, industry standard would require approximately 20.0 FTE.

CEO Strategic Policy Initiatives

1 Diversifying Transportation Fuel Use for all Coloradans

Increase the sales of CNG fuel by 500% from 2.5 million gasoline gallon equivalents (GGEs) per year in 2013 to 13 million GGEs per year by June 30, 2018, and increase the electric vehicle (EV) market share for new light duty vehicles sold in Colorado from 0.62% in 2013 to 2.3% by June 30, 2018, diversifying transportation fuel use for all Coloradans.

- CNG fuel sales in Colorado increased from 2,583,243 GGEs to 5,648,589 GGEs in 2014, and declined slightly to 5,627,307 GGEs in 2015. This was due in part to the market response to lower gasoline prices.

2 Increase Energy Savings Resulting from Energy Efficiency Projects

Increase energy savings resulting from CEO's direct energy efficiency projects by 12.6% from 273,253 MMBtu in FY16 to at least 307,878 MMBtu by June 30, 2018.

- CEO hopes to install energy efficiency measures in 2,000 homes through Colorado's Weatherization Assistance Program, yielding, on average, at least $208 in annual savings per low-income household (1.2% of income, on average) by June 30, 2017.

3 Decrease Colorado's Average Annual Residential Energy Use

Decrease Colorado's average annual residential energy use by 5% from 91 MMBTU in 2012 to 86 MMBTU by June 30, 2018.

- According to data from the U.S. Energy Information Administration, Colorado's average annual residential energy use was 91 MMBtu in 2012 and increased to 102 MMBtu in 2013. The reason for the increase is unclear. Data for 2014 will be published in July 2016. At that time, CEO will assess whether the increase was a one-time occurrence, or determine what factor is driving the increase.

CEO FY 2017-18 Change Request

R-01 Reauthorization of the Colorado Energy Office

1 Diversify Fuel	**$5.1 million Total Funds and 24.0 FTE in FY 2017-18, ongoing**
	• Under current law, the Colorado Energy Office sunsets at the end of FY 2016-17. The budget request includes continuation funding of $3.1 million to its two main cash funds (and 24 FTE associated with that funding), and an additional $2.0 million for its weatherization program. • The request includes a $1.6 million transfer from the General Fund into the Clean and Renewable Energy Fund, a $1.5 million transfer of severance tax to the Innovative Energy Fund, and a $2.0 million General Fund appropriation to the Low-income Energy Assistance Program. • This request requires legislation.

OEDIT Strategic Policy Initiatives

1 Assist Rural Colorado Communities to Develop Strong Leadership Pipelines

Increase regional leadership succession planning from 0 regions to 14 regions by June 2017.

- The Department aims to achieve this outcome by incorporating leadership development plans into regional economic blueprints and increasing the number of leadership training programs. Additionally, the Department intends to create youth leadership opportunities to ensure a diverse pipeline. For example, the Governor's Rural Youth Leadership Program.

2 Strengthen Colorado's Unique Attributes and Empower Access for Coloradans

Increase perception of B2B network opportunities by 1 point in Business Survey by June 2017.

- The Department aims to continue creating, hosting, and promoting industry empowering events such as COILS, SBDC, CTO, COIN and CCI Summit.
- Another strategy for achieving this goal is to increase support and focus by leveraging industry programs.

3 Attract, Retain, and Grow Business

Increase goods and services satisfied within region (instead of importing) to above 50% in identified industries in the future.

- Strategies for SPI achievement include: (1) partnered pro-active recruiting for rural regions, (2) increased small business consulting services statewide, (3) focused recruiting in urban areas on chain of supply and key industry companies, and (4) alignment of ITO with GBD focus on FDI opportunities.

OEDIT FY 2017-18 Change Requests

R-01 Reauthorization of the Economic Development Commission

$5 million General Fund and 4.0 FTE in FY 2017-18, ongoing

- Under current law, the Economic Development Commission, which is supported by the Office of Economic Development and International Trade (OEDIT), will sunset at the end of FY 2016-17. The request includes continuation funding of $5.0 million General fund (and 4.0 FTE associated with that funding).
- The majority of the funds requested are to support the "Strategic Fund" of the Economic Development Commission.
- This request requires legislation.

R-02 Hiring a Deputy Director for the Outdoor Recreation Industry Office

$97,500 General Fund and 1.0 FTE in FY 2017-18, ongoing

- OEDIT is requesting authorization for 1.0 FTE and $97,500 General Fund ongoing, to hire a Deputy Director for the Outdoor Recreation Industry Office ("ORec Office").
- A Deputy Director in place will help to cultivate the ORec industry in Colorado, and allow the Director to focus on long-term strategic plans, goals, and relationships across the state, without also having to handle the Office's day-to-day affairs.

Priority: R-01
Funding the Colorado Energy Office
FY2017-18 through FY2021-22 Funding Request

Cost and FTE

- CEO is requesting the JBC to sponsor 2017 legislation to continue the funding provided by H.B.13-1215 through another five-year appropriation for the Innovative Energy Fund (IEF) and the Clean and Renewable Energy Fund (CREF). This request would also reauthorize 24.0 existing FTE tied to these funding sources. Furthermore, CEO requests an additional $2.0 million General Fund transfer over that five-year period for the Low Income Energy Assistance Fund (LIEAF). Combined, this is a state funding total of $5.1 million annually for five years.

Current Program

- H.B. 12-1315 restructured the Colorado Energy Office and provided five year continuous appropriations for two state funding sources. They are used toward improving the effective use of all of Colorado's energy resources and the efficient consumption of energy in all economic sectors. As enumerated in the office performance plan, the CEO works in and tracks outcomes in three market segments: (1) Transportation sector: alternative-fuel vehicles; (2) Buildings/facilities sector: energy efficiency and on-site clean generation; and (3) Innovative energy production: commercialization and market transformation of emerging energy technologies.

Problem or Opportunity

- The final $1,600,000 General Fund transfer into the CREF was July 1, 2016, and the final $1,500,000 severance tax transfer into the IEF was July 1, 2016.
- Additionally, CEO’s LIEAF is authorized to receive Tier II severance tax through FY 2018-19. It is not projected to receive funding in FY 2016-17. Inconsistent funding impacts service delivery of low-income energy services. Additionally, state dollars are used to leverage utility rebates for customers, so a reduced appropriation inhibits the CEO’s ability to leverage utility dollars.

Consequences of Problem

- Going forward, the only programs CEO manages that can continue to operate without CREF and IEF appropriations are the Weatherization Assistance Program (WAP) (ongoing) and the Alternative Fuels Colorado program (through FY 2017-18 only).
- The CREF and IEF appropriations are used to serve customers across each of the office’s market areas. Not reauthorizing this funding would lead to a loss of 24.0 FTE and approximately $1.7 million in federal dollars that have state matching requirements.

Proposed Solution

- The request is a continuation of the current office funding provided by H.B.12-1315 that expires after FY 2016-17: $1,600,000 million a year in General Fund for the CREF and $1,500,000 million a year in severance tax in the IEF. Furthermore, to stabilize funding for weatherization services, CEO requests an additional $2.0 million General Fund transfer over that same five-year period for the LIEAF. Combined, this is a state funding total of $5.1 million annually for five years.

COLORADO
Governor's Office

Priority: R-02
Sunset Governor's Office of Marijuana Coordination
FY 2017-18 Change Request

Cost and FTE

- The Office of Marijuana Coordination (OMJC) is requesting to transfer $113,914 in Marijuana tax cash funds and 1.0 FTE from OMJC to the Governor's Office Administration line, and to eliminate the remaining 1.0 FTE and $103,030 cash funds. *This request requires legislation.*

Current Program

- The OMJC works to ensure the efficient and effective regulation of Colorado's retail and medical marijuana while promoting public health, maintaining public safety, and keeping marijuana out of the hands of children. OMJC works with state agency partners and other concerned stakeholders locally, nationally, and internationally.
- The OMJC manages marijuana tax revenue; guides the administration through difficult regulatory, legal, and personnel issues as the first state in the world to regulate recreational marijuana; serves as the point of contact and spokesperson for local, national, and international press; and advises cities, states, and countries around the world about issues surrounding marijuana legalization.

Problem or Opportunity

- The OMJC should sunset at the end of FY 2016-17 because the short term work of fairly implementing Amendments 20 and 64 is approaching completion, leaving only long-term departmental work.
- Dissolving the OMJC sends an important message internally and externally about implementation progress of new policies and sets an example for future initiatives in need of temporary centralized coordination.

Consequences of Problem

- As circumstances change, the OMJC may become a barrier rather than increasing efficiency.
- There are risks in dissolving the OMJC including: not solving roadblocks in time, challenges of new states legalizing within the region, pressure from the presidential election, potential talent/expertise differential between current and future staff, undermining public trust and comfort on the issue, possible political fallout if an unexpected crisis arises, and managing perception outside Colorado of implementation's progress and success.

Proposed Solution

- The closure of the OMJC, and the hiring and transfer of 1.0 FTE to the Governor's Office will help to mitigate these consequences. While relevant departments will be prepared to handle marijuana-related work on their own, the 1.0 FTE in the Governor's Office will handle certain marijuana-related responsibilities that remain following the closure of the OMJC.

Cost and FTE

- The Office of the Governor requests $500,000 to scale up the success of the OSPB Performance Academy, with a special emphasis on Lean, and provide an incentive for Departments to invest in developing strategic leaders who drive a customer-focused culture and continuous process improvement. This ongoing General Fund appropriation would provide matching funds to reimburse Departments up to 50 percent for the cost of targeted training.

Current Program

- OSPB's Performance Academy, including its Lean module, has achieved a net promoter score of 95%+ and wide recognition across State government as high-value leadership development training.
- Departments currently under-invest in employee training (average $350 per year per employee, compared with $1,200 in the private sector). Of this minimal spending on training, more than 80% is for technical training, and only a small percentage is invested in developing leadership talent.
- DPA does not offer leadership development courses similar to OSPB's Performance Academy, and the process improvement courses they do offer have a low take-up rate by agencies.
- Departments signal a strong preference for external vendors for process improvement courses such as Lean, but without purchasing power, pay more for such training.

Problem or Opportunity

- The State can build on the success of the OSPB Performance Academy, and scale it up to reach more employees on a demand-driven basis. OSPB's Performance Academy, successful as it is, can only reach about 80 employees per year when it is delivered through the Governor's Office.
- Many elements of the Academy can be replicated and delivered via the DPA training center. Such a replication of these high quality courses at DPA will increase economies of scale relative to agencies developing their own in-house training or purchasing it one-off.
- In a 2015 survey of Department directors, leadership development was cited as a top training need.

Consequences of Problem

- Departments will continue to purchase leadership training, including Lean training, with a high variation of cost and quality, and not accessing economies of scale or negotiated prices; Departments may also duplicate efforts by building training in-house.
- Risk that the number of process improvement Lean projects around the State will diminish without a continued push to train more staff in Lean.

Proposed Solution

- The Governor's Office will work with DPA to replicate certain modules of the Performance Academy curriculum, and contract with proven successful facilitators for the training. Departments will then purchase the training at DPA from their existing training budgets, and receive up to 50% reimbursement from OSPB for these specially designated courses.
- We anticipate the $500,000 in Matching Funds will lead to at least 500 individuals being trained each year in these strategic areas.

Cost and FTE

- This request will cost the State $5.0 million General Fund on an ongoing basis. This would continue the same level of funding the Office of Economic Development and International Trade ("OEDIT") received for the Colorado Economic Development Fund ("Fund," also known as the "Strategic Fund") for each of FY 2013-14, FY 2014-15, FY 2015-16, and FY 2016-17.
- This request includes maintaining the existing 4.0 FTEs currently funded by the Strategic Fund and responsible for supporting the Economic Development Commission ("EDC"), as detailed below.

Current Program

- Among other things, the EDC is required by statute to play an active role in assessing and approving applications for many of OEDIT's effective incentive programs, along with overseeing awards granted. OEDIT's Business Funding & Incentives ("BF&I") Division staffs the EDC and administers these incentive programs.
- The Fund is a performance-based incentive to encourage job creation and provide support for statewide initiatives. The Fund can be used to encourage out-of-state companies to move to Colorado and to incentivize Colorado companies to remain and grow in Colorado instead of moving out-of-state to expand operations. The Fund can also be used to fund strategic initiatives such as incubators, new direct international flights, and others.

Problem or Opportunity

- C.R.S. 24-46-106 states "This part 1 is repealed, effective July 1, 2017." The referenced "part 1" includes the creation of the EDC, its membership, and its powers and duties. Part 1 also includes the creation of the Fund.
- This request requires legislation.

Consequences of Problem

- If the repeal date in C.R.S. 24-46-106 is not extended, OEDIT cannot use the Fund for statewide strategic initiatives or to incentivize companies to move to/grow in Colorado. OEDIT will also be unable to distribute committed funds from the Fund or fully perform under existing contracts.
- OEDIT will be unable to cover the costs of 4.0 existing FTEs.
- OEDIT will be unable to offer or administer many of its effective incentive programs, as they require the EDC's active participation, approval, and oversight. Programs include Job Growth Incentive Tax Credit, Strategic Fund, Advanced Industry Accelerator grants, film rebate and loan guarantee programs, Rural Jump Start Zone program, Regional Tourism Act, and Enterprise Zones.

Proposed Solution

- With legislation, extend the repeal date in C.R.S. 24-46-106 to at least July 1, 2027.

Cost and FTE

- The Office of Economic Development and International Trade ("OEDIT") is requesting authorization for 1.0 FTE and $97,500 General Fund ongoing to hire a Deputy Director for the Colorado Outdoor Recreation Industry Office ("ORec Office").
- OEDIT is requesting that the Global Business Development ("GBD") line item be utilized.

Current Program

- The ORec Office drives economic development around ORec companies and activities by (i) assisting rural Colorado communities to develop strong leadership pipelines, (ii) strengthening Colorado's unique attributes and empowering access for Coloradans, and (iii) attracting, retaining, and growing business.
- The ORec Office has four primary goals: economic development, conservation & stewardship, education & workforce training, and capturing industry innovation.
- The ORec Office consists solely of the ORec Office Director.

Problem or Opportunity

- The ORec Office's efforts are limited to the workload capacity of one person. This hampers the Office's ability to increase its impact.

Consequences of Problem

- If the ORec Office does not receive authorization and funding for a Deputy Director to share the workload, the ORec Office Director will be unable to focus on long-term strategic plans, goals, and relationships across the state. This will impede the efforts of the ORec Office.

Proposed Solution

- By authorizing 1.0 FTE and $97,500 General Fund, the ORec Office Director will be able to hire a Deputy Director, thereby ensuring OEDIT has the necessary manpower to achieve its strategic goals. This request does not require a statutory change.
- With a Deputy Director, the ORec Office Director can continue driving the four primary goals listed above, while simultaneously increasing the national visibility of the ORec Office to ensure Colorado's ORec industry remains the leader of both market share and industry advancement.

Cost and FTE

- The Governor's Office of Information Technology (OIT) requests $3,091,644 in Reappropriated Funds and 7.0 FTE in FY 2017-18 and beyond to increase the overall cybersecurity budget and to fund the next round of initiatives related to Secure Colorado.

Current Program

- Secure Colorado is the strategic roadmap to direct information security improvements. The beneficiaries are all Executive Branch Departments. For FY 2016-17 the team was appropriated 39 FTE and $9.6 million in Reappropriated Funds.

Problem or Opportunity

- OIT set a budgetary goal of five percent of the annual IT spending level three years ago.
- Currently the State of Colorado has several large enterprise initiatives that need to be funded; however, the current cybersecurity budget will not accommodate these projects. These gaps represent significant risks to the state, including: delays in removing unused user accounts, insufficient resources to investigate, respond and contain security incidents, and insufficient resources to discover and fix vulnerabilities.
- These requests coincide with recommendations presented to OIT by the Colorado Information Security Advisory Board.

Consequences of Problem

- Unused employee accounts remaining active in state applications may be used by attackers to gain unauthorized access to sensitive data. The lack of oversight and reporting means that unused accounts and the ability to access them may never be detected. Additionally, because many tools are licensed per user account, OIT and agencies may be paying unnecessarily for accounts that should have been deleted.
- Because OIT is not able to investigate all security incidents for which notifications are received, it may mean that malicious software (malware) or an attacker may remain unimpeded in the state network, doing exponentially more damage the longer they remain in the environment.
- Without testing the environment for vulnerabilities and weaknesses, these may exist, undetected, providing easy entry for an attacker.
- Sensitive data without sufficient protections may be lost, stolen, or mishandled causing a security breach for the state.

Proposed Solution

- This request will total $3,091,644 in Reappropriated Funds and 7.0 FTE in FY 2017-18.

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Cost and FTE
• OIT requests $2,000,000 in General Funds for FY 2017-18 and beyond for the creation of the Colorado Technology Advancement and Emergency Fund, which will provide for emergency IT funding, technical debt reduction, and service utilization swing mitigation.
Current Program
• The Office of Information Technology (OIT) is an internal service organization providing IT services to State government with a FY 2016-17 budget of $224 million and 937.5 FTE. • There is no current program or fund source allowing for consistent statewide technology advancement. Current attempts are Department specific or funded by individual Change Requests. • Departments plan for funding on an ad hoc basis. Even with five-year roadmaps, departments do not always have the ability to fund required system upgrades and enhancements.
Problem or Opportunity
• Over the past several years, the State has made significant investments in technology improvements in order to increase reliability of critical customer service systems and to remain compliant. • OIT developed a strategic IT plan for all executive branch agencies that established a five-year horizon, established technology targets for equipment acquisition and refresh and aligned technologies with business objectives to accommodate relatively short technology lifecycles. • With these funds OIT can improve customer service for employees and residents by replacing aging systems, improving quality and reliability of service, and increasing service delivery by supporting new applications and technologies to increase efficiency and provide more self-service opportunities for customers.
Consequences of Problem
• Without these funds the State's technology infrastructure will become increasingly outdated and unreliable, creating risks to the State's ability to remain compliant, increasing service delivery times for State employees and citizens, and decreasing reliability of critical systems. • Continued funding requests outside the technology roadmaps will be required as critical technology reaches end-of-life and requires immediate attention.
Proposed Solution
• Establish a sustained and flexible funding stream to begin to address technology debt reduction governed by an IT Advancement Steering Committee comprised of a rotating membership from executive branch department Executive Directors (or designated deputy directors). • Establish a single pool of funds to respond quickly to technology emergencies regardless of State department impacted. • Establish spending priorities and plans through criteria focused upon alignment with current customer impact, technology strategy, risk of system failure, issues with ability to support, and critical and essential system designation. • OIT will submit an annual report to the legislature summarizing fund expenditures.

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Cost and FTE

- The Office of Information Technology (OIT) requests $1,109,625 Cash Funds in FY 2017-18 and $638,750 Cash Funds in FY 2018-19 and on-going to create a data platform to identify, locate, collect, combine/assimilate, store, analyze, disseminate, and present marijuana-related information.
- For this initiative OIT will receive funding through the Marijuana Tax Cash Fund.

Current Program

- OIT currently maintains data management platforms for storing and presenting data for analytic purposes across the State. The platforms, however, cannot be easily modified to include the data requirements specified in C.R.S. 24-33.3-516.
- The Department of Public Safety currently employs an analyst responsible for collecting and analyzing marijuana related data in an effort to report the impacts of legalization, however, the initiative lacks the necessary resources to create a data house for analytics.

Problem or Opportunity

- The Department of Public Safety commissioned a study of law enforcement's activity and costs related to the implementation of Article XVIII, Section 6 of the State constitution. The resulting *Marijuana Data Discovery and Gap Analysis* report found that Colorado has a "medium to low capability…to collect the statutorily required data". To improve Colorado's data collection capabilities, the report recommended that the State create a centralized data platform to collect and house marijuana-specific data called by C.R.S. 24-33.3-516.

Consequences of Problem

- The *Marijuana Data Discovery and Gap Analysis* additionally found that systemic inefficiencies exist in marijuana-related data collection and categorization due to the lack of a centralized data platform.
- Colorado is the first political entity in the world to implement a regulated commercial marketplace for the sale of marijuana for recreational purposes. As a result, there are limited data about the effects of that marketplace on public health and safety. Anticipating these data challenges, the Colorado General Assembly passed SB13-283 to enable data collection to begin to understand the impact of marijuana legalization in Colorado

Proposed Solution

- OIT is requesting funding to support building out the hardware, software, and technological infrastructure needed to support, maintain, and segment multi-agency marijuana-related data. Funding will also support analytics software for analyzing and presenting that data.

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Cost and FTE

- The Governor's Office of Information Technology (OIT) requests an increase of $1,095,218 Reappropriated Funds in FY 2017-18, $1,138,801 Reappropriated Funds in FY 2018-19 and ongoing to provide 8.0 FTE, infrastructure setup, temporary contractors, hardware/software, and training for Deskside Support Services.

Current Program

- The End-User Deskside team acts as OIT's face to the customer and consists of 112 employees supporting 16 agencies across the State of Colorado, both onsite and remotely. Service involves monthly support of thousands of incidents and change order requests, planned and unplanned tasks for agency projects/initiatives/moves and daily behind the scenes technical security administration of approximately 27,554 computers. The security initiative to get everyone using the same Enterprise Configuration Management Tool (ECMT) is 68 percent complete due to decision item funding approved through FY 2018-19.

Problem or Opportunity

- The problem is resolution times for change orders and incident tickets are increasing as scope of Deskside behind the scenes security responsibilities expand with new technology, various devices purchased and required Security compliance that is not consistent statewide.
- Augmentation of staff will create the opportunity for a group of current skilled individuals to put together the beginnings of the Enterprise Deskside Security and Configuration Management Team (EDSCMT). This will continue movement toward a component of OIT's documented Deskside five year strategic plan – to evolve from each Deskside agency having a person(s) doing all the highly skilled Deskside security workload to having an enterprise team that can back each other up.

Consequences of Problem

- Service gaps will continue to occur; current turnaround time of change order requests will not improve and will delay expansion of additional Service Level Commitments (SLC). An average backlog of 1,194 change order requests will continue each month. Focus will remain on incident tickets (keeping the lights on) that are under SLC. Without an EDSCMT, the overall security and administration that the Chief Information Security Office recommends, will remain inconsistent, potentially leaving many end user devices at risk and vulnerable.

Proposed Solution

- The request will provide $1,095,218 in FY 2017-18 to expand the Enterprise Deskside Support Services team by 8.0 FTE plus contractors to allow greater shared services, improve resolution times and provide temporary local based help as needed by the agency. In FY 2018-19, $1,138,801 will continue staff augmentation, establish an EDSCMT to strengthen security compliance, avoid single points of failure, improve consistency, provide training, hardware/software, infrastructure setup and implementation/support.

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Cost and FTE

- The Office of Information Technology (OIT) requests a restructure of the Applications appropriations in the annual Long Bill to modify the current organizational structure. This request does not increase spending authority or FTE.

Current Program

- For FY 2016-17, OIT is budgeted $86 million and 366.5 FTE for applications support statewide. This team is responsible for providing the support and maintenance of approximately 1,000 applications for 17 State Agencies.

Problem or Opportunity

- The FY 2014-15 Decision Item, Eliminate Redundant Applications, was a two-year project. This project has been very successful to date and continues to exceed expectations. Of the 120 targeted applications, OIT actually decommissioned 150. The successes of this project created constraints on balancing internal resources and also created an opportunity for OIT to evolve IT service delivery for the state. Currently, each Portfolio within Enterprise Applications has a designated budget with specific FTE. The growth of statewide enterprise solutions conflicts with this structure. Now, the same software applications from the same vendor are used across service portfolios however OIT cannot transition staff between service portfolios. This situation creates misalignment with customer demand. In addition, there is new capacity from reduced demands on applications support resources that will allow OIT to expand service delivery, however these resources are restricted by their current placement within the appropriation.

Consequences of Problem

- Due to this new imbalance of resources within appropriation constraints application development staff are often required to take on additional tasks beyond the scope of their position. In addition, many departments do not receive shared services because the staff that provide those services are not housed in the appropriated line for that department.

Proposed Solution

- OIT seeks to modify its current Enterprise Applications appropriations to support a new service delivery structure. In this new organizational alignment, the services will be housed within 3 broader appropriated lines that will allow more flexible and equitable service delivery. This request will collapse the current nine appropriations to: 1) Applications Administration, 2) Shared Services, 3) Agency Services, and 4) Colorado Benefits Management System (CBMS). It will split the current Line of Business Applications service into two new services: Agency Applications and Shared Services. The other services currently offered will remain the same. They will simply be located within a different area of the new appropriation structure.

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Cost and FTE

- The Office of Information Technology (OIT) requests $791,172 Re-appropriated Funds in FY 2017-18, $723,672 Re-appropriated funds in FY 2018-19, and $656,172 Re-appropriated Funds in FY 2019-20 and ongoing to cover costs related to monthly lease of phone system services, and for one Project Manager FTE for 18 months.

Current Program

- The Department of Revenue (DOR) is currently using a legacy phone system that is 20 years old. This phone system supports their primary locations including the administrative and customer facing personnel at 1375 Sherman St. and 1881 Pierce, the Field Audit personnel at 720 S. Colorado, and the Gaming administrative and enforcement personnel at 17301 Colfax.
- This phone system not only serves individual extensions and voicemail but also hosts customer-facing call center functionality.

Problem or Opportunity

- This phone system supports four of the department's largest locations, as well as the call centers that directly support Colorado residents. The manufacturer is no longer in business after having been purchased by another vendor. The current vendor no longer supports the version that DOR is running and software updates for this version are no longer developed. Replacement hardware – including phones – is always refurbished and is increasingly hard to find.
- The associated servers that host services such as DOR's call centers are running an end-of-life operating system. The system is quickly reaching capacity for some services which will prevent DOR from adding additional extensions for new employees. Should this system suffer a catastrophic failure, the only solution would be a full replacement.

Consequences of Problem

- The Department of Revenue is operating on a phone system that is out of support.
- The department is at risk of impact to services if the current phone system suffers a catastrophic failure.

Proposed Solution

- Replace the legacy phone system with the current State standard for Managed IP Communications (MIPC). $656,172 will be spent on service to the approximately 1,239 phones, and includes voicemail service to approximately 1,233 phones. Additionally, call center service to approximately 327 agents. $202,500 will be spent over 18 months on a Project Manager.

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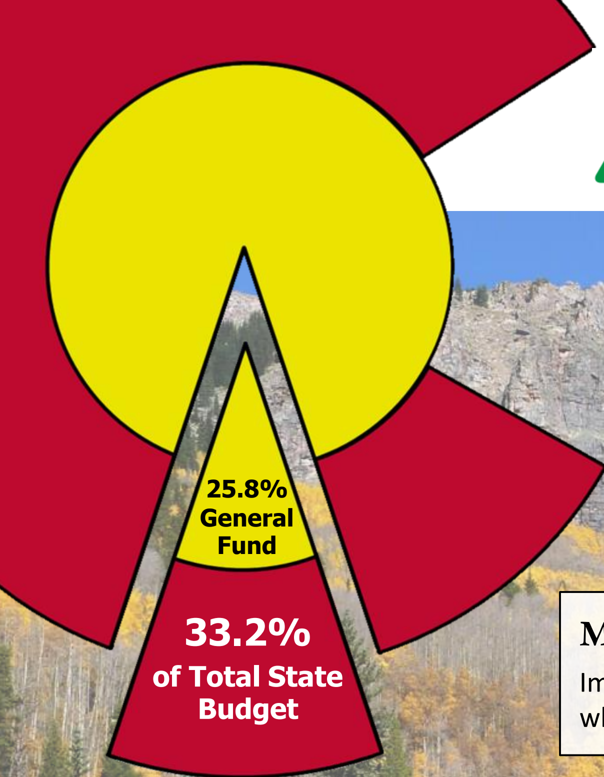


COLORADO
Department of Health Care Policy & Financing

FY 2017-18 Governor's Request

$2.78 billion General Fund

Share of Statewide General Fund: 25.8%

$9.49 billion Total Funds

Share of Statewide Total Funds: 33.2%

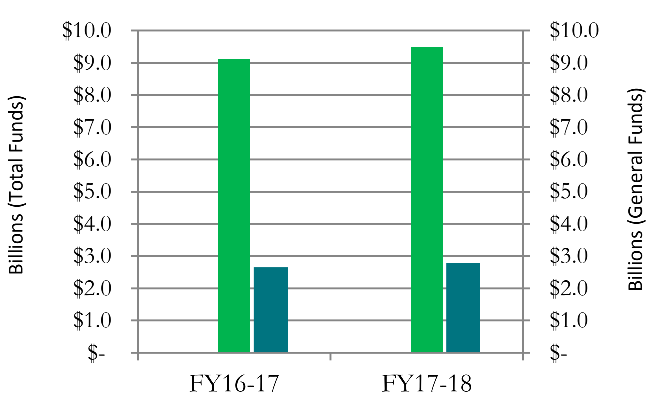
Mission Statement

Improving health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources.

Department Description

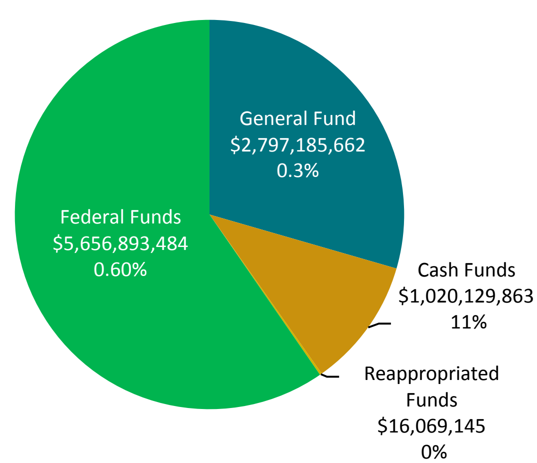
The Department of Health Care Policy and Financing (HCPF) receives federal funding as the single state agency responsible for administering the Medicaid program (Title XIX) and the State Child Health Insurance Program (Title XXI), known as the Children's Basic Health Plan. In addition to these programs, 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 88% of its funding from the federal government.

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



+4.1% $373.5 million +5.4% $142.8 million

Breakdown of Total Funds FY 2017-18



Strategic Policy Initiatives

1 Deliver Systems Innovation

The Department's development of improved health care delivery systems focuses on enabling members to easily access and navigate necessary and appropriate services.

- The end goal is that Medicaid members have little trouble with delivery systems such as the Accountable Care Collaborative (ACC), Behavioral Health Organizations, and Home and Community Based Services for the Elderly and Disabled.
- The Department measures this through the % ACC members with an enhanced primary care medical provider. The FY 2015-16 estimate is 60%; the FY2016-17 target is 65%; and the FY2018-19 target is 75%.

2 Tools of Transformation

Medicaid, like Medicare, is an influential payer and policy maker nationwide. This makes it possible to use levers within our control to impact the broader health care system.

- For example, by implementing provider payment incentives to improve health outcomes in the Accountable Care Collaborative, we align with other payers in Colorado to use and improve upon these incentives.
- The Department measures this through the $ Provider payments tied to quality or value through innovative payment methods. The FY2015-16 estimate is $239,370,153; the FY2016-17 target is $262,722,933; and the FY2018-19 target is $284,219,921.

3 Partnerships to Improve Population Health

The Department seeks to improve the health and well-being of Coloradans served by the Medicaid program and of the population as a whole. Appropriate health care must be complemented by addressing additional determinants of health – social, economic, and geographic among them.

- This SPI focuses on our efforts to advance community-based health supports in partnership with entities including other state agencies, local public health organizations, non-profits, health care providers, and community centers.
- The Department measures this through the # Members in counties with a RCCO-LPHA relationship (Regional Care Collaborative Organization-Local Public Health Agency). The FY2015-16 estimate is 792,568; the FY2016-17 target is 827,799, and the FY2018-19 target is 1,195,537.

4 Operational Excellence

We aim to be a model for compliant, efficient, and effective business practices that are person- and family-centered. To achieve this SPI we are redesigning our information technology infrastructure, improving data analytics capacity, advancing a culture of continuous improvement, and nurturing a well-trained, satisfied workforce.

- The Department measures this through the % favorable responses to employee survey "we get work done more efficiently with less waste of money or other resources." The FY2014-15 actual was 47%; the FY2016-17 target is 50% and the FY2018-19 target is 55%.

FY 2017-18 Change Requests

COLORADO
Department of Health Care Policy & Financing

R-04 Medicare Modernization Act

$19.7 million General Funds in FY2017-18

2
Tools for Transformation

- The Department requests $1,369,323 General Fund for FY 2016-17; $19,674,000 General Fund for FY 2017-18; and $33,239,453 General Fund for FY 2018-19 to the Medicare Modernization Act State Contribution Payment line item to cover the State's share of the costs of the Medicare Part D outpatient prescription drug benefit for dual-eligible clients. The Department requests adjustment to the appropriation in the Medicare Modernization Act State Contribution Payment line item to meet the State's obligation to the federal government for prescription drug coverage for dual-eligible clients while reducing the risk of reverting funds that could be used for other purposes.

R-05 Office of Community Living Caseload Adjustments

($2.0 million) General Funds, $8.4 million Cash Funds and $3.5 million Federal Funds in FY2017-18

4
Operational Excellence

- For FY 2017-18, HCPF requests an increase of $9,869,672 total funds, including a decrease of $2,025,296 General Fund and an increase of $8,427,248 Intellectual and Developmental Disabilities Cash Funds. For FY 2018-19, the Department requests an increase of $34,757,017 total funds, including an increase $18,882,493 General Fund and a decrease of $36,875 Hospital Provider Fee Cash Funds. These funds would be used to fund Home and Community Based Services (HCBS) waiver program costs. The outcomes would be a more accurate budget to be measured by comparing estimated expenditure to actual expenditure once the data is available.

R-06 Deliver System and Payment Reform

($200,342) General Funds; ($187,409) Cash Funds; $3.6 million Federal Funds in FY2017-18 and ($33.5 million) Total Funds in FY2018-19

1
Deliver Systems Innovation

- HCPF requests an increase of $3,213,375 total funds, including a reduction of $200,342 GF in FY 2017-18 in order to continue the provider rate increase for select primary care codes, implement behavioral health payment reform, and account for technical adjustments for payment methodology changes. HCPF requests a reduction of $33,540,103 total funds, including a reduction of $11,049,780 General Fund, and an increase of 4.6 FTE in FY 2018-19 to implement the Accountable Care Collaborative Phase II and primary care payment reform initiatives, and account for technical adjustments for payment methodology changes.

R-08 MMIS Operations

$23.5 million Total Funds, ($566,430) General Funds and $5.7 million Total Funds, ($1.6 million) General Funds in FY2018-19

4
Operational Excellence

- HCPF requests an increase of $23,524,339 total funds, including a reduction of $566,430 General Fund and an increase of 1.8 FTE in FY 2017-18; an increase of $5,707,012 total funds, including a reduction of $1,641,310 General Fund and an increase of 2.0 FTE in FY 2018-19 to address operational funding issues with the Medicaid Management Information System (MMIS). HCPF requests additional funding, largely federal funds, for the new MMIS to ensure claims processing continues without interruption; transition of the new MMIS system from the development phase to the operational phase; align distribution of funding with current FFP rates; support data analytics; comply with federal requirements regarding co-pay notifications and provide for sufficient contract management resources.

FY 2017-18 CHANGE REQUESTS

COLORADO
Department of Health Care Policy & Financing

R-09 Long Term Care Utilization Management

$257,644 General Funds, $782,143 Federal Funds in FY2017-18, and $958,901 General Funds, $2.9 million Federal Funds in FY2018-19

- The Department requests $1,030,568 total funds, $257,644 General Fund, and $782,143 federal funds, in FY 2017-18, $3,835,600 total funds, $958,901 General Fund, and $2,913,574 federal funds in FY 2018-19 and ongoing to consolidate and acquire additional support for Long Term Care Utilization Management (LTC UM) functions which would assure the health, safety, and welfare of Medicaid members who are elderly or have disabilities and ensure sound stewardship of financial resources.

R-10 Regional Center Task Force Recommendation

$224,066 General Funds and 1.8 FTE in FY2017-19, and $225,455 and 2.0 FTE in 2018-19

- The Department requests $922,801 total funds, $224,066 General Fund and 1.8 FTE in FY 2017-18, $450,890 total funds, $225,455 General Fund and 2.0 FTE in FY 2018-19, $464,107 total funds, $232,054 General Fund and 2.0 FTE in FY 2019-20 to expand Intensive Case Management (ICM) services to clients transitioning out of an Intermediate Care Facility (ICF) or Regional Center waiver settings while they still live in the ICF or Regional Center setting and to hire two ongoing FTE to project manage the Regional Center Task Force (RCTF) recommendations and to oversee Department activities pertaining to ICFs.

R-11 Vendor Transitions

$929,629 General Funds, $369,600 Cash Funds and $1.2 million Federal Funds in FY2017-18

- HCPF requests $2,598,458 total funds, including $929,629 General Fund, $369,600 cash funds, and $1,299,229 federal funds in FY 2017-18 for vendor transition costs due to the required reprocurement of contractor-delivered services, including contracts for the Accountable Care Collaborative, the enrollment broker, and the Medicaid managed care ombudsman services. The Department requests one-time funding to allow for transitional overlap between vendors to avoid negative impacts on enrollment and service delivery for Medicaid enrollees. The Department will return the funding if it is determined that is not needed for the transition.

Cost and FTE

- The Department requests $1,369,323 General Fund for FY 2016-17; $19,674,000 General Fund for FY 2017-18; and $33,239,453 General Fund for FY 2018-19 to the Medicare Modernization Act State Contribution Payment line item to cover the State's share of the costs of the Medicare Part D outpatient prescription drug benefit for dual-eligible clients. This request does not require any additional FTE.

Current Program

- 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 is required to reimburse the federal government for the amount the federal Centers for Medicare and Medicaid Services (CMS) determines is the State's obligation for such prescription drug coverage, which is also called the "clawback" payment.

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 the 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 adjustment to the appropriation in the Medicare Modernization Act State Contribution Payment line item to meet the State's obligation to the federal government for prescription drug coverage for dual-eligible clients while reducing the risk of reverting funds that could be used for other purposes.

Cost and FTE

- In FY 2016-17, the Department requests a decrease of $18,626,814 total funds, including a decrease of $8,707,629 General Fund. For FY 2017-18, the Department requests an increase of $9,869,672 total funds, including a decrease $2,025,296 General Fund and an increase of $8,427,248 Intellectual and Developmental Disabilities Cash Funds. For FY 2018-19, the Department requests an increase of $34,757,017 total funds, including an increase $18,882,493 General Fund and a decrease of $36,875 Hospital Provider Fee Cash Funds. These funds would be used to fund Home and Community Based Services (HCBS) waiver program costs.

Current Program

- Effective March 2014, the Department manages three Medicaid HCBS waiver programs for people with developmental disabilities, Adult Comprehensive Services (HCBS-DD), Supported Living Services (HCBS-SLS) and Children's Extensive Services (HCBS-CES).
- These programs provide services such as residential care, day habilitation services and behavioral services, as well as case management, and are delivered through a variety of approved providers.

Problem or Opportunity

- Appropriations do not accurately reflect the estimated number of enrollments, full program equivalents (FPE), or cost per FPE, based upon current enrollment and spending trends as well as program information.
- This issue poses the problem of under-expenditure in the current year without action because the Department estimates cost per FPE will be lower than expected.
- In the request year and out year, higher than expected emergency enrollments in the HCBS-DD waiver pose the risk of over-expenditure.

Consequences of Problem

- If the appropriations are not adjusted, the Department expects to under-spend its appropriation, necessitating a reversion of General Fund at the end of the year. Additionally, in the request and out years, over-expenditure is expected if additional funding is not appropriated through this request.
- Under-expending funds in the current year would withhold funding needed for other state programs. Over-expending funds in the request and out years would compromise the Department's ability to provide services to the maximum number of people with intellectual and developmental disabilities.

Proposed Solution

- The Department requests to adjust existing expenditure and enrollment appropriations and designated full program equivalents (FPE) within three Medicaid waiver programs for people with intellectual and developmental disabilities to maintain the current policy of having no waiting lists for the HCBS-SLS and HCBS-CES waivers and to accommodate emergency enrollments, foster care transitions, Colorado Choice Transitions (CCT), and youth transitions.
- The outcomes of this proposed solution would be a more accurate budget that would be measured by comparing estimated expenditure to actual expenditure once the data is available.

Cost and FTE

- The Department requests an increase of $3,213,375 total funds, including a reduction of $200,342 General Fund in FY 2017-18 in order to continue the provider rate increase for select primary care codes, implement behavioral health payment reform, and account for technical adjustments for payment methodology changes.
- The Department requests a reduction of $33,540,103 total funds, including a reduction of $11,049,780 General Fund, and an increase of 4.6 FTE in FY 2018-19 in order to implement the Accountable Care Collaborative Phase II and primary care payment reform initiatives, and account for technical adjustments for payment methodology changes.

Current Program

- The Accountable Care Collaborative (ACC) Program is the core of the Medicaid program. It promotes improved health for members by delivering care in an increasingly seamless way. It is easier for members and providers to navigate and makes smarter use of every dollar spent.
- Current program successes include:
    - approximately $139 million in cumulative net costs avoided from FY 2011-12 through FY 2015-16;
    - an increase in payments tied to value;
    - lower emergency department use, hospital readmissions and high-cost imaging;
    - prevention of condition exacerbation through primary care; and
    - higher member satisfaction.

Problem or Opportunity

- The contracts for the Accountable Care Collaborative Regional Collaborative Care Organizations (RCCOs) will be reprocured for FY 2018-19, creating an opportunity to continue to strengthen the primary care system, advance the integration of physical and behavioral health care and increase payment tied to value.
- Physical and behavioral health are often connected through various comorbid conditions, but care is currently delivered through two separate, siloed systems.
- Many Department and federal initiatives share similar goals but payment mechanisms are not fully aligned.

Consequences of the Problem

- Clients who are not enrolled in the Accountable Care Collaborative may have difficulty navigating the current health care system, which is detrimental to client outcomes, especially for vulnerable populations with poor health literacy and limited access to resources.
- Disparate physical and behavioral health care systems result in worse outcomes for clients.
- Misaligned payment and incentive structures promote provider confusion and administrative burden.

Proposed Solution

- Implement the Accountable Care Collaborative Phase II in FY 2018-19, including mandatory enrollment, a focus on integrating physical and behavioral health care, and greater emphasis on value-based payments.
- Implement value-based payment components, including incentive alignment across initiatives and continuation of the primary care rate increases authorized in HB 16-1408.
- Implement behavioral health payment reform with payments tied to quality in FY 2017-18 and beyond.
- Account for technical adjustments for ongoing payment methodology changes.

Cost and FTE

- The Department requests $1,567,569 total funds, including a reduction of $1,577,408 General Fund, and 14.1 FTE in FY 2017-18, and $2,061,245 total funds, a reduction of $1,452,670 General Fund, and 15.0 FTE in FY 2018-19 ongoing to provide increased stewardship of State resources as required by outside compliance actions and recommended in industry best practices.

Current Program

- The Department manages a budget of approximately $9 billion for over 1.3 million Medicaid members. The Department is responsible for correctly processing medical claims, setting payment rates for services, working with stakeholder and providers to determine members benefit packages, improve member health outcomes and ensuring that all payments and members are eligible for programs under state and federal law.

Problem or Opportunity

- The Department has identified several operational issues and opportunities to improve oversight that it hopes to address in FY 2017-18 that fall into two categories: compliance actions and industry best practices. They range from verifying member assets to coordinating health services with the federal government. These issues are diverse and interconnected but have a common theme; not addressing these issues hinders the ability of the Department to be a sound financial steward of taxpayer resources.

Consequences of Problem

- If the Department does not address the compliance issues it risks being out of compliance with federal law and State Auditor recommendations. Being out of compliance with federal law may result in the withholding of federal funds.
- If the Department does not implement the best practices, it risks losing opportunities to capture cost savings from the proposed initiatives and increases the risk of mismanagement of state resources.

Proposed Solution

- The Department has identified nine initiatives that would increase the oversight of State resources.
- Of the initiatives, three are related to compliance with outside mandates, including: implementation of an asset verification program; an evaluation of the Department’s Consumer Directed Care programs; and, proper maintenance of the Department’s audit tracking database.
- The remaining initiatives are related to adhering to best practice to allow for proper oversight of the Department’s program, including: hiring dedicated project management staff; performing annual audits of Community Mental Health Centers, increasing the Department’s resources related to maintaining member and provider integrity; coordinating services for American Indians and Alaskan Natives; increasing the Department’s resources related to the development and monitoring of the Hospital Provider Fee model; and, providing a dedicated benefit manager and updating provider rates for office administered drugs.

Cost and FTE

- The Department requests a reduction of $1,495,480 total funds, including a reduction of $32,549 General Fund and 0.0 FTE in FY 2016-17; an increase of $23,524,339 total funds, including a reduction of $566,430 General Fund and an increase of 1.8 FTE in FY 2017-18; an increase of $5,707,012 total funds, including a reduction of $1,641,310 General Fund and an increase of 2.0 FTE in FY 2018-19; and, an increase of $5,707,012 total funds, including a reduction of $1,656,576 General Fund and an increase 2.0 FTE in FY 2019-20 and ongoing to address operational funding issues with the Medicaid Management Information System (MMIS).

Current Program

- The MMIS is an automated health care claims processing system and includes Fiscal Agent contracted services used to process and pay approximately $9 billion in Colorado Medicaid health care claims. The Department is implementing a new state of the art MMIS system beginning March 1, 2017.

Problem or Opportunity

- Funding is needed to address changes in funding needs for the various MMIS vendors resulting from the postponement of the new MMIS launch date, originally scheduled to begin October 31, 2016, to March 1, 2017. Funding adjustments, largely federal funds, are needed to adequately maintain current functionality until the new MMIS is able to successfully assume those functions.
- Funding adjustments between the MMIS budget lines and non-MMIS budget lines are needed to assure funding is appropriately aligned with the expenditures, including redistribution of funding out of balance with current FFP rates and caseload distributions.
- Two time-limited contract management positions are scheduled to end in FY 2016-17. Staff resources in FY 2017-18 forward are needed to manage vendor negotiations for the three main MMIS vendors, provide oversight of deliverables, and assure successful implementation of new policies, federal regulations and state laws through automated system solutions.
- The Department does not have sufficient funding to provide notifications to clients to assure that Medicaid co-pays incurred by all individuals in a Medicaid household do not exceed an aggregate limit of five percent of the family's income to be implemented with the launch of the new MMIS system.

Consequences of the Problem

- Without adequate state funding for the new MMIS maintenance and operations and Fiscal Agent services, the Department would be unable to meet claims-processing, analytical, and reporting needs and be unable to utilize available technology and analytical services that would achieve better health care and reduce costs.
- Without sufficient contract management resources, federal funds are at risk due to insufficient oversight of vendor resources, non-compliance with federal and state laws and regulation, and project delays.

Proposed Solution

- The Department requests additional funding, largely federal funds, for the new MMIS to ensure claims processing continues without interruption; transition of the new MMIS system from the development phase to the operational phase; align distribution of funding with current FFP rates; support data analytics; comply with federal requirements regarding co-pay notifications and provide for sufficient contract management resources.

Cost and FTE

- The Department requests $1,030,568 total funds, $257,644 General Fund, and $782,143 federal funds, in FY 2017-18, $3,835,600 total funds, $958,901 General Fund, and $2,913,574 federal funds in FY 2018-19 and ongoing to consolidate and acquire additional support for Long Term Care Utilization Management (LTC UM) functions which would assure the health, safety, and welfare of Medicaid members who are elderly or have disabilities and ensure sound stewardship of financial resources.

Current Program

- The Department spends over $1.4 billion annually on Long Term Care (LTC) services provided through Home and Community-Based Services (HCBS) waivers and through facilities such as nursing homes and intermediate care facilities for people with disabilities who need an institutional level of care.
- The Department operates multiple processes related to LTC UM internally and through various contracts. These processes ensure Department practices meet federal and state regulations, ensure funds are used efficiently and appropriately, and that clients' well-being is primary in all processes affecting them.

Problem or Opportunity

- The Department currently receives 50% Federal Financial Participation (FFP) for most LTC UM activities. These costs are eligible for a 75% FFP rate as allowed by 42 CFR § 433.15 if they are consolidated through a contract with a designated Quality Improvement Organization.
- Department staff and current contractors lack the resources and clinical expertise to adequately review and monitor utilization and the growing number of claims.

Consequences of Problem

- Without moving the LTC UM processes to a Quality Improvement Organization contractor, the Department will not be able to claim the enhanced FFP.
- Without clinically experienced staff the Department cannot ensure the health, safety and welfare of clients who require additional services and oversight to live in the community. There is also potential that without clinical experience, staff would be unable to properly investigate possible fraud in provider plans of care.
- The Department is unable to guarantee that adequate services are being provided in accordance with service plans, that services meet the federal definition for the benefit, or that costs are reasonable.

Proposed Solution

- The Department requests funding to contract with a Quality Improvement Organization (QIO) to perform LTC UM functions and to monitor health and welfare for LTC clients. Consolidation of these functions under the responsibility of a QIO would:
    - Allow faster responses to member issues;
    - Experienced QIO staff could ensure client wellbeing and an efficient allocation of funding according to individually assessed needs; and
    - Department staff could focus their efforts on contract oversight, analysis of the underlying root causes of recurring issues, strategic quality assurance activities and federal reporting.
- The QIO would monitor utilization of services provided in the HCBS waivers, prevent duplication of services between waivers and state plan services, ensure services align with the level of care needed by individuals and support the Department to meet federal waiver requirements.

Cost and FTE

- The Department requests $922,801 total funds, $224,066 General Fund and 1.8 FTE in FY 2017-18, $450,890 total funds, $225,455 General Fund and 2.0 FTE in FY 2018-19, $464,107 total funds, $232,054 General Fund and 2.0 FTE in FY 2019-20 to expand Intensive Case Management (ICM) services to clients transitioning out of an Intermediate Care Facility (ICF) or Regional Center waiver settings while they still live in the ICF or Regional Center setting and to hire two ongoing FTE to project manage the Regional Center Task Force (RCTF) recommendations and to oversee Department activities pertaining to ICFs.

Current Program

- Clients transitioning out of an ICF, who are not enrolled in the Colorado Choice Transitions (CCT) program, are not eligible to receive case management services until they have stopped receiving ICF services. Clients receiving Home and Community Based Services Adult Comprehensive Waiver (HCBS-DD) services from a Regional Center have their case management services capped at 240 units (60 hours) per-year.
- Currently, the Department does not have staff solely dedicated to the implementation of the RCTF recommendations or ICF oversight. These tasks are being divided amongst existing staff.

Problem or Opportunity

- Clients who are transitioning out of ICFs do not qualify for case management services while living in an ICF, meaning that case managers do not have adequate time to assess the transitioning client's needs and preferences pre-transition. Additionally, once a client has transitioned, case managers are limited to 240 units of case management for the year, which makes it difficult to ensure a stable and successful transition. While clients on the HCBS-DD waiver who receive services from a Regional Center have access to case management, the amount available is inadequate to ensure that a client's needs are met during the transition.
- There is an opportunity to improve coordination between departments, ICFs, clients, and stakeholders during the implementation of the RCTF recommendations and regarding ongoing ICF operations by hiring dedicated staff to serve as project managers and reference points in these areas.

Consequences of the Problem

- ICF clients do not have access to case management services, such as assessments of needs and service coordination, until they transition from the ICF. HCBS-DD clients receiving services from a Regional Center have limited case management services per-year, which includes case management while transitioning. These limitations may lead to inadequate post transition support.
- There is no single reference point for RCTF recommendation implementation, leaving the Department vulnerable to implementation delays due to lack of coordination. ICF knowledge is stratified within the Department, limiting the Department's ability to swiftly react to ICF structural and policy changes.

Proposed Solution

- The Department proposes expanding ICM eligibility to clients living in ICFs or clients on the HCBS-DD waiver receiving services from a Regional Center for up to one year after their transition begins. This would ensure that each transitioning client's needs are fully assessed and that a service package is created for the client prior to leaving the ICF, to help the client seamlessly transition to the community.
- The Department requests 1.0 FTE to project manage the RCTF recommendations and 1.0 FTE to oversee ongoing ICF operations.

Cost and FTE

- The Department requests $2,598,458 total funds, including $929,629 General Fund, $369,600 cash funds, and $1,299,229 federal funds in FY 2017-18 for vendor transition costs due to the required reprocurement of contractor-delivered services, including contracts for the Accountable Care Collaborative, the enrollment broker, and the Medicaid managed care ombudsman services.

Current Program

- The Accountable Care Collaborative (ACC) Program promotes improved health for members by delivering care in an increasing seamless way. It is easier for members and providers to navigate and makes smarter use of every dollar spent. The program has demonstrated a net return on investment while simultaneously improving health outcomes. Seven Regional Care Collaborative Organizations (RCCOs) provide management of primary care medical providers for Medicaid.
- Five regional Behavioral Health Organizations (BHOs) are managed care entities that provide comprehensive behavioral health services to Medicaid members in Colorado.
- The enrollment broker, an independent facilitator, conducts a variety of activities to assist eligible Medicaid clients choose available health plan options and providers, as well as providing notices required by the Centers for Medicare and Medicaid Services (CMS).
- The Medicaid managed care Ombudsman provides advocacy and assistance to members who are experiencing difficulty with their health plans.

Problem or Opportunity

- The Department lacks sufficient resources to carry out key functions to successfully transition services to new vendors due to the reprocurement of the ACC providers, the enrollment broker, and the Medicaid managed care ombudsman contracts. Services could be seriously delayed or disrupted without significant coordinated efforts to transition administrative duties from one vendor to another.

Consequences of the Problem

- If this request is not approved, members may experience delayed or absent services, longer processing periods, or be forced to resubmit data, leading to poorer outcomes and higher costs. In some cases, it may violate federal law (e.g. 42 CFR § 438.206) if covered services are not available and accessible to enrollees.

Proposed Solution

- The Department requests one-time funding to allow for transitional overlap between vendors to avoid negative impacts on enrollment and service delivery for Medicaid enrollees. The Department will return the funding if it is determined that is not needed for the transition.
- Vendors would be required to submit a transition plan as part of the competitive bidding process.
- The incoming vendors would be able to transition into the contractual obligations with assistance from the outgoing vendors, with minimal or no impact on members and service delivery.

Cost and FTE

- The department requests $1,066,500 total funds, including $0 General Fund in FY 2017-18 and future years in order to fund the Local Public Health Agency (LPHA) & Regional Care Collaborative Organization (RCCO) partnership initiative. These partnerships intend to bridge the gap between medical and public health systems.
- This request would increase funding available for LPHAs by $355,500 through an increase in federal funds by repurposing existing General Fund appropriations.

Current Program

- LPHAs are responsible for a multitude of public health activities. Those that are related to population-based health efforts that intersect with the RCCOs' work include: disease prevention, investigation, and control; maternal and child health prevention and education; injury prevention and education; and clinical services.
- RCCOs are responsible for the care coordination of Medicaid members enrolled in the Accountable Care Collaborative (ACC), including connecting members to non-medical needs.
- Currently LPHA-RCCO collaborations form on a voluntary and underfunded basis. There is a fair amount of fragmented and duplicative work being done to identify members in need of different direct health and population-based health services, and to coordinate services for members.

Problem or Opportunity

- RCCOs and LPHAs have indicated they want to work more collaboratively with each other to address health outcomes of the common Medicaid population they serve through their respective programs.
- The state dollars that the LPHAs currently spend on services provided to Medicaid-eligible Coloradans qualify for a federal match. These existing state dollars would need to be appropriated to the Department to earn the match, as it is the single state agency administering Medicaid.
- Introducing a financial incentive through offering new federally matched funds could help encourage more LPHA-RCCO partnerships, reducing fragmentation and duplication of efforts and sparking innovation in creating population-based health programs that would specifically target Medicaid members.

Consequences of the Problem

- The State is not maximizing the amount of money that is eligible for a federal match for these programs. Some of these programs are at risk of being cut back or ending due to expiring grant funding.
- Without additional funding, these organizations would continue to operate largely in isolation without the capability to share data systems and resources to coordinate and build upon their respective public health outreach efforts, ensuring duplicative and fragmented work would continue to occur.

Proposed Solution

- The Department requests a transfer of $355,500 General Fund in FY 2017-18 and future years to draw down an additional $355,500 in federal funds. These funds would be reappropriated to the Department of Public Health and Environment (CDPHE) as reappropriated funds. CDPHE would lower its General Fund request by $355,500 so that no new State dollars are allocated to LPHAs.
- In FY 2017-18, this federally enhanced funding would be used to hire community health workers to help Medicaid members navigate between the medical and public health systems, and to provide LPHAs with access to their RCCOs' data systems.

Cost and FTE

- The Department requests $639,237 total funds, including $280,869 General Fund and $358,368 federal funds in FY 2017-18 and ongoing to improve member quality of care through enhanced patient assessment and performance improvement processes.

Current Program

- The Consumer Assessment of Healthcare Providers and Systems (CAHPS) is a series of patient surveys that rate health care experience satisfaction related to various measures including the communication efforts of doctors and nurses, pain management during a health care visit, and end of life care and considerations.
- The National Core Indicators (NCI) is a voluntary effort for states to measure and track their own performance, compare results across states, and establish national benchmarks. The initiative is designed to assess the performance of the Department's programs and delivery systems and improve services for older adults and individuals with physical and developmental disabilities.
- A Performance Improvement Project (PIP) is a quality improvement requirement implemented by regional provider entities and validated by the Department's external quality review organization (EQRO).

Problem or Opportunity

- CAHPS surveys are performed at the provider network level, which only allows the Department to identify and align the results with a corresponding region of the state. The survey results do not provide sufficient detail for a direct and meaningful intervention to mitigate shortfalls within a specific practice.
- The Department lacks the funds necessary to expand NCI surveys in FY 2017-18 for aging or disabled adults (referred to as NCI-AD surveys), which are valued surveys used to improve quality of services and strategic use of funds. The current NCI-AD pilot program, entirely through a federal grant, ends in FY 2016-17.
- Current NCI funding for individuals with intellectual and developmental disabilities (referred to as NCI-IDD surveys) provides for only one survey, which limits ability to track performance and affect change.
- The Department could be required under new federal Medicaid managed care rules to validate up to 57 PIPs annually, however, the current available funding is only sufficient to conduct 31 PIPs.

Consequences of the Problem

- If the Department is unable to implement the CAHPS survey at the practice level, the ability for process improvement and in identifying and reducing the sources of patient frustration and dissatisfaction is limited.
- If the Department is unable to implement and expand the NCI-AD and NCI-IDD surveys on a statewide basis, critical data for assessment and process improvement to improve services for older adults and individuals with physical and developmental disabilities would be limited or unavailable.
- If additional resources are not provided, the Department may be unable to fund the validation of the PIPs, risking non-compliance with federal regulations and opportunities for process improvement measures implemented by the regional provider entities could be missed or delayed.

Proposed Solution

- The Department would be able to more effectively identify the sources of patient dissatisfaction by conducting annual CAHPS surveys at the practice level, and then work collaboratively with the specific practice to improve the shortfalls identified in the survey results.
- Implementation of 6 NCI surveys on a permanent, statewide basis would provide critical data by which policy and programmatic strategies could be based to improve services for older adults and individuals with physical or developmental disabilities.
- With the requested funding, the Department would be able to fund the 26 additional PIP validations to support the continual process improvement of the provider entities.

Cost and FTE

- The Department requests an increase of $0 total funds, including an increase of $253,832 General Fund, $574,855 cash funds, $6,020 reappropriated funds, and a decrease of $834,707 in federal funds for FY 2017-18 to account for a decrease in the state's Federal Medical Assistance Percentage (FMAP).

Current Program

- Pursuant to Section 1905(b) of the Social Security Act, a state's FMAP is a function of the state's per capita personal income relative to national per capita personal incomes.
- FMAP is determined by the Secretary of Health and Human Services each year; historically, Colorado's FMAP has been 50%, with the exception of years when the FMAP was temporarily increased to combat the effects of recession and, most recently, FY 2014-15 through FY 2016-17 when the FMAP was increased because the State's per capita personal income was below the national average.

Problem or Opportunity

- The Department anticipates a decrease of 0.02% points to its FMAP, resulting in an FMAP of 50.00%, effective October 2017 through September 2018. This corresponds with a decrease in the state fiscal year FMAP from 50.20% in FY 2016-17 to 50.00% in FY 2017-18[1].
- The decrease in FMAP is not accounted for in several line items in the November 1, 2016 request. These line items are from the (1) Executive Director's Office, (5) Indigent Care Program, (6) Other Medical Services, and (7) Department of Human Services Medicaid-Funded Programs Long Bill groups.

Consequences of Problem

- The previously assumed FMAP of 50.20% for FY 2017-18 understates the need for General Fund, cash funds, and reappropriated funds, and additional state funding is necessary to continue providing services for Medicaid clients.

Proposed Solution

- The Department requests a decrease in the federal funds appropriation and an increase in General Fund, cash funds, and reappropriated funds for FY 2017-18 to account for the decreased FMAP.

[1] The FMAP by state fiscal year is calculated as one quarter of the previous federal fiscal year FMAP and three quarters of the current federal fiscal year FMAP. This is due to FMAP changes going into effect on the federal fiscal year on October 1, which is one quarter through the state fiscal year.

Cost and FTE

- The Department is providing an informational-only estimate for the cost of eliminating the Home and Community Based Services – Adult Comprehensive Waiver (HCBS-DD) waiting list. The Department estimates it would require $29,301,994 total funds, including $14,648,078 General Fund and 0.9 FTE in FY 2017-18 and $93,407,513 total funds, including $46,703,760 General Fund and 1.0 FTE in FY 2018-19, $160,697,025 total funds, $80,348,515 General Fund and 1.0 FTE in FY 2019-20, and $190,383,350 total funds, $95,191,678 General Fund and 1.0 FTE in FY 2020-21 to eliminate the enrollment cap for the HCBS-DD Waiver and eliminate the waitlist by July 1, 2020.

Current Program

- The HCBS-DD waiver provides services to adults with developmental disabilities who require access to support 24 hours a day to live safely in the community and who do not have the resources available to meet their needs through other means.
- The HCBS-DD waiver enables individuals with developmental disabilities who require access to support 24 hours a day to live in a non-institutional community setting and who would require a more restrictive and more expensive facility if not for the receipt of that support.

Problem or Opportunity

- As of September 2016, there are 2,310 people on the waiting list for HCBS–DD services.
- HB 14-1051 "Developmental Disability Services Strategic Plan" required the Department to develop a comprehensive strategic plan to enroll eligible persons with intellectual and developmental disabilities into home- and community-based services programs at the time those persons choose to enroll in the programs or need the services or supports. The bill required the Department to submit annual strategic plans that include specific recommendations and annual benchmarks for achieving the enrollment goal by July 1, 2020, including recommendations relating to increasing system capacity.
- The Department requested and received funding to eliminate the waiting lists for the Home and Community Based Services - Children's Extensive Support Waiver (HCBS-CES) and the Home and Community Based Services – Supported Living Services Waiver (HCBS-SLS). Elimination of the HCBS-DD waiting list would allow the Department to continue phasing-in enrollment of HCBS-DD waitlist to achieve the goal of providing access to all eligible individuals by July 1, 2020.

Consequences of the Problem

- The number of individuals waiting for services continues to increase each year. Without additional enrollments each year, people with intellectual and developmental disabilities are likely to access other less appropriate, more costly settings or become vulnerable to abuse, neglect or homelessness.
- The Department would not be able to begin phasing-in enrollment of thousands of individuals currently waiting for the HCBS-DD waiver in order to achieve the goal of providing access to all eligible individuals by July 1, 2020, as required by HB 14-1051.

Proposed Solution

- The Department is providing a cost estimate for eliminating the waiting list for the HCBS-DD waiver by July 1, 2020 by enrolling clients over a three year period starting in FY 2017-18. Eliminating the waiver cap would enable people to receive needed services to live safe and self-determined lives in their own homes and communities.

Cost and FTE

- The Department estimates it would need $123,800,000 total funds, $61,900,000 reappropriated funds, $61,900,000 federal funds, and 3.0 FTE in FY 2017-18 and $123,800,000 total funds, $61,900,000 reappropriated funds and $61,900,000 federal funds and 6.0 FTE in FY 2018-19 and ongoing to increase reimbursement rates on physician professional services provided by physicians employed by University of Colorado School of Medicine (UCSOM).

Current Program

- Federal regulations allow for aggregate Medicaid payments to a group of facilities up to the amount of the upper payment limit (UPL). The UPL is a reasonable estimate of the amount that would be paid for the services furnished by the group of facilities under Medicare payment principles. The Department currently administers supplemental payments using UPL methodology, including payments to nursing facilities, hospitals, and home health providers and these payments are eligible for federal funding at the standard Federal Medical Assistance Percentage (FMAP) rate which is estimated to be 50% for FY 2017-18 and ongoing.
- UCSOM providers deliver primary care and specialty services, primarily at University of Colorado Hospital and Children’s Hospital Colorado, to Colorado Medicaid clients, and claims data indicates that UCSOM providers had 537,002 encounters with Medicaid clients in FY 2015-16.
- Medicaid reimbursement rates for physician services are lower than rates based upon Medicare payment principles, including average commercial rates (ACR).

Problem or Opportunity

- Due to the lower than average reimbursement rates, most private sector physicians limit access to Medicaid patients. UCSOM physicians provide patient care to publicly financed patients, including Medicaid, TriCare and Medicare, and patient access is subsidized by commercially insured private payers. Because private physicians may limit the number of Medicaid patients they will accept, it is important that UCSOM physicians continue to provide and expand access to these critical services.
- HB 16-1408, “Cash Fund Allocations for Health Related Programs” authorized funding for specialty education programs to include care provided by UCSOM that are eligible for payment through Medicaid.

Consequences of Problem

- Without increased reimbursement, UCSOM may not be able to maintain and would not be able to expand access to these critical services to Medicaid clients, which could result in clients foregoing needed care.

Proposed Solution

- The Department estimates that it would need funding to implement UPL methodology to make supplemental payments for physician services provided by UCSOM faculty physicians. If approved, UCSOM would use the revenue from the supplemental physician payments to benefit the Medicaid program and details of the measurements would be outlined in a written agreement between the Department and UCSOM.
- Additionally, the Department estimates it would need administrative resources for 6.0 FTE and contractor funding necessary to administer the supplemental payment and funding for increases to family medicine residency training program to increase the number of family medicine residents at UCSOM.

COLORADO
Department of Higher Education

FY 2017-18 Governor's Request

$898.1 million General Fund

Share of Statewide General Fund: 8.3%

$4.2 billion Total Funds

Share of Statewide Total Funds: 14.8%

Mission Statement:

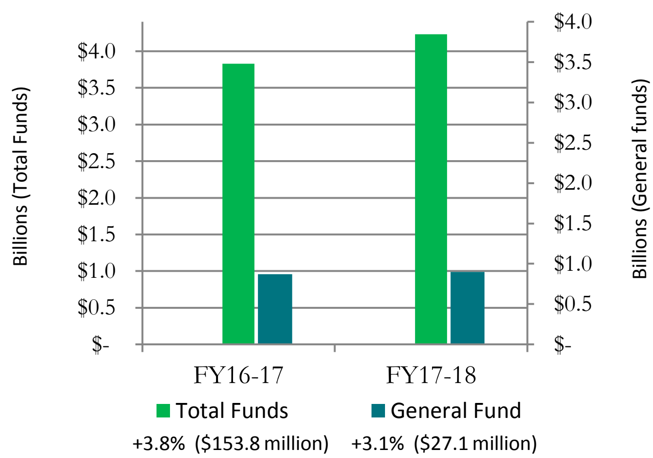
To provide access to high-quality, affordable education for all Colorado residents that is student-centered, quality driven and performance-based. CCHE's primary "customers" are Colorado students and citizens. CCHE is committed to providing the best quality education at the best price with the best possible service for its customers.

Department Description

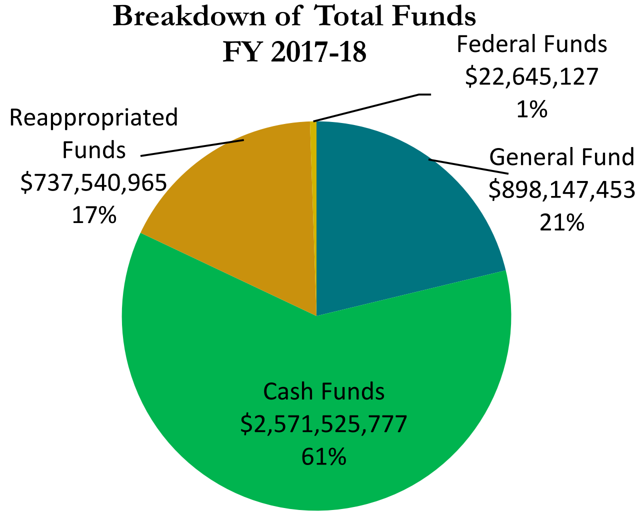
The Department of Higher Education serves as the central administrative and coordinating agency for higher education (comprised of 29 public institutions, three area vocational schools, over 330 occupational schools, and over 100 private degree authorizing institutions). Over 160,000 resident full-time 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 institutions; and coordinates statewide tuition policies. 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.

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



Breakdown of Total Funds FY 2017-18



STRATEGIC POLICY INITIATIVES

COLORADO
Department of
Higher Education

1

Close the Attainment Gap by at Least Half by 2025

The Department seeks to advance access and equity in higher education through closing the "attainment gap" by at least half by 2025.

- The Attainment Gap is the persistent divide between Coloradans who historically attain a postsecondary credential from underrepresented communities who are far less likely to continue their education beyond high school. Research indicates significant gaps in credential attainment whereby only 20% of Hispanic, 34% of Black, and 31% of Native American Coloradans have an associate's degree or higher compared to 54% of their white counterparts.

2

Advance Affordability

The Department seeks to understand and share the complexities around the affordability of earning a credential.

- While state funding for higher education has either increased or not declined in recent years, it still has not returned to pre-recession levels – and fiscal projections forecast several years of budget challenges ahead. In light of this, the Department will continue to pursue strategies that mitigate reductions in state funding; advocate for solutions that reduce the time to degree; communicate the multifaceted nature of affordability to policymakers and students; and, partner to streamline pathways from attainment to gainful employment.

3

Engage & Educate Adults

The Department seeks to grow postsecondary credential attainment among adults.

- Great strides have been made to increase completion rates at Colorado's institutions of higher education with notable success. However, to keep pace with Colorado's workforce demands, increasing attainment among the adult population (aged 25-64) is critical.

FY 2017-18 CHANGE REQUESTS

R-01 Operating Request for Public Colleges and Tuition Policy

Advance Affordability

$20.1 million General Fund, $16.0 million Reappropriated funds in FY2017-18

• The Department requests $20.5 million General Fund ($36.5 million Total Funds) for public institutions and corresponding financial aid in order to keep up with base cost needs and help moderate tuition increases in the interest of student and family affordability. This level of General Fund support is anticipated to correspond to tuition increases of around 6% on average, differing by institution, some higher and some lower. (See R-2 below for more information on tuition.) This request contains a General Fund increase of $16.0 million for Governing Boards, $0.6 million for Local District colleges and public area technical schools, and $3.8 million for Financial Aid increases.

R-02 Tuition Spending Authority Increase

Advance Affordability

$116.4 million Cash Funds in FY2017-18

•The Department requests $116.4 million Cash Funds to reflect public institutions' tuition revenue for FY2017-18. The tuition funds reflect an increase for base costs after factoring in the modest General Fund increase (in R-1, above). A 2.2 percent inflationary increase and funding for health care increases drive a need for $74.1 million in total institutional base costs. Of this sum, about 22 percent is covered by General Fund. Each 1.0 percent increase in tuition levels results in about $9.7 million of revenue for institutions. This spending authority for tuition revenue will allow institutions to stay financially viable and cover inflationary and health care benefit cost increases.

R-03 Fort Lewis Native American Tuition Waiver

Close the Attainment Gap

$88,300 General Fund in FY2017-18

•CDHE requests $88,300 General Fund to fund the Fort Lewis College Native American Tuition Waiver. This request is the annual "caseload" request for this line item governed by federal treaty. The State is required to pay for Native American tuition at Fort Lewis, whether resident or non-resident. This pays for enrollment increases of 2.5 percent and 2.7 percent, respectively for resident and non-resident students.

HC-01 Revitalizing Funding for Community Museums

$1.6 million General Fund in FY2017-18

• History Colorado requests $1.6 million General Fund for its Colorado's eight community museums located across the state, most of which are in rural areas. The funds are requested to shore up core operations such as staffing and security. Additionally, a portion of this funding will support the development of revenue-generating enterprise programs that will enable History Colorado's community museums to be more self-sustaining .

Cost and FTE

- The Department of Higher Education requests an increase of $20.5 million General Fund ($36.5 million total funds) for public institutions and corresponding financial aid for FY 2017-18 in order to keep up with base costs and moderate tuition increases.

Current Program

- Over 210,000 Colorado residents are enrolled in 2 and 4 year public institutions. Two and four year institutions awarded over 55,000 postsecondary credentials in 2014.
- Past studies have shown Colorado public higher education institutions to be among the most productive in the nation. Colorado's public higher education systems' efficiency was confirmed in a recent study.
- In 2014 the General Assembly passed HB14-1319 which allocates higher education funding based on performance outcomes. These outcomes include degrees completed and institutional productivity, student retention, STEM degrees, and number of low-income (Pell) students.
- SB14-001 made significant General Fund investment in Colorado public higher education and capped resident tuition increases at no more than 6.0 percent for FY 2014-15 and FY 2015-16. State funding increases were flat for FY 2016-17 but even moderate base cost changes drive tuition increases.
- A 2.2 percent inflationary increase and payment for healthcare benefit drives a need for $74.1 million. Of this sum, about 22 percent is covered by General Fund. Each 1 percent increase in tuition results in about $9.7 million of revenue for institutions.

Problem or Opportunity

- From FY 2011-12 to FY 2016-17, tuition at four-year schools grew 38 percent while median income grew only 13 percent.
- Funding modest inflation on the General Fund higher education base plus health care costs results will help moderate tuition increases. That, along with a modest Financial Aid funding increase, will help stem the tide of tuition increases for resident undergraduate students.

Consequences of Problem

- In FY 2000-01, the state covered about two-thirds of the cost of college, while students and families picked up about one-third. Now those numbers have essentially reversed: students and families pay for two-thirds of the costs and the state pays for a third.

Proposed Solution

- An increase of $20.5 million General Fund will help maintain current levels of affordability for students in FY 2017-18. The General Fund increase will provide Governing Boards with $16.0 million, Local District Junior Colleges and Area Technical Colleges with $631,397, and will provide $3.8 million for Financial Aid.

COLORADO
Department of Higher Education

Priority: R-02
Tuition Spending Authority Increase
FY 2017-18 Change Request

Cost and FTE

- The Department of Higher Education requests an additional $116.4 million in Cash Fund spending authority to reflect public institutions' tuition revenue for FY 2017-18. This increase is necessary to keep up with base costs and strategic initiatives with a moderate General Fund increase.

Current Program

- As of FY 2017, institutions' tuition revenue is appropriated in the Long Bill along with tuition assumptions that act as caps to tuition rate increases.
- A 2.2 percent inflationary increase and funding for health care increases drive a need for $74.1 million in total institutional base costs. Of this sum, about 22 percent is covered by General Fund. Each 1 percent increase in tuition results in about $9.7 million of revenue for institutions.

Problem or Opportunity

- Pursuant to Section 23-5-129 (6) (c), C.R.S. and Section 23-1-108 (12) (b), C.R.S., for FY 2016-17 and each year thereafter, the Commission of Higher Education is required to detail tuition recommendations for resident undergraduate students for each state institution of higher education in its budget request.
- Inflationary and health care costs ($74.1 million), along with other strategic initiatives, are covered by either General Fund or tuition revenue.

Consequences of Problem

- The higher education funding allocation model results in different General Fund operating increases for institutions, resulting in differing ability to cover inflationary and healthcare benefit cost increases with General Fund.

Proposed Solution

- An increase of $116.4 million Cash Fund spending authority for tuition revenue will allow institutions to stay financially viable and cover inflationary and healthcare benefit cost increase.
- The Department proposes individualizing institutions' resident undergraduate tuition limit assumptions to reflect their portion of General Fund increase from the funding allocation model.

Cost and FTE

- The Department requests an increase of $88,300 General Fund to fund the Fort Lewis College Native American Tuition Waiver in FY 2017-18. This 0.5 percent increase would bring the total appropriation for the waiver to $17,452,548 General Fund.

Current Program

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

Problem or Opportunity

- The Federal agreement 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 $88,300 General Fund in FY 2017-18.

Consequences of Problem

- If the funding for the Fort Lewis Native American Tuition Waiver is not increased, Colorado will be out of compliance with Section 23-52-105 (1) (b), C.R.S.

Proposed Solution

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

Cost and FTE

- The Department requests an increase of $44,125 Reappropriated Funds to fund the Western Interstate Commission on Higher Education Professional Student Exchange Program in FY 2017-18.

Current Program

- As a member of the Western Interstate Commission on Higher Education (WICHE), Colorado participates in a reciprocal program called the Professional Student Exchange Program. This student exchange program allows Colorado resident students to pursue professional degrees in optometry at designated out-of-state institutions at a tuition rate comparable to an instate tuition rate through payment of a "support fee" which is appropriated by the Colorado General Assembly.

Problem or Opportunity

- The program has not received an appropriation increase since FY 2007-08. The support fee amount, however, has risen by an average of 2 percent per year since the last appropriation increase in FY 2007-08. This mismatch between available funding and the funding need has resulted in a decreasing number of spots available for qualified students. The current funding level ($399,000) allows for just 22 funded spots based on a support fee amount of $17,425 – leaving the program funding short of the student demand.

Consequences of Problem

- If the appropriation for the Professional Student Exchange Program is not increased, qualified students will be denied access to this program. In 2016-17, five qualified students were eligible to receive funding, but because of the stagnant appropriation, rising support fee amount and cyclical nature of available spots, only two eligible students were accepted into the program.

Proposed Solution

- The Department requests that the Professional Student Exchange Program funding be increased to cover an additional three spots in FY 2017-18 ($44,125) for a total appropriation of $443,125. The appropriation needs to annually increase by 2 percent to keep up with the support fee increase.

COLORADO
Department of Higher Education

Priority: R-5
WICHE Dues Increase
FY 2017-18 Request

Cost and FTE

- The Department requests an increase of $4,000 reappropriated funds to pay for the annual dues increase for the Western Interstate Commission for Higher Education (WICHE) in FY 2017-18. This request annualizes to $8,000 reappropriated funds in FY 2018-19.

Current Program

- WICHE is a regional organization comprised of 15 western states which provides interstate student and research benefits.
- Membership allows Colorado higher education institutions to participate in the Western Undergraduate Exchange program whereby students can pay 150 percent of resident tuition to attend the out-of-state institutions.

Problem or Opportunity

- WICHE has increased its participation dues for FY 2017-18, from $145,000 to $149,000.

Consequences of Problem

- Payment for these dues is from the WICHE line item which has no other spending authority.

Proposed Solution

- An increase of $4,000 reappropriated funds for the WICHE line item will allow the Department to pay the increased fees and maintain its membership in FY 2017-18.

Cost and FTE

- History Colorado requests $1.6 million General Fund in FY 2017-18 for Colorado's eight community museums located across the state. The funds are requested to develop sustainable business initiatives at the community museums with the goal of helping to revitalize these mostly rural Colorado communities. FTEs that are required through this request can be reallocated from vacant FTE positions at the History Colorado Center.
- A portion of this funding supports 8.0 FTEs whose responsibilities will focus on community museum security, local community involvement, philanthropic development, and educational outreach in remote areas. A portion of this funding will also support the development of revenue-generating enterprise programs that will enable History Colorado's community museums to minimize future increases in operational funding, as enterprise revenue growth helps to offset budget needs that would otherwise require General Fund.

Current Program

- History Colorado has eight community museums across the state, including: Ute Indian Museum in Montrose, Fort Garland Museum and Cultural Center in Costilla County, Trinidad History Museum in Trinidad, El Pueblo History Museum in Pueblo, Healy House and Dexter Cabin in Leadville, Byers-Evans House in Denver, Grant Humphreys Mansion in Denver, and Fort Vasquez in Platteville.
- These community museums provide over $18 million in economic impact across the state, including some of Colorado's lowest income communities.
- The museums are currently understaffed with 0.5 FTE to 3.0 FTE per site – a funded total of 12.5 FTE. Following successes realized at El Pueblo History Museum, this initiative will fund core operation staffing levels, education outreach programs for students and adults, revenue-generating programs in local communities and greater self-sustainability.

Problem or Opportunity

- History Colorado's community museums lack sufficient funding to maintain local programs and services, sustain routine operations, and provide for a minimum level of security and risk management. Community museums require adequate funding to serve a local public, to generate additional revenue, and to become more self-sufficient in future years.

Consequences of Problem

- Without adequate funding, community museums will continue to deteriorate and will not generate their potential for museum-based income.

Proposed Solution

- Investing in History Colorado's community museums will spur growth-oriented strategies and move the museums toward self-sustainability while benefitting the local communities, where they reside.

Cost and FTE

- History Colorado requests to realign the FY 2017-18 Long Bill to match its organizational structure.
- This is a cost-neutral technical change that builds on the fiscal and organizational progress begun by the JBC's FY 2015-16 reorganization of the Long Bill.

Current Program

- History Colorado has eight Community Museums located throughout Colorado. These museums provide historical exhibitions, education, events and community outreach.
- Last year, History Colorado redefined roles and responsibilities within its organizational structure. Central Administration's Facilities Management line item appropriation contains $306,475 Limited Gaming Cash Funds which directly funds History Colorado's Community Museums.

Problem or Opportunity

- Under the new organizational structure it is the intent of the Department to consolidate the appropriation and management of all relevant funding to its most appropriate program.
- The Department seeks to realign its funding between Facilities and Community Museums to centralize, prioritize and fully utilize those funds attributed to the operation of its community museums into one primary responsibility area.

Consequences of Problem

- The current funding structure can be improved to better track Community Museum budgets and expenditures. Most utility costs associated with the Community Museums have historically been paid from the Facilities line item and this request will "true up" the costs with the Community Museums program line.

Proposed Solution

- History Colorado proposes moving $306,475 cash funds from Limited Gaming from the Facilities Management line item in Central Administration to the Community Museums line item.

8.0% State General Fund

6.8% State Total Funds

COLORADO Department of Human Services

FY 2017-18 Governor's Request

$865.6 million General Fund

Share of Statewide General Fund: 8.0%

$1.95 billion Total Funds

Share of Statewide Total Funds: 6.8%

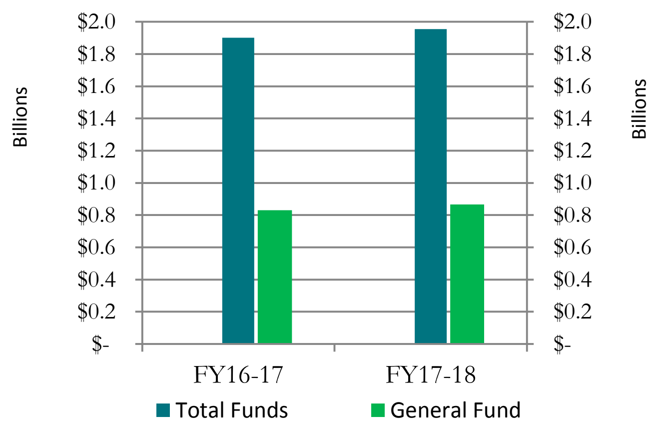
Mission Statement

Collaborating with our partners, our mission is to design and deliver high quality human services and health care that improve the safety, independence and well-being of the people of Colorado.

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 use disorders; 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 $1.9 billion in FY 2016-17.

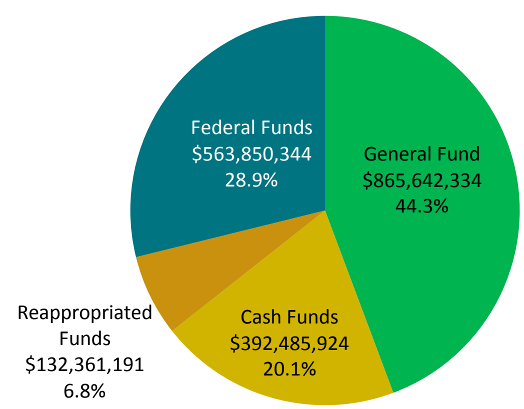
Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



+2.7% $51.8 million

+4.1% $34.0 million

Breakdown of Total Funds FY 2017-18



Strategic Policy Initiatives

1 Thrive in the Community

The Department aims to expand community living options for all people served using a person-centered approach, including to elderly individuals and those with disabilities, mental illness or substance use disorders, and to ensure child safety through improved prevention, access and permanency.

- Since 2012 the Department has assisted over 160 individuals transition from the three Regional Centers into more homelike settings.
- The Governor's plan, "Strengthening Colorado's Mental Health System: A Plan to Safeguard All Coloradans," created Colorado Crisis Services, a statewide 24houraday mental health and substance abuse crisis system. Colorado Crisis Services has served 202,174 people since its inception in 2014.
- The Department's FY 2016-17 goal for child welfare and youth is to improve the monthly percentage of timely immediate responses to referrals of child abuse and neglect from 82.1% to 90.0%.

2 Achieve Economic Security through Meaningful Work

The Department aims to achieve economic security for more Coloradans through employment and education.

- The Office of Economic Security's Colorado Works and food assistance program, the Supplemental Nutrition Assistance Program (SNAP) have improved the timeliness of processing applications for Food Assistance Redeterminations benefits from 43.5% in FY 200708 to 95.0% in FY 2015-16.
- Colorado Works aims to increase the actual "All Family Work Participation Rate" from 17.4% in March 2016 to 23.4% by June 30, 2017.
- Of the parents enrolled in the Colorado Parent Employment Project (COPEP) since its inception, 62% are employed by the end of the sixth month of enrollment and are making regular child support payments. The program anticipates serving up to an additional 450 individuals through December 31, 2016. To date, 527 individuals have transitioned from subsidized employment into fulltime work.
- By the end of FY 201617, it is expected that 14 of 17 Community Mental Health Centers will be providing an evidencedbased supported employment program called Individual Placement and Support, and it will be available across 80% of the state, up from 60% currently.

3 Prepare for Educational Success throughout their Lives

The Department aims to improve kindergarten readiness through quality early care and learning options for all Coloradans, and to return youth committed to the Division of Youth Corrections (DYC) to the community better prepared to succeed through education received while in the custody of the Department.

- The DYC estimates that 25% of youth in commitment in state facilities are participating directly in expanded Career Technical Education (CTE) programming, online learning, or community college. This includes youth who have completed both secondary and postsecondary education and is approximately 125 youth per year. Additionally, DYC will be performing an educational assessment of all youth in custody during 2016 to better inform strategic objectives.

FY 2017-18 Change Requests

COLORADO
Department of Human Services

R-01 DYC Facility Staffing Phase 3 of 3

Prepare for Educational Success (3)	**$5.0 million General Fund and 80.6 FTE in FY2017-18 and $8.2 million General Fund and 137.0 FTE, ongoing**

- The Department requests $5,010,631 General Fund and 80.6 FTE in FY 2017-18 and $8,157,750 General Fund and 137.0 FTE in FY 2018-19 and ongoing, to appropriately staff State-operated Youth Corrections facilities based on national standards, reduce violence and injuries, increase safety and security, and enhance staff and youth engagement. This request will also help the state comply with federal Prison Rape Elimination Act Standards.
- Two years ago, the Division began to move away from a concept of a "critical post" to a direct-care staffing ratio, which accounts for the staffing level required for supervision of visits, medical needs, court appointments, management of youth with elevated needs, and transportation. This is the third and final phase of staffing requests.

R-02 DYC 24 Hour Medical Coverage

Prepare for Educational Success (3)	**$2.0 million General Fund and 16.1 FTE in FY2017-18 and $4.1 million General Fund and 38.0 FTE, ongoing**

- The Department requests $1,990,931 General Fund and 16.1 FTE in FY 2017-18 , and $4,109,471 General Fund and 38.0 FTE in FY 2018-19 and ongoing , to increase coverage for medical services in all ten Division of Youth Corrections (DYC) State-operated facilities and psychiatric services in the eight State-operated detention facilities.
- Currently, nursing resources are only available five-days per week, eight hours per day, and this request will help provide more comprehensive services 24 hours a day, 7 days per week.

R-03 DYC Detention Mental Health

Prepare for Educational Success (3)	**$1.0 million General Fund in FY 2017-18, ongoing**

- The Department requests $1,011,954 General Fund in FY 2017-18 and ongoing to increase contracted resources to provide mental health services to detained juveniles, including psychiatric services.
- Contracts will be resourced to provide necessary services to meet the needs of the youth. This includes direct intervention, suicide precaution, special management plans, case manage/coordinate appointments for medication evaluations, ongoing review, transition plans and consult with detention staff.

R-04 County Administration

Economic Security (2)	**$16.7 million Total Funds ($5.0 million General Fund) in FY 2017-18, ongoing**

- The Department requests $16,666,666 total funds including $5,000,000 General Fund, $3,333,333 cash funds, and $8,333,333 federal funds in FY 2017-18 and beyond for the purpose of increasing funding for County Administration of public assistance programs. The cash funds are local funds.
- The County Administration appropriation has been overspent each year since FY 2011-12 ranging from $3.9 million in FY 2014-15 to $8.1 million in FY 2012-13. In FY 2015-16, 45 counties overspent their FY 2015-16 allocations by a total of $6,048,275 total funds after adjustments made during the county settlement process. Without increasing funding for County Administration, the counties will continue to incur these costs and overspend the appropriation.

FY 2017-18 CHANGE REQUESTS

COLORADO
Department of Human Services

R-05 County Child Welfare Staff

Thrive in Community

$1.0 million General Fund in FY 2017-18, ongoing

- The Department requests $4,070,574 total funds ($3,661,197 General Fund, $407,057 cash funds, and $2,320 federal funds) for FY 2017-18; and $3,780,574 total funds ($3,400,197 General Fund, $378,057 cash funds, and $2,320 federal funds) in FY 2018-19 and beyond to increase county child welfare staffing in response to a workload study performed by the Colorado Office of the State Auditor (OSA).
- The OSA workload study conducted in 2014 determined that counties need 650 additional child welfare staff to meet program goals and achieve outcomes. While 100 county positions were funded in FY 2015-16 and 84.25 in FY 2016-17, the current staffing level does not meet the current workload for Colorado case workers and supervisors.

R-06 Department Indirect Costs

$3.1 million Total Funds ($3.5 million General Fund) and 6.9 FTE for FY2017-18, ongoing

- The Department requests $3,075,587 total funds, including increases of $3,514,960 General Fund and $1,552,417 reappropriated funds, offset by reductions of $40,435 cash funds and $1,951,355 federal funds in FY 2017-18 and beyond, to address the budget shortfall related to the Department's indirect and administrative costs.
- The Department charges individual programs indirect costs to support central administrative functions, including the Executive Director's Office, Accounting, Contracts, Procurement, and Human Resources.
- Certain programs within the Department have not been able to collect sufficient revenues to fund their allocated indirect costs, causing other programs to subside their share. The Department has found opportunities to maximize federal funds and developed a comprehensive solution. The maximization results in a General Fund need of $3.5 million to support what started as a $10.0 million gap in total funds.

R-08 Crisis Services System Enhancements

Thrive in Community

$0 General Fund in FY 2017-18, ongoing

- The Department requests a net zero transfer of $900,000 General Fund from the Community Transition Services Long Bill line item to the Colorado Crisis Response System in FY 2017-18 and beyond to enhance the current Colorado Crisis Services (CCS) system.
- After two years of implementation, the Department has a better understanding of the gaps in services offered. The Department has the opportunity to establish best practices to ensure continuity of care between services, enhance its statewide reach, and ensure access for all Coloradans.
- Of the transferred funds, $600,000 will be used to increase crisis hotline contracted staffing to keep near national standards of care and $300,000 will increase marketing funds to further enhance visibility and educate the public about the Crisis Response System.

R-09 State APS QA Staff

Thrive in Community

$428,410 General Fund and 4.6 FTE in FY2017-18, $435,991 and 5.0 FTE ongoing

- The Department requests $428,410 General Fund and 4.6 FTE for state administration of the Adult Protective Services in FY 2017-18. This annualizes to $435,991 and 5.0 FTE, ongoing.
- Senate Bill 13-111 created mandatory reporting for at-risk elders effective July 1, 2014, resulting in an increase in reports received by county APS programs. The SB 15-109 Task Force projected reports to increase by another 30% when adults with Intellectual and Developmental Disabilities (IDD) are included in mandatory reporting starting July 1, 2016. Current State APS staffing levels do not allow for oversight of county APS programs, causing a risk to the State and vulnerable adults .

FY 2017-18 CHANGE REQUESTS

COLORADO
Department of Human Services

R-12 Two Generations Reaching Opportunity (2GRO)

Economic Security

$661,947 CF and 8.0 FTE for FY2017-18, $567,528 and 8.0 FTE ongoing

- The Department requests $695,268 including $385,894 General Fund and $309,374 federal Temporary Aid for Needy Families in FY 2017-18 to provide integrated, comprehensive services and supports to 125 to 175 low-income families enrolled in evidence-based home visiting programs. This annualizes to $933,099 total funds ($518,441 General Fund and $414,658 federal funds)in FY 2018-19 and beyond.
- Two Generations Reaching Opportunity (2GRO) will help families move out of poverty and support healthy child development by integrating services such as home visiting, postsecondary and employment pathways, financial literacy, behavioral health, transportation, child care and basic needs support.

R-14 SUD Treatment at the MHIs

Thrive in Community

$661,947 Cash Funds and 8.0 FTE for FY2017-18, $567,528 and 8.0 FTE ongoing

- The Department requests $661,947 Marijuana Tax cash funds (MTCF) and 8.0 FTE in FY 2017-18, and $567,528 Marijuana Tax cash funds and 8.0 FTE in FY 2018-19 and beyond to provide substance use disorder treatment at the Colorado Mental Health Institutes (MHI).
- There is a growing recognition of the importance of addressing substance use disorders in a trauma-informed care environment. Without proper SUD education and treatment, outpatients may continue to struggle with substance use, which violates the conditions of their release, tends to interfere with medication effectiveness and may result in a return to inpatient status. The 8.0 FTE will be hired as Certified Addiction Counselors, assisting in recovery and ultimately in ability to be discharged.

R-15 Healthy Steps for Young Children

Prepare for Educational Success

$421,360 General Fund for FY 2017-18 and $571,946 ongoing

- The Department requests $421,360 General Fund in FY 2017-18 to continue serving 1,300 families in seven high-need communities through the evidence-based Healthy Steps home visiting program. Local sites will match the State's investment to fully cover costs.
- Healthy Steps is a low-cost gateway to supports and services for at-risk families with children birth to age 3 through pediatric primary care. Federal funding for Healthy Steps will end September 2017. If state funding is not provided, 1,300 vulnerable families, many in rural areas with limited support programs, will lose services. These families are at risk for adverse outcomes due to poverty-related stressors, parental depression and substance use, domestic violence and limited parental knowledge of child development and healthy parenting.

R-18 Optimization of Early Childhood Alignment

Prepare for Educational Success

$860,361 Federal Funds and 1.0 FTE in FY 2017-18, ongoing

- The Department requests $860,361 in Federal Child Care and Development Funds (CCDF) in FY 2017-18 and 1.0 FTE for the purpose of optimizing the alignment of early childhood programs.
- The Office of Early Childhood was formed without additional resources by consolidating programs from various state agencies to better align and coordinate programs serving children from birth to age eight. Short-term financing and cost-saving solutions were implemented to cover costs required to maintain existing programmatic activities, but now spending authority needs to be realigned for the Child Care Licensing and Administration line item.

Cost and FTE

- The Department requests $5,010,631 total funds/General Fund and 80.6 FTE in FY 2017-18 and $8,157,750 total funds/General Fund and 137.0 FTE in FY 2018-19 and ongoing to appropriately staff State-operated Youth Corrections facilities based on national standards, reduce violence and injuries, increase safety and security, and enhance staff and youth engagement.
- This is an increase over the FY 2017-18 base of 10.3%.

Current Program

- The Division of Youth Corrections (DYC) provides a continuum of residential services that encompass juvenile detention, commitment and parole at ten State-owned secure facilities.
- FY 2014-15 and FY 2015-16 has yielded lower fights and assaults, but the Division continues to serve complex youth which tend to elevate the number of fights and assaults in facilities.

Problem or Opportunity

- The Division has submitted requests and received additional funding in FY 2014-15, FY 2015-16 and FY 2016-17 which increased staffing by 144.0 FTE.
- Two years ago, the Division began to move away from a concept of a "critical post" to a direct-care staffing ratio, which accounts for the staffing level required for operational needs within a facility such as supervision of visits, medical needs, court appointments, management of youth with elevated needs and transportation.
- This is the third and final phase of staffing requests to achieve a ratio in all facilities which is not greater than 1 staff to 8 youth during waking hours and 1 staff to 16 youth during sleeping hours.

Consequences of Problem

- Failure to adequately staff secure facilities may ultimately lead to a degradation of services that could be manifested in an increased number of violent and self-harming acts, youth and staff injuries, and an overall unsafe environment.
- Colorado will not be in adherence to the Department of Justice Prison Rape Elimination Act (PREA) standards, which outlines appropriate staff to youth ratios.

Proposed Solution

- The Department requests $5,010,631 total funds/General Fund and 80.6 FTE in FY 2017-18 to support safe environments in State-operated secure facilities.

Cost and FTE

- The Department of Human Services requests $1,990,931 total funds/General Fund for FY 2017-18 for 16.1 FTE and $4,109,471 total funds/General Fund for 38.0 FTE for FY 2018-19 and ongoing to provide increased coverage for medical services for all Division of Youth Corrections (DYC) State-operated facilities, including providing psychiatric services in the eight State-operated detention facilities.
- This is an increase of 30.3% over the FY 2016-17 appropriation.

Current Program

- The Department provides twenty-four hours per day, seven-days per week supervision and care for juveniles in the detention and commitment system residing in ten State-owned and operated facilities.
- Services include but are not limited to medical, dentistry, and psychiatric services.

Problem or Opportunity

- Under the Department's current funding, nursing resources are only available five-days per week, eight hours per day. The 2014 Office of the State Auditor (OSA) performance audit identified multiple areas for improvement in regard to medical services.
- Psychiatric services are unavailable for detained juveniles in eight DYC facilities.
- The Department is pursing accreditation by the National Commission on Correctional Health Care (NCCHC), which requires a significantly greater degree of on-site medical coverage than currently available.

Consequences of Problem

- Direct care staff will continue to be the primary response to medical issues when medical staff are not present - evenings, overnight and weekends. Trained direct-care staff will continue to administer medications to juveniles when no medical staff is present. Both factors present high liability for the Department.

Proposed Solution

- The Department requests $1,990,931 total funds/General Fund and 16.1 FTE in FY 2017-18 to increased medical services in the ten State-owned and operated facilities and provide psychiatric services in the eight detention facilities beginning January 2018.
- As a result medical professionals would be present to address routine and emergent medical needs for all youth in State-operated facilities twenty-four hours per day, seven-days per week at eight facilities where youth are not admitted during sleeping hours.

COLORADO
Department of Human Services

Cost and FTE

- The Department of Human Services requests $1,011,954 total funds/General Fund in FY 2017-18 and ongoing for the purposes of increasing contracted resources to provide mental health services to detained juveniles including psychiatric services.
- The requested funds are an increase of 15.4% over the FY 2016-17 appropriation.

Current Program

- The Department provides secure detention services in eight State-operated facilities to pre-adjudicated and sentenced juveniles. These eight facilities maintained an Average Daily Population (ADP) of 275.0 for FY 2015-16.
- Limited services currently provided through contracts include suicide precaution monitoring, crisis intervention, brief counseling, consultation, and Prison Rape Elimination Act (PREA) interviews.
- General Fund of $437,238 is allocated to provide basic services through existing contracts. No Department FTE are allocated to these efforts.

Problem or Opportunity

- The provision of mental health services to youth in the custody of the Division of Youth Corrections is an area of liability for the Department. Delivery of mental health services to youth is predicated upon a constitutional right to care (Estelle v. Gamble 1976).
- National Commission on Correctional Health Care (NCCHC) Standards (Y-A-01) assert that juveniles have access to care to meet their serious mental health needs.

Consequences of Problem

- Juveniles will continue to experience inadequate mental health care. Barriers to adequate care will continue and include understaffed and underfunded contracts, no access to psychiatric services and a poorly organized system.

Proposed Solution

- The Department requests $1,011,954 total funds/General Fund for the purpose of contracting for resources to provide appropriate behavioral health services to detained youth across eight facilities.
- Contracts will be resourced to provide necessary services to meet the needs of the youth. This includes direct intervention, suicide precaution, special management plans, case manage/coordinate appointments for medication evaluations, ongoing review, transition plans and consult with detention staff.

Cost and FTE

- Department of Human Services requests $16,666,666 total funds including $5,000,000 General Fund, $3,333,333 cash funds, and $8,333,333 federal funds in FY 2017-18 and beyond for the purpose of increasing funding for County Administration of public assistance programs. The cash funds are local funds.
- This request represents a 29.6% increase over the FY 2016-17 appropriation.

Current Program

- Various human services programs are administered at the county level. These programs include Food Assistance, Adult Cash Assistance, Child Support Services and Low Income Energy Assistance Programs.
- Per 26-1-1222(3)(C) C.R.S. (2016) county administrative expenditures are defined as salaries (including benefits) of county staff who are engaged in the delivery of human services programs, travel expenses to preform related duties, and office equipment and supplies.

Problem or Opportunity

- County Administration data from FY 2015-16 shows that 45 counties overspent their FY 2015-16 allocations by a total of $6,048,275 total funds after adjustments made during the county settlement process.
- Further analysis illustrates that the County Administration appropriation has been overspent each year since FY 2011-12 ranging from $3.9 million in FY 2014-15 to $8.1 million in FY 2012-13.

Consequences of Problem

- Without increasing funding for County Administration, the counties will continue to incur these costs and overspend the appropriation.

Proposed Solution

- The Department of Human Services requests $16,666,666 total funds including $5,000,000 General Fund, $3,333,333 cash funds, and $8,333,333 federal funds in FY 2017-18 and beyond for the purpose of increasing funding for County Administration of public assistance programs. The cash funds are local funds.

Cost and FTE

- The Department of Human Services requests $4,070,574 total funds ($3,661,197 General Fund, $407,057 cash funds, and $2,320 federal funds) for FY 2017-18; and $3,780,574 total funds ($3,400,197 General Fund, $378,057 cash funds, and $2,320 federal funds) in FY 2018-19 and beyond to increase county child welfare staffing in response to a workload study performed by the Colorado Office of the State Auditor (OSA).
- This request represents a 35% increase over the FY 2016-17 appropriation.

Current Program

- The Department's Division of Child Welfare provides services to protect children from harm and assists families in caring for and protecting their children. The Division's programs comprise Colorado's effort to meet the needs of children who must be placed or are at risk of placement outside of their homes for reasons of protection or community safety.

Problem or Opportunity

- The OSA workload study conducted in 2014 determined that counties need 650 additional child welfare staff to meet program goals and achieve outcomes. Additionally, the 2016 Division of Child Welfare Caseload Study, contracted through ICF International, supported the determination that counties need additional staff and provided a tool to quantify county level staffing needs.
- While 100 county positions were funded in FY 2015-16 and 84.25 in FY 2016-17, the current staffing level does not meet the current workload for Colorado case workers and supervisors.
- Increased staffing allows county workers more time to work with children, youth and families to provide quality case management services such as more oversight of treatment plans and more frequent family engagement.

Consequences of Problem

- High staff turnover and a lack of sufficient staff, would affect the ability to deliver quality services, or could lead to a degradation of services affecting safety measures, continuity, and quality.
- Increased volumes of work can affect the quality of work and services provided to children and families as workers have inadequate time to perform all necessary tasks of case management.

Proposed Solution

- The Department requests $4,070,574 total funds as the third phase of a multi-phased approach to support counties in hiring additional staff for a manageable number of cases and to expand the reach of recruitment of qualified child welfare candidates, which will benefit children and families.

Cost and FTE

- The Department of Human Services requests $3,075,587 total funds, including increases of $3,514,960 General Fund and $1,552,417 reappropriated funds, offset by reductions of $40,435 cash funds and $1,951,355 federal funds in FY 2017-18 and beyond, to address the budget shortfall related to the Department's indirect and administrative costs. This request affects line items in the Executive Director's Office, Office of Operations, and Office of Information Technology.

Current Program

- The Department charges individual programs indirect costs to support central service administrative functions, including the Executive Director's Office and central support functions.
- Central support indirect costs are: (a) costs that are reasonable and allowable; (b) costs that are a legitimate cost of doing business; and (c) costs that cannot be directly identified with a single program or area, such as Accounting, Contracts, Procurement, and Human Resources.

Problem or Opportunity

- Historically, the Department has funded its indirect costs using year-end accounting adjustments, converting Medicaid Funds to General Fund, POTS transfers, and transferring Child Welfare Funds.
- The transfer of the Division of Vocational Rehabilitation from the Department of Human Services to the Department of Labor and Employment in FY 2015-16 resulted in a loss of funding to support overall central service administrative functions and central support functions.
- As a result, the Department has been evaluating opportunities to maximize the collection of funds to support indirect costs and developed a comprehensive solution to the issue.
- Through analysis the Department reviewed all programs with limitations on the amount of indirect costs that can be charged to federal grants and determined that federal sources have been maximized with four exceptions: Temporary Aid for Needy Families (TANF), Child Care Development Fund (CCDF), and Child Welfare Title IV-B, Title XX of the Social Security Act and Medicaid.
- However, these same programs and the Regional Centers have not been able to collect sufficient revenues to fund their allocated indirect costs. This results in a gap of $10.0 million total funds.

Consequences of Problem

- Without approval of this request, the Department will not be able to fund all of its current central support services that are typically covered through indirect revenues.

Proposed Solution

- The Department of Human Services requests a net increase of $3,075,587 total funds and Long Bill letternote changes to address the budget shortfall related to indirect and administrative costs.

Cost and FTE

- The Department of Human Services requests $320,830 total funds ($266,289 General Fund and $54,541 federal funds) in FY 2017-18 and $328,096 total funds ($272,320 General Fund and $55,776 federal funds) in FY 2018-19 and beyond to contract for oversight and technical assistance due to increased county staffing levels appropriated by the Legislature in response to a Workload Study performed by the Colorado Office of the State Auditor (OSA) in 2014 and the Child Welfare Caseload Study performed by ICF International in 2016.

Current Program

- The Department's Division of Child Welfare provides services to protect children from harm and assists families in caring for and protecting their children. The Division's programs comprise Colorado's effort to meet the needs of children who must be placed or are at risk of placement outside of homes for reasons of protection or community safety.
- State Child Welfare staff monitor county programs in the areas of compliance, outcomes measurements, budget, and training needs. They also provide consultation, technical assistance, and direction for county directors and county program staff about challenges, deficiencies, efficiencies and effectiveness of each program.

Problem or Opportunity

- The 2014 OSA Workload Study determined that counties need additional staff to meet program goals and achieve outcomes. The 2016 ICF International Child Welfare Caseload Study supported this need and provided a tool to quantify county level staffing needs.
- The Legislature appropriated funding to increase county child welfare staffing levels in FY 2015-16 and FY 2016-17.
- Increased funding is needed to contract for services that provide additional technical assistance and oversight to counties as their staffing levels increase.

Consequences of Problem

- Current State staff are stretched to meet the increased needs of rising county staffing levels.
- The Department's ability to monitor or consult county program staff and activities is limited.

Proposed Solution

- The Department requests $320,830 total funds ($266,289 General Fund and $54,541 federal funds) to contract services to meet the technical assistance and oversight needs of increased county child welfare staffing levels.

Cost and FTE

- The Department requests a net $0 transfer of $900,000 General Fund from the Community Transition Services Long Bill line item to the Colorado Crisis Response System in FY 2017-18 and beyond to enhance the current Colorado Crisis Services (CCS) system.

Current Program

- As a part of Governor Hickenlooper's 2013 Strengthening Behavioral Health Initiative, $25 million was appropriated on an ongoing basis to create a comprehensive statewide crisis response system: a statewide hotline/warm line, service provision through four regional contracts, and an associated statewide marketing campaign.

Problem or Opportunity

- After two years of implementation, the Department has a better understanding of the gaps in services offered. The Department has the opportunity to establish best practices to ensure continuity of care between services, enhance its statewide reach, and ensure access for all Coloradans.
- The Crisis Response System hotline/warm line capabilities are currently not sufficient to meet demand. Call volume between March and August 2016 increased by 18% (1,963 calls) and is projected to continue increasing. Additionally, increased call duration trends because of the "warm hand off" to a service provider are driving a need for more staff to meet national standards of care.
- While there has been increased utilization of the crisis hotline, there is still not statewide recognition and understanding of the system and how it may interface with other resources. The current CCS marketing contractor struggles to provide statewide, ongoing marketing exposure.

Consequences of Problem

- The Crisis Response System hotline/warm line service will not be able to maintain service quality or keep up with increasing demand. Call abandonment rates (which increased from 2.1% in June 2015 to 5.2% in June 2016), average call wait times (which increased from 11.3 seconds in June 2015 to 30.7 seconds in June 2016), and staff turnover (currently at 47%) will continue to increase. Timeliness and quality are critical when serving individuals experiencing a mental health crisis.

Proposed Solution

- The Department will redirect unspent funds to the Crisis Response System to increase crisis hotline contracted staffing to keep near national standards of care ($600,000) and to increase marketing funds to further enhance visibility and educate the public about the Crisis Response System ($300,000), further increasing hotline utilization. No additional FTE are requested.

Cost and FTE

- The Colorado Department of Human Services requests $428,410 total funds/General Fund and 4.6 FTE for the State Administration of the Adult Protective Services line item in FY 2017-18. This annualizes to $435,991 and 5.0 FTE in FY 2018-19 and beyond.

Current Program

- The Adult Protective Services (APS) program protects some of our most vulnerable citizens from abuse, neglect, and exploitation. Pursuant to §26-1-111(1), C.R.S., the Department is "charged with the administration or supervision of all the public assistance and welfare activities of the State, including but not limited to … social services, child welfare services, rehabilitation, and programs for the aging and for veterans, which activities as enumerated are declared to be state as well as county purposes." And per §26-3.1-104, C.R.S., counties are responsible for receiving reports, conducting assessments, investigating allegations, and implementing protective services as needed.

Problem or Opportunity

- Senate Bill 13-111 created mandatory reporting for at-risk elders effective July 1, 2014, resulting in an increase in reports received by county APS programs. Reports have grown statewide from 11,818 in FY 2013-14 to 16,696 in FY 2014-15, or an increase of 44%. Open cases also increased during that time period from 6,760 to 8,932 open cases, or 32%.
- The SB 15-109 Task Force projected reports to increase by another 30% by expanding mandatory reporting to adults with Intellectual and Developmental Disabilities (IDD) starting July 1, 2016.
- Current State APS staffing levels do not allow for oversight of county APS programs as required in statute, and the Department does not have capacity for sufficient quality assurance of casework. Currently the APS program is able to dedicate only 0.5 FTE of its 6.5 FTE to quality assurance.

Consequences of Problem

- There is a risk to the State and vulnerable adults if funding is not provided for additional quality assurance of the APS program. During a recent review of four counties, only 31% of the sample met the standard of 90% compliance for quality casework, and 41% had a failing score.
- These results raise concern about the extent to which other county casework complies with State APS statutes, rules, regulations and policies. Some counties' casework is not reviewed for several years and large counties do not receive follow up on critical issues identified during their reviews.

Proposed Solution

- Adding additional quality assurance staff is critical to ensure proper oversight and technical assistance for APS caseworkers statewide, to ensure the quality of practice and service delivered to our most vulnerable citizens, and meet national best practices.

Cost and FTE

- The Department requests $609,307 General Fund in FY 2017-18, and $34,788 General Fund in FY 2018-19 and ongoing for security enhancements at the Colorado Mental Health Institutes.
- This represents a 9.4% increase above the Mental Health Institute (MHI) FY 2016-17 Operating Expenses allocation.

Current Program

- The Colorado Mental Health Institute at Pueblo (CMHIP) operates 449 inpatient psychiatric beds, and the Colorado Mental Health Institute at Fort Logan (CMHIFL) operates 94 inpatient psychiatric beds for adults.
- Referrals to the MHIs come from Community Mental Health Centers, local hospitals, and courts.

Problem or Opportunity

- In FY 2015-16, both Mental Health Institutes experienced "lock down" situations as a result of armed and dangerous fugitives either on or near the Institutes' grounds.
- Security staff at the Mental Health Institutes would benefit from training and additional resources in order to stay current on security protocols, such as Active Shooter Training. The nurse station at the Advanced Cognitive Behavioral Unit at CMHIP is not enclosed and poses a Health Insurance Portability and Accountability Act (HIPAA) and security risk.
- Other improvements are also needed, such as metal detectors, replacement cameras with better capabilities, and proximity readers for doors, providing a log of who is entering and exiting.

Consequences of Problem

- Without current training, the security staff at the Mental Health Institutes will lack the most up-to-date skill tactics needed to ensure safety in today's environment.
- This additional security related items are necessary to maintain safety at the Mental Health Institutes, and will provide additional deterrence, monitor common areas, high sensitivity areas and external points of entry for increase hospital and patient safety and security.

Proposed Solution

- The request will add $286,589 General Fund to the operating budget at CMHIP and $322,718 General Fund to CMHIFL in FY 2017-18. The security enhancements will provide the security staff with the essential training necessary for the job, as well as enhance security in critical areas of the Institutes. Staff accountability is also increased, and potential liability is reduced with the ability to record interactions between staff and patients.

Cost and FTE

- The Colorado Department of Human Services requests $321,697 in Old Age Pension (OAP) cash funds for FY 2017-18 and beyond to fund a 0.3% Cost of Living Adjustment (COLA) to the grant award provided to OAP program participants.
- This request constitutes a 0.3% increase over the current appropriation.

Current Program

- The OAP Program is established in the State constitution and is continuously appropriated. The OAP program provides basic cash assistance to low-income adults, age 60 or older, who meet OAP program eligibility requirements.
- Each year, the Social Security Administration (SSA) reviews the Consumer Price Index (CPI) to determine whether to increase benefits to Supplemental Security Income (SSI) recipients, through a COLA increase in order to keep pace with inflation.
- OAP program participants typically receive a COLA increase that matches the COLA passed for SSI recipients.
- The State Board of Human Services (SBHS) has constitutional authority to choose to raise or not raise the OAP grant standard effective on January 1 annually.

Problem or Opportunity

- If the SSA passes a Supplemental Security Income COLA, the new COLA amount would be subject to the Maintenance of Effort (MOE) requirement that requires a minimum State expenditure level of $27,534,135 on SSI recipients annually.
- Not passing along the COLA would result in the OAP grant standard not keeping pace with inflation and creating a negative fiscal impact on a vulnerable population.

Consequences of Problem

- If a COLA is approved by the SSA but is not passed along to OAP recipients, it will reduce the total amount of state expenditures applied towards SSI recipients as required by the SSA to meet the MOE spending requirement. This situation would require other programs to bear the cost of meeting the mandated spending, creating an inequitable distribution of benefit dollars.
- Non-compliance with the MOE requirement could result in a loss of a quarter of the State's annual federal Medicaid funds or $325 million quarterly.

Proposed Solution

- The Department requests $321,697 OAP cash funds to pass along a 0.3% COLA to OAP eligible recipients, pending approval of the COLA by the SSA and subsequent approval by the SBHS.
- If passed, the FY 2017-18 COLA monthly increase will be $2, setting the grant standard to $773 per month.

Cost and FTE

- The Department requests $695,268 including $385,894 General Fund and $309,374 federal Temporary Aid for Needy Families in FY 2017-18 to provide integrated, comprehensive services and supports to 125 – 175 low-income families enrolled in evidence-based home visiting programs. This request annualizes to $933,099 total funds including $518,441 General Fund and $414,658 federal funds in FY 2018-19 and beyond.
- To coordinate the high level of collaboration between various partners necessary to successfully implement this program and provide seamless programming to families, 0.9 FTE is also requested, which annualizes to 1.0 FTE in FY 2018-19 and beyond.

Current Program

- Families experiencing poverty with young children are enrolled in voluntary evidence-based home visiting programs designed to support caregiver well-being and provide mentoring and guidance around parenting and healthy social-emotional and physical development of their children.
- Services include screening and referrals for parental depression, child development and other community resources.

Problem or Opportunity

- Poverty is a significant source of stress for families and a barrier to effectively using resources and supports to improve their own and their children's trajectories through life.
- Research shows families in poverty are more likely to be successful in programs that use a Two-Generation (2Gen) approach which address needs of vulnerable children and their parents together.
- Two Generations Reaching Opportunity (2GRO) will help families move out of poverty and support healthy child development by integrating services such as home visiting, postsecondary and employment pathways, financial literacy, behavioral health, transportation, child care and basic needs support.

Consequences of Problem

- Without funding for integrated services, families will continue to struggle with multiple barriers to health and well-being associated with poverty and poorly coordinated services to address those barriers.

Proposed Solution

- The Department requests $695,268 total funds and 0.9 FTE in FY 2017-18 for the purpose of implementing 2GRO to support families moving out of poverty and healthy child development.
- CDHS will partner with the Departments of Education; Higher Education; Labor and Employment; the Small Business Administration; and the Colorado Department of Health Care Policy and Financing, to resolve challenges, coordinate services and eliminate system barriers for families.
- Local barriers will be identified through a community assessment and development of plans to address barriers to engage early childhood home visiting clients in education, workforce, child care, financial literacy and basic needs supports provided through multiple systems.
- An evaluation will track and analyze child and family outcomes to determine the impact and inform future implementations.

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Department of Human Services

Cost and FTE

- The Department requests $661,947 cash funds from the Marijuana Tax Cash Fund (MTCF) and 8.0 FTE in FY 2017-18, and $567,528 Marijuana Tax Cash Fund and 8.0 FTE in FY 2018-19 and beyond to provide substance use disorder treatment at the Colorado Mental Health Institutes (MHI).

Current Program

- The Colorado Mental Health Institute at Pueblo (CMHIP) operates 449 inpatient psychiatric beds, and the Colorado Mental Health Institute at Fort Logan (CMHIFL) operates 94 inpatient psychiatric beds for adults.
- Currently, CMHIFL provides one substance abuse education group per week and four Cognitive Behavioral Therapy/substance abuse groups once per week. For patients not in the Circle inpatient program, CMHIP has three counselors who serve patients found Not Guilty by Reasons of Insanity.

Problem or Opportunity

- Patients at CMHIFL often have dual diagnosis treatment needs: mental health and substance use disorder treatment. Readmission rates are affected by dual diagnosis issues, and the patient's inability to abstain from substance use creates discharge barriers. Additionally, the lack of services to support sobriety in the community can lead to rapid de-compensation and return to the Institute.
- At CMHIP, the need for substance use disorder treatment exceeds capacity. Patients who were granted community placement or conditional release and are still monitored by CMHIP also need monitoring and treatment to prevent readmission. CMHIP's outpatient treatment and monitoring team currently has no Certified Addiction Counselors on staff.
- Substance use disorder treatment is also critical in the restoration process of patients found incompetent to proceed at CMHIP, many of whom were misusing substances prior to their arrest.

Consequences of Problem

- There is a growing recognition of the importance of addressing substance use disorders in a trauma-informed care environment. Without proper substance use disorder education and treatment, many patients at the Institutes may experience recidivism, prolonged lengths of stay, and readmissions.

Proposed Solution

- The requested funding will add 8.0 Certified Addiction Counselors (CAC) to the Institutes, allowing for more treatment services provided to patients found incompetent to proceed and to civilly admitted patients, assisting in their recovery and ultimately in their ability to be discharged.
- This request also includes renovation of Room B201 in CMHIP Building 115 to accommodate a group therapy room, which was previously designed as a dining hall.

Cost and FTE

- The Department of Human Services requests $421,360 total funds/General Fund in FY 2017-18 to continue serving 1,300 families in seven high-need communities through the evidence-based Healthy Steps (HS) home visiting program. The requested funds annualize to $571,946 total funds/ General Fund in FY 2018-19. Local sites will match the State's investment to fully cover costs. No state FTE are requested.

Current Program

- HS is a low-cost gateway to supports and services for at-risk families with children birth to age 3 through pediatric primary care. An evidence-based two-generation strategy, HS aligns policy and practice recommendations of Ascend at Aspen Institute and will be included in an upcoming report.
- Based on a national evaluation, HS improves pediatric quality of care; enhances communication between pediatricians and parents; reduces parental use of harsh punishment; identifies families at risk for depression, violence and substance abuse; and helps children receive appropriate preventive services.
- HS families reside in the highest risk counties as determined by the 2012 Early Childhood Needs Assessment, are low-income, and may be referred by a pediatrician due to an additional risk factor. Client retention is the highest among the Department's evidence-based home visiting programs.
- A Results First Initiative in Colorado conservatively estimated that the return on investment of every $1 invested in a family participating in HS is $2.60. The Tax Payer Benefits to Cost Ratio, calculated at $1.40, is the highest of the evidence-based home visiting programs reviewed.

Problem or Opportunity

- Federal funding for Healthy Steps will end September 2017. Local sites can provide some funds but cannot assume the full costs, and there is no possibility of securing federal MIECHV home visiting funds.
- Alternative funding through Medicaid is promising but a change in reimbursement is several years out, and is not likely to cover the full cost of the program, and will still require a state match.

Consequences of Problem

- If new funding is not provided, 1,300 vulnerable families, many in rural areas with limited support programs, will lose services. These families are at risk for adverse outcomes due to poverty-related stressors, parental depression and substance use, domestic violence and limited parental knowledge of child development and healthy parenting.

Proposed Solution

- The Department requests $421,360 total funds/General Fund to sustain HS as part of the continuum of community prevention programs. By funding this request, the HS program will continue to increase families' capacity to provide a safe, stable and nurturing environment for children and decrease the likelihood that children across the State will experience child abuse or neglect.

Cost and FTE

- The Department requests $350,377 General Fund in FY 2017-18 and beyond to implement a standardized equipment replacement and minor renovation plan at the Mental Health Institutes (MHIs). This request represents a 678% increase above the FY 2016-17 Institute Capital Outlay appropriation for the MHIs.

Current Program

- The Colorado Mental Health Institute at Pueblo (CMHIP) operates 449 inpatient psychiatric beds, and the Colorado Mental Health Institute at Fort Logan (CMHIFL) operates 94 inpatient psychiatric beds for adults.
- Referrals to the MHIs come from community mental health centers, local hospitals and the courts.

Problem or Opportunity

- The Department is in need of medical equipment replacements, furnishings, security enhancements, and minor renovations at the Colorado Mental Health Institute at Fort Logan (CMHIFL) and the Colorado Mental Health Institute at Pueblo (CMHIP).
- Prior to FY 2015-16, the Department used existing operating appropriations to replace equipment, which was not sufficient for all MHI equipment and the Department delayed replacing equipment.
- For FY 2015-16, the Department requested and received funding for critically needed equipment and renovations for the MHIs. The FY 2015-16 funding allowed the Department to triage the MHI equipment needs but did not represent a comprehensive solution for the problem.
- A new Capital Outlay line item was added to both of the Department's MHI Long Bill sections in FY 2015-16, with a current combined appropriation of $86,607.

Consequences of Problem

- Failure to replace outdated equipment affects efficiency and jeopardizes effective service delivery. Additionally, failure to maintain safe, sanitary furnishings places the Department at risk of citations by various regulatory and credentialing entities.
- Minor renovations are required to provide necessary treatment space for clients, while aging equipment jeopardizes the Department's ability to provide a safe environment for patients and staff.

Proposed Solution

- The Department plans to replace a standard percent of the total MHI equipment (kitchen, patient unit, and medical equipment) on an annual basis so that the full inventory can be refreshed over a pre-determined useful life, which will prevent expensive repairs and allow the Department to operate safely, efficiently and effectively.

Cost and FTE

- The Colorado Department of Human Services (CDHS) requests an ongoing increase of $1,167,264 in reappropriated funds from the Colorado Department of Corrections (CDOC) and 1.0 FTE to true-up the Department Long Bill appropriations to the amount billed in the Department's contract for facility management services provided to CDOC on the Pueblo campus. This will require an additional $682,085 General Fund in the CDOC budget.
- This request reflects an increase of 84% over the FY 2016-17 appropriation.

Current Program

- The Department/CDOC interagency agreement allows the Department to provide facility management services to three CDOC facilities in Pueblo on the mental health institute campus: San Carlos Correctional Facility (SCCF), the LaVista Correctional Facility (LVCF) and the Youthful Offender System (YOS).
- Services include full building support services from the CDHS Division of Facilities Management (DFM) Southern District, including maintenance, infrastructure, security, design support, operations, irrigation and grounds upkeep. The economy of scale that DFM provides has benefited both CDOC and the remainder of the campus.

Problem or Opportunity

- The Department is currently being reimbursed by CDOC at lower historical costs rather than current costs, which reflect normal inflation and personal services increases. As a result, CDHS funds are being utilized to subsidize CDOC costs.
- The Department does not currently have sufficient spending authority in the Long Bill to expend reimbursable amounts in the current interagency agreement with CDOC.

Consequences of Problem

- Costs are not being fully paid by the appropriate state agency, which in this case is CDOC. Potential audit violations are possible if spending authority is not increased, as well as violation of the State Fiscal Rules by continued inability to process reimbursements as revenue.

Proposed Solution

- The Department requests $1,167,264 total funds/reappropriated funds, with a corresponding increase of $682,085 General Fund in CDOC. The increase will allow the Department to fully spend reimbursements from CDOC as revenue, comply with Fiscal Rule and Procedure and recoup all costs currently associated with services provided to CDOC, rather than subsidizing those costs with the DFM operating budget.

Cost and FTE

- The Department of Human Services requests $860,361 in Federal Child Care and Development Funds (CCDF) in FY 2017-18 and 1.0 FTE for the purpose of optimizing the alignment of early childhood programs.
- The requested funds are an 11.1% increase over the FY 2016-17 appropriation in the Child Care Licensing and Administration line item and annualize to $860,361 total funds in FY 2018-19 and beyond.
- The request includes 1.0 FTE responsible for identifying efficiencies and cost savings, implementing process improvements, and supporting the alignment of early care and learning programs. The FTE is a refinancing of existing staff and not a new FTE.

Current Program

- The Office of Early Childhood (OEC) administers programs targeted towards improving outcomes for children from birth to age eight. Services include child care licensing, quality improvement, child care subsidy, and support for families with young children.

Problem or Opportunity

- The OEC was formed without additional resources by consolidating programs from various state agencies to better align and coordinate programs serving children from birth to age eight.
- Short-term financing and cost-saving solutions were implemented to cover costs required to maintain existing programmatic activities and to add new functions necessary to improve the coordination and integration of early childhood programs.
- The Department anticipated the OEC would reach its intended size and scope in year three (2016), when both growth and costs would stabilize, allowing the Department to determine the need for and seek a permanent and sustainable solution to increased expenditures, if necessary.

Consequences of Problem

- Failure to correct the CCDF spending authority for the Child Care Licensing and Administration line item will negatively impact the OEC's service delivery.
- Specifically, the Department's $68 million annual CCDF award would be jeopardized, the OEC would need to reprioritize programs and projects, child care providers would receive fewer timely services, and the Colorado Shines Quality Rating and Improvement System (QRIS) would have fewer resources to assign ratings.

Proposed Solution

- The Department requests $860,361 total funds CCDF spending authority from funds already awarded to the Department for the purpose of better aligning early childhood programs. By funding this request, the Department will ensure the OEC will continue to meet the statutory requirements to align early childhood programs established in House Bill 13-1117.

COLORADO
Department of Human Services

Cost and FTE

- The Colorado Department of Human Services requests $473,000 total funds/General Fund, to support the non-potable water ditch repair for the Harriman Ditch located on the Mount View Youth Services Center campus.

Current Program

- As a ditch share owner, the Department is responsible for the maintenance and upkeep of the ditch within the property boundaries of the campus.
- Over several years, the rushing water has taken its toll on the cement walls and base of the ditch. In multiple sections of the approximately 1,000 linear feet of ditch within the confines of the campus, ditch walls have collapsed creating a blockage. In addition, the ditch base has allowed water to seep beyond the ditch borders. Several buildings have had water penetrating through the foundation walls due to this seepage and when the water flow is heavy, the water overflows its banks due to the blockage.
- The Department has utilized temporary measures with limited success to mitigate overflow, downstream flooding, and damage from the flowing ditch water.

Problem or Opportunity

- A 300-foot long portion of the ditch nearly collapsed in 2016 resulting in an Emergency Controlled Maintenance project. There is potential for a reoccurrence.
- The Department has utilized temporary measures with limited success to mitigate overflow, downstream flooding, and damage from flowing ditch water.
- In addition to the current condition, the Department is also concerned for the future safety and security of youth and staff on the campus.

Consequences of Problem

- If this request is not funded, the Department could have another costly emergency occur, creating potentially unsafe conditions for youth and staff on the campus. A failure of the ditch would have significant impact on other ditch owners that use the water for irrigation, resulting in a financial liability to the Department.

Proposed Solution

Bury the ditch within an enclosed pipe covering the entire length of the campus to address safety, security, and current and future maintenance of the ditch. The solution would decrease the potential of seepage and outflow of the ditch water, thereby avoiding damage to multiple buildings on campus, as well as reduce the potential liability from the other ditch owners.

COLORADO
Department of Human Services

Cost and FTE

- The Department requests the elimination of the Staff Training Line from the Long Bill. This includes $13,799 in cash funds. This is a line item on the Long Bill that has not been used in approximately four years.

Current Program

- Historically, the Department managed two programs specifically designed to develop leadership capacity across the Department: the Leadership Development Institute (LDI) and the Executive Development Institute (EDI).
- The LDI provided professional development to the supervisors within the Department, and the EDI focused on developing director-level employees within the Department. Each program was conducted over a seven- to eight-month period, and provided opportunities for staff to have a variety of unique experiential learning opportunities.

Problem or Opportunity

- This is a line item on the Long Bill that has not been used in approximately four years. This presents an opportunity to remove the item and clean up the Long Bill.

Consequences of Problem

- If not approved, the line item would continue to show on the Long Bill. Although spending authority would be available, the Department does not have the staff available to utilize that spending authority.

Proposed Solution

- The Department recommends removing the appropriation line from the Long Bill in an effort to clean up the Long Bill.

Cost and FTE

- The Colorado Department of Human Services (Department) requests spending authority for reappropriated federal Medicaid funds of $500,000 in FY 2017-18 and ongoing from the Department of Health Care Policy and Financing to match local funds used by the Aging and Disabilities Resources for Colorado (ADRC) program for Medicaid-related counseling services.

Current Program

- The ADRC provides counseling on available options, and assistance to older adults and people with disabilities in need of publicly funded and private pay, long-term services and supports.
- In FY 2015-16, over 35,000 Coloradans received support from the ADRCs to identify services and supports that allow them to remain in their homes instead of settings such as nursing homes.
- The ADRCs began in 2006 with funding from federal grants and have continued with support from foundation grants and local funding sources. Currently, the program is funded through local cash, grants, the federal Older Americans Act and State Funding for Senior Services.

Problem or Opportunity

- The federal and foundation grants that have funded the ADRC ended September 30, 2015. Sustainable funding is needed to continue the work of the ADRCs. If Colorado's ADRC network could utilize existing local cash and state dollars as a Medicaid match, a sustainable funding stream for this program could be provided.
- Other states have successfully set up the ADRC programs to draw down Medicaid match for a portion of the work provided. Wisconsin conducted time tracking of their ADRC work and identified 75% of services were eligible for Medicaid claiming.

Consequences of Problem

- Without the ability for the ADRCs to use Medicaid claiming, the funds that support the ADRCs would not be adequate to support the network.
- The capacity of ADRCs in Colorado would significantly diminish if sustainable funding was not secured resulting in less long-term care services and supports for older adults and people with disabilities. Services that would likely be reduced or eliminated include options counseling, which is designed to help older adults identify what services are needed to help them continue to live in community settings and assistance in obtaining those services such as application assistance.

Proposed Solution

- The Colorado Department of Human Services (Department) requests spending authority for the increased reappropriated federal Medicaid funds of $500,000 in FY 2017-18 and ongoing from HCPF to continue to fund the ADRC program.

Cost and FTE

- The Department of Human Services requests a net decrease of ($153,818) total funds/General Fund for FY 2017-18 which represents a savings in the Division of Youth Corrections Community Programs personal services from the reduction of 2.0 FTE Client Manager positions. This represents a savings of (2.2%) from FY 2016-17.

Current Program

- Client Managers (CMs) are responsible for the oversight of a committed juvenile's case from the point of commitment to the end of parole.
- CMs facilitate Multi-Disciplinary Team (MDT) processes, act as liaisons for family engagement, prep clients for transition and parole hearings, manage the Discrete Case Plan, order supervision and treatment services for parole, coordinate the client's youth portfolio and other actions required to ensure successful parole.

Problem or Opportunity

- The Division is realigning needed resources in the Client Manager area to reflect both the decline in the committed and paroled youth populations as well as recognizing the changes in workload which require lower caseload ratios.
- The additional staff have been very useful in the implementation of added duties required under the MDT process but are not as necessary as CM skills in facilitating these meetings are improving.

Consequences of Problem

- The Department believes this is an opportunity to reduce General Fund expenses and prioritize these funds for other needs.
- Reallocating positions to other purposes is not necessary and use of the funds elsewhere in the Department makes better sense.

Proposed Solution

- The Division proposes to reduce 2.0 Client Managers due to a reduction in projected caseloads in FY 2016-17, resulting in a savings of ($153,818) total funds/General Fund.
- Workload ratios are calculated monthly and will be monitored for any potential impact.

COLORADO
Department of Labor and Employment

0.2% State General Fund

0.9% State Total Funds

FY 2017-18 Governor's Request

$21.3 million General Fund

Share of Statewide General Fund: 0.2%

$248.4 million Total Funds

Share of Statewide Total Funds: 0.9%

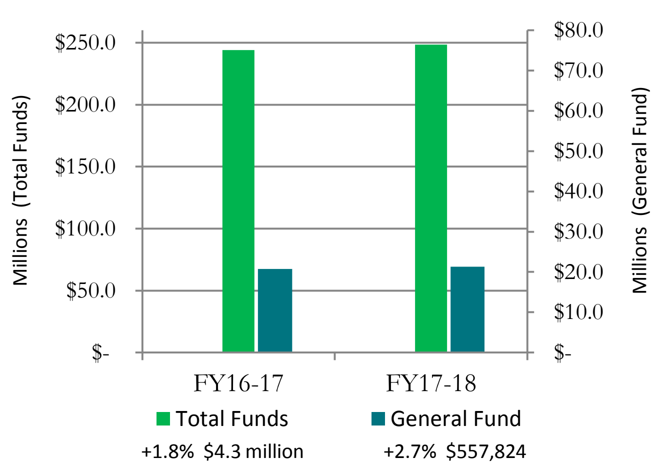
Mission Statement

To protect and promote the integrity and vitality of Colorado's employment environment. This statement encompasses every function of the Department as we serve Colorado's employers and workers to help our state thrive.

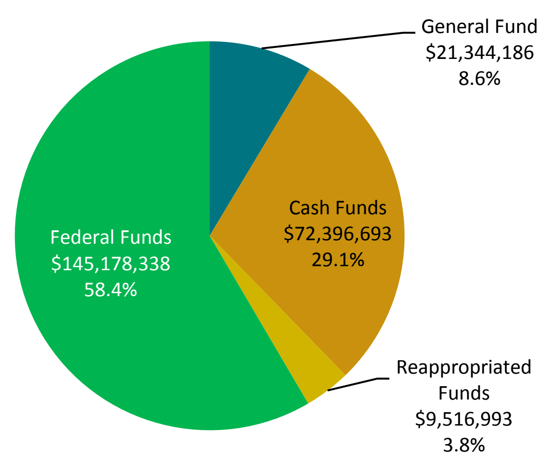
Department Description

The Colorado Department of Labor and Employment (CDLE) provides information and tools to help Colorado businesses and workers remain competitive. CDLE is comprised of six 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; the Division of Unemployment Insurance; and the newly transferred Division of Vocational Rehabilitation and Independent Living Services.

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



Breakdown of Total Funds FY 2017-18



STRATEGIC POLICY INITIATIVES

COLORADO
Department of
Labor and Employment

1 Customer Service

CDLE fosters an agency-wide culture of service based on values, customer feedback and strategic initiatives to improve service delivery.

- Customer satisfaction will be measured through the creation and implementation of an ongoing customer service survey and after a baseline is set will increase by 5% annually up to a threshold of 90%. In FY 2015-16, the actual was 87.8% and the target was 81.4%; for FY 2016-17 the target is 86.4%.

2 Employee Engagement & Accountability

CDLE will establish a culture of engagement and accountability that affords employees the opportunity, structure, and tools to thrive and provide an exceptional customer experience.

- The Department will achieve this by maintaining the Employee Quality and Excellence Plan (EQEP) as a tool, and better communicating the CDLE Rewards and Recognition Program, among others.
- Employee engagement will be demonstrated through increased percent stating agree or strongly agree on the annual CDLE employee survey. In FY 2015-16, the actual was 80.0% and the target was 84.7%; for FY 2016-17 the target is 89.7%.

3 Technology

CLDE will implement optimal technology solutions that create an exceptional customer experience.

- The Department will achieve this by defining the portfolio of technology projects, services and assets for the Department, and approaching technology projects with a focus on better serving the customer; where possible, engage the customer in the project.
- This will be measured through timely resolution of technology issues identified by users of applications and infrastructure as reported in the service desk system. In FY 2015-16, the overall CDLE % of service incidents resolved within Service Level Objectives was 98%, and the target was 90%; for FY 2016-17, the target is again 90%.

R-01 Conveyance Program Application and Database

3

Technology

$445,000 Cash Funds in FY2017-18

- The Department requests up to $445,000 Cash Fund spending authority in FY 2017-18 from the Division of Oil and Public Safety's (OPS) Conveyance Fund.
- The Conveyance program annually regulates and inspects about 20,000 conveyances (e.g. elevators, escalators, dumbwaiters, and wheelchair lifts).
- The Conveyance program currently utilizes Amanda and is dissatisfied with the product for multiple reasons, including lack of adequate support, design flaws, and implementation issues that have affected functionality and make use of the database inefficient.
- OPS is requesting that with high level business requirements established, an RFP be developed to solicit database software as a service design proposals. Ideally, the selected cloud based solution would be configurable so that enhancements can be made to meet the changing business needs.

Cost and FTE

- The Department requests up to $425,000 Cash Fund spending authority in FY 2017-18 from the Division of Oil and Public Safety's (OPS) Conveyance Fund.
- The Department is not requesting any additional FTE.

Current Program

- The OPS purpose is to protect the public and our environment by ensuring the safe storage and use of fuel products and explosives and the safe operation of amusement rides, boilers and conveyances.
- The Conveyance program annually regulates and inspects about 20,000 conveyances (e.g. elevators, escalators, dumbwaiters, and wheelchair lifts).
- The public safety programs are funded entirely by registration fees, certificate fees, and license fees.
- The current database application is known as Amanda, a COTS (Commercial Off The Shelf) system, that does not meet the needs of the program's customers.

Problem or Opportunity

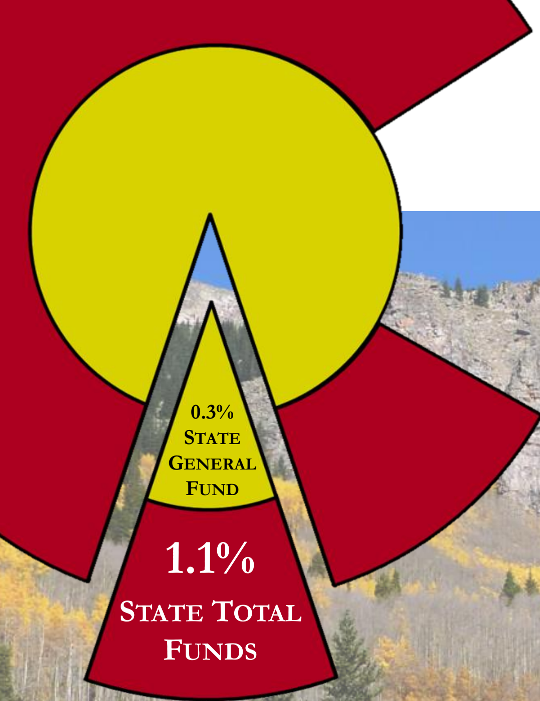
- The Conveyance program currently utilizes Amanda and is dissatisfied with the product for multiple reasons, including lack of adequate support, design flaws, and implementation issues that have affected functionality and make use of the database inefficient.
- The Department has spent time and money trying to address the functionality issues within the existing system.
- OIT is unable to develop enhancements for the application due to the numerous design flaws and configuration issues.

Consequences of Problem

- Lack of functionality of certain modules resulting from design flaws and implementation issues has necessitated the development of many "work-arounds" outside the Amanda database.
- Productivity has dropped due to laborious steps to complete transactions, duplicative data entry requirements, and incomplete process flows necessitating more work outside of the database.

Proposed Solution

- The Department requests up to $425,000 Cash Fund spending authority in FY 2017-18 from the Conveyance Fund for a new system.
- OPS is requesting that with high level business requirements established, an RFP be developed to solicit database software as a service (SAS) design proposals. Ideally, the selected cloud based solution would be configurable so that enhancements can be made to meet the changing business needs.
- Current fees will not be increased to implement this project.



COLORADO
Department of Local Affairs

FY 2017-18 Governor's Request

$28.7 million General Fund

Share of Statewide General Fund: 0.3%

$317.2 million Total Funds

Share of Statewide Total Funds: 1.1%

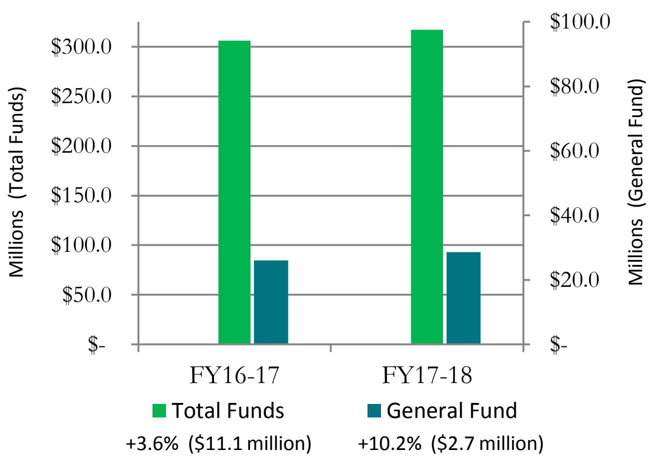
Mission Statement

DOLA strives to be responsive, attentive, solutions-oriented and respectful, within and beyond our departmental boundaries. DOLA distills its missions to be: "Strengthening Colorado's Communities" and is committed to that motto.

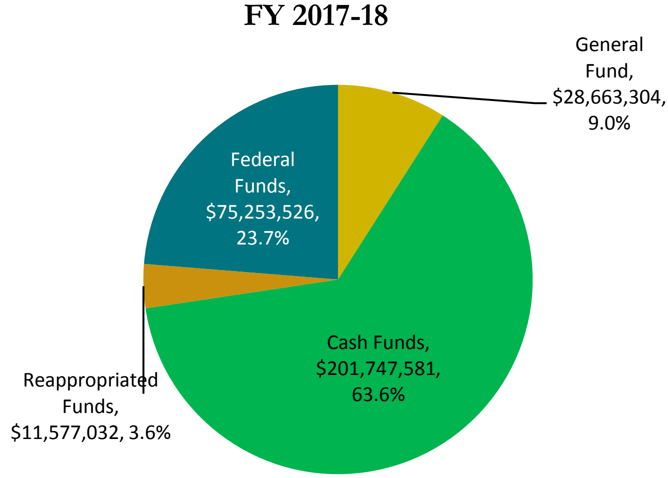
Department Description

The Department of Local Affairs (DOLA) serves as the primary interface between the State and local communities. DOLA provides financial support to local communities and professional and technical services (including training and technical assistance) to community leaders in the areas of governance, affordable housing, and property tax administration. DOLA makes financial resources available to support community infrastructure (e.g. water, sewer, road and bridge projects) and services (e.g. housing) either through statutory formula distributions of state and federal funds (e.g. Energy Impact Direct Distribution, Community Service Block Grants, Conservation Trust Fund) or through state and federal grants (e.g. Energy Impact, Limited Gaming Impact, Community Development Block Grant, Marijuana Impact). Nearly 90 percent of the Department's annual budget is invested directly in local communities in the form of grants, distributions, or low interest loans.

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



Breakdown of Total Funds FY 2017-18



Strategic Policy Initiatives

1 Increase Affordable Housing Supply

Increase the financial resources available for housing production, given the Department's ability to deploy those funds and additional funds as they become available.

- The Department measures success through the annual increase in the affordable housing supply. The FY 2015-16 actual was 3,100 additional housing units; the FY 2017-18 goal is 3,700, and the FY 2019-20 goal is 4,300.

2 Improve Quality of Life for Fort Lyon Residents in a Cost Effective Manner

Create a statewide referral system to indentify vulnerable homeless individuals, provide permanent housing, as well as offer medical care and job training, mental health and substance abuse treatment.

- One metric for success is the percent of Fort Lyon's residents obtaining employment. The FY 2015-16 actual was 70%; the FY 2017-18 goal is 73%, and the FY 2019-20 goal is 75%.

3 Expand Broadband Services in Rural Communities

In partnership with the Office of Economic Development and International Trade and the Office of Information Technology, promote expanded broadband coverage in needed rural communities statewide by leading essential technical support and strategically investing in essential regional planning efforts and critical "middle-mile" infrastructure.

- The Department will measure success using the number of critical broadband infrastructure "middle-mile" projects funded. The FY 2016-17 goal is 5 projects funded with 4 additional for FY 2017-18.

4 Additional Main Street Projects

Bring the total number of communities to 34 by adding 20 new communities into the Colorado Main Street program to produce 2,155 net new direct, indirect and induced jobs; 450 new businesses; and leveraging over $37.5 million in public and private investment by June 30, 2020.

- One metric for success is the number of new communities added into the National Main Street Program. The FY 2017-18 goal is 4 additional communities, and the FY 2019-20 goal is an additional 8.

5 Provide Recovery Resources Through Strategic Partnerships

Provide recovery resources to households, businesses, and local governments to foster the long-term recovery of disaster-impacted communities through the effective implementation of programs funded under the HUD allocation of CDBG-DR.

- The Department measures success in this initiative through the amount of CDBG Disaster recovery funds successfully invested in impacted communities. The FY 2015-16 actual was $86 million, the FY 2017-18 goal is $93.0 million, and the FY 2019-20 goal is $31.0 million.

R-01 Housing Development Grant Program

$2.0 million General Fund in FY 2017-18 and ongoing

Increase Affordable Housing

- Beginning in FY 2017-18, the Department is requesting to increase the Housing Development Grant (HDG) fund by $2.0 million General Fund annually for the development of 250 affordable housing units.
- The demand for affordable housing far exceeds the State's financial resources given the growing disparity between housing cost and household income.
- Funding will be used to develop affordable housing units for low-income Coloradoans across the state that spend 50% or more of their income on housing, including seniors and other rent-burdened households. Funding will also be targeted to communities that are becoming unaffordable due to gentrification.

R-02 Enhanced Rural Development Coordination FTE

$104,927 Reappropriated Funds and 1.0 FTE in FY 2017-18, $100,224 ongoing

- The Department is requesting $104,927 in Energy and Mineral Impact Assistance Funds (EIAF) to be reappropriated to the Division of Local Government (DLG) Field Services Program Costs line item to hire 1.0 FTE to enhance rural development coordination among state agencies. The request will annualize to $100,224 and 1.0 FTE for Fiscal Years 2018-19 through 2021-22.
- The new position will coordinate state agencies and leverage state and federal resources with the goal of helping rural communities that are economically dependent on a single large employer. For example, rural communities on the western slope have been negatively impacted by reductions in coal production and increased demand for renewable energy.

R-03 Permanent Supportive Housing for Behavioral Health Consumers

$4.0 million Cash Funds and 1.0 FTE in FY 2017-18 and ongoing

Increase Affordable Housing

- Beginning in FY 2017-18, the Department requests annual funding of $4 million from the Marijuana Tax Cash Fund (MTCF) to support the development of permanent supportive housing (PSH) units for behavioral health consumers who are exiting or at risk of entering state hospitals or mental health institutes, or other individuals with behavioral health issues.
- In the first five years, the Department's request for $4 million per year would allow for the acquisition, rehabilitation, or construction of approximately 354 units of service-enriched supportive housing paired with 300 housing vouchers for Colorado's most vulnerable behavioral health consumers.

R-04 Permanent Supportive Housing and Rapid Rehousing

$12.3 million Cash Funds and 1.0 FTE in FY 2017-18 and ongoing

Increase Affordable Housing

- Beginning in FY 2017-18, the Department requests $12,319,900 per year in cash funds from the Marijuana Tax Cash Fund (MTCF) to support and develop the continuum of needs for Colorado's homeless citizens. The request includes 1.0 FTE to administer these funds.
- In the first five years, the Department's goal is to build 1,200 new permanent supportive housing (PSH) units for chronically homeless individuals and 600 rapid rehousing (RRH) units for individuals experiencing episodic homelessness. For both residents of PSH and RRH, the ultimate goal is to live as independent of supportive services and public subsidy as possible.

Cost and FTE

- Beginning in FY 2017-18, the Department is requesting to increase the Housing Development Grant (HDG) fund by $2 million General Fund annually for development of 250 affordable housing units.

Current Program

- For FY 2015-16, the HDG budget was $8.2 million and 1,157 units were developed with a priority for the state's highest risk populations: homeless persons with disabilities, dual diagnosed ex-offenders, and homeless families with school children. This funding leveraged $195 million from other sources and included 420 affordable units for households at or below 30% of area median income (AMI), 379 units for homeless persons, and 294 units for seniors. When combined with all sources of funds the Division funded the development of 3,106 units this past fiscal year.

Problem or Opportunity

- The demand for affordable housing far exceeds the State's financial resources given the growing disparity between housing cost and household income. More than 800,000 wage earners, the bottom 1/3 of all Coloradan workers, make an average $22,165 per year.
- Presently, 108,970 renter households earning less than 30% AMI spend 50% or more of their income on housing. At 30% AMI, there is one affordable unit available for every six households.
- By 2020, Colorado's populations between the ages 65 to 74 will almost double the national average. This dramatic shift increases the need for more affordable and adaptable housing; 31,885 senior renters and homeowners earn less than 30% AMI and spend at least 50% of their income on housing.
- Many Colorado communities are experiencing gentrification which displaces low-income families.

Consequences of Problem

- Without more affordable housing, households across Colorado are at risk of homelessness.
- The public cost of homelessness through emergency room visits, incarceration, detoxification, and inpatient/outpatient hospital care is estimated at $31,545 per person annually.

Proposed Solution

- The Department requests an annual increase of $2 million General Fund to increase the supply of affordable housing units by an additional 250 units per year.
- Funding will be used to develop affordable housing units for low-income Coloradoans across the state that spend 50% or more of their income on housing, including seniors and other rent-burdened households. Funding will also be targeted to communities that are becoming unaffordable due to gentrification.
- At proposed funding levels, 3,350 new affordable housing units can be developed annually.

Cost and FTE

- The Department is requesting $104,927 in Energy and Mineral Impact Assistance Funds (EIAF) to be reappropriated to the Division of Local Government (DLG) Field Services Program Costs line item to hire 1.0 FTE to coordinate state resources in rural communities. The request will annualize to $100,224 and 1.0 FTE beginning in FY 2018-19.
- The position will lead the collaboration to target rural communities that are economically impacted by closures of major employers such as coal production facilities.

Current Program

- The Division of Local Government (DLG) provides long-term quality professional strategic services along with well administered financial assistance to over 3,000 local governments.
- The DLG Field Services section is currently appropriated $2.5 million from the Local Government Mineral and Energy Impact Grants and Disbursements line item to support 22.9 FTE, of which 12.0 FTE live and work in regions across Colorado and provide on-the-ground professional services and assistance to local communities.

Problem or Opportunity

- Colorado is undergoing a rapid energy transformation, particularly in the power generation sector. Booming natural gas production, the declining cost of renewable energy, increases in energy efficiency, flattening of electricity demand, and updates in clean air standards are changing the way electricity is both generated and used. While these trends are producing cleaner air and healthier communities, they are having negative impacts in Colorado counties reliant on the coal industry as a source of high wage jobs and tax revenue to support critical public services.
- Several rural communities are beginning to experience major economic shifts and need intensive technical and financial assistance to develop and implement a strategic plan to transition toward a more sustainable local economy. With announcements of major company closures in several counties, and based on broad economic trends, demand for assistance requires coordinated, strategic assistance at a higher level than the State can presently provide.

Consequences of Problem

- Without a solution focused on the unique economic challenges of Colorado's rural districts, the State will continue to find itself in a reactive position when a business or industry closes or imposes significant layoffs. The Department does not currently have sufficient staff to ensure focused strategic coordination of State resources or to meet local communities' demand for intensive technical assistance.

Proposed Solution

- The Department proposes the creation of a position to focus on strategic coordination, to maintain a presence in communities distressed by major industry layoffs and closures, to engage in and facilitate studies and strategic planning, and to provide a robust response to other community needs.
- This position will also engage with other local, state, and federal partners to obtain technical expertise for impacted communities to plan for revenue shortfalls, to attract industries with the best chance for success in the local market, and to retrain workers for new jobs coming to these same markets.

COLORADO
Department of Local Affairs

Priority: R-03
Permanent Supportive Housing for Behavioral Health Consumers
FY 2017-18 Change Request

Cost and FTE

- Beginning in FY 2017-18, the Department requests annual funding of $4 million from the Marijuana Tax Cash Fund (MTCF) to support the development of permanent supportive housing (PSH) units for behavioral health consumers who are exiting or at risk of entering state hospitals or mental health institutes, or other individuals with behavioral health issues. The request includes 1.0 FTE to provide oversight of program underwriting and management of vouchers.

Current Program

- The Department currently manages $8.2 million in state General Fund and approximately $15 million in federal funds for the acquisition, rehabilitation, and new construction of affordable housing units for low-income households, chronically homeless individuals and other high risk populations. The Department also manages over 7,000 vouchers with over 84% of these vouchers going to persons with disabilities.

Problem or Opportunity

- There are currently approximately 3,850 people in Colorado with severe mental illness reported through sources such as annual Point in Time homeless counts (1,877 people), exiting the Department of Corrections into homelessness (1,800 people) and in the State's Mental Health Institutes (180 people) ready to transition to community living but lacking a supportive home.
- The State of Colorado spends $666 per day for a bed at the Colorado Mental Health Institute at Pueblo. The average length of stay at the Pueblo hospital is 192 days resulting in an average cost of $127,872. The State's lack of supportive housing for behavioral health consumers prolongs these costly stays rather than offering more cost efficient supportive environments for people to transition to in their home communities.
- Over 60% of chronically homeless individuals are struggling with significant mental illness and/or substance use.

Consequences of Problem

- Individuals with mental illness have a stronger likelihood of being incarcerated and/or homeless and have longer stays in facilities or on the streets. Living without stable housing can drastically worsen health outcomes. Homelessness can exacerbate mental illness, make ending substance abuse difficult, and prevent chronic physical health conditions from being addressed resulting in increased use of the State's emergency systems.

Proposed Solution

- In the first five years, the Department's request for $4 million per year would allow for the acquisition, rehabilitation, or construction of approximately 354 units of service-enriched supportive housing paired with 300 housing vouchers for Colorado's most vulnerable behavioral health consumers.
- PSH is an evidence-based model and highly effective strategy that combines affordable housing with intensive coordinated services, and it is a proven solution to the problem of finding safe, stable housing for people with behavioral health issues.
- Safe, decent and stable housing improves individual's well-being and productivity, while also reducing chances for incarceration, hospitalization or homelessness.

Cost and FTE

- Beginning in FY 2017-18, the Department requests $12,319,900 per year in cash funds from the Marijuana Tax Cash Fund (MTCF) to support and develop the continuum of needs for Colorado's homeless citizens. The request includes 1.0 FTE to administer these funds.

Current Program

- The Department currently manages $8.2 million in state General Fund and approximately $15 million in federal funds for the acquisition, rehabilitation, and new construction of affordable housing units for low-income households, chronically homeless individuals and other high risk populations. The Department also manages over 7,000 vouchers with over 84% of these vouchers going to persons with disabilities, as well as $1.9 million of federal Emergency Solutions Grants for homelessness prevention and shelters.

Problem or Opportunity

- The State of Colorado has a homelessness crisis. The 2015 Point-in-Time reported that 9,953 individuals are homeless in Colorado. Of these individuals, 1,877 are chronically homeless, 950 are veterans and 737 are youth.
- Proven solutions exist to solve this crisis. Safe affordable housing coupled with supportive services can end a person's cycle of homelessness, prevent repeated incarcerations, and limit hospitalization for chronically homeless individuals, at-risk youth, ex-offenders, and homeless veterans.
- Studies by the U.S. Department of Housing and Urban Development (HUD) indicate that 40%-50% of youth aging out of foster care become homeless. In Colorado, this means potentially 100 youth per year who are also at higher risk of becoming a second generation household in poverty and homelessness.

Consequences of Problem

- Homelessness exacerbates illness or addiction causing people to cycle through jails, detox, emergency rooms, hospitalization, and prisons. Individuals living without housing are more likely to be arrested or hospitalized than their housed peers.
- The anticipated cost avoidance from this $12.3 million investment is expected to range from $160 million to $206 million over the first five years.

Proposed Solution

- The Department's annual request for $12,319,900 from the MTCF addresses the continuum of needs for Colorado's homeless citizens by coordinating with the Departments of Corrections and Human Services, the Governor's Office, and other local and state partners to provide an efficient and coordinated approach to ending homelessness.
- In the first five years, the Department's goal is to build 1,200 new permanent supportive housing (PSH) units for chronically homeless individuals and 600 rapid rehousing (RRH) units with vouchers for individuals experiencing episodic homelessness. For both residents of PSH and RRH, the ultimate goal is to live as independent of supportive services and public subsidy as possible.
- The five-year goal of this proposal is to end homelessness for veterans and chronically homeless and reduce homelessness for at-risk youth. An annual funding commitment provides sufficient rental subsidy, case management, and employment/skills development for these households.

Cost and FTE

- To minimize impact of the closure of Kit Carson Correctional Center (KCCC), the Department of Local Affairs requests an appropriation of $515,095 General Fund for (4) Division of Local Government (B) Field Services, Rural Economic Development Initiative Grants.
- The $515,095 General Fund will be transferred from the Department of Corrections' (B) External Capacity Subprogram, External Capacity Sustainability line.

Current Program

- Between June 30, 2015 and June 30, 2016, the Colorado total inmate jurisdictional population declined by 1,004 offenders, from 20,623 to 19,619.
- The State does not guarantee a minimum number of beds to private correctional facilities.

Problem or Opportunity

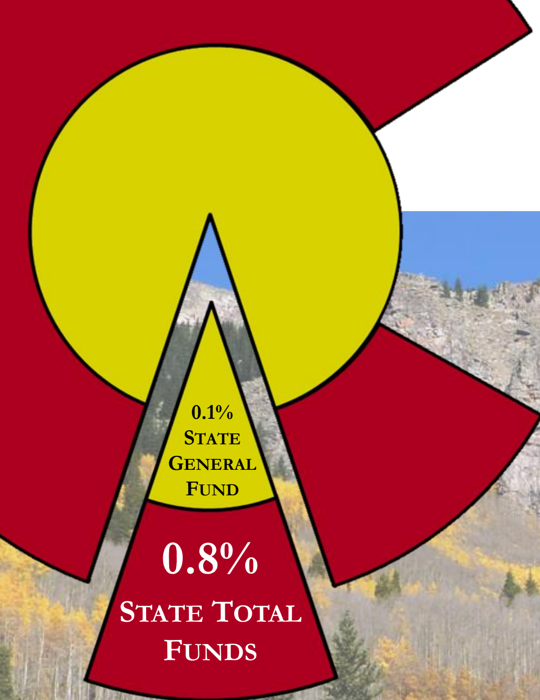
- In the recent legislative session, the General Assembly included $3.0 million in the FY 2016-17 Long Bill to address "External Capacity Sustainability." The intent of this appropriation was to prevent a closure of KCCC.
- Negotiations with KCCC's owner, Corrections Corporation of America (CCA), ended with the finding that the $3.0 million would be insufficient to achieve a full year of continued operation.
- Therefore, as of July 31, 2016, KCCC had no offenders on site.

Consequences of Problem

- The facility's closure will impact the community beyond the loss of payroll for previous employees.
- CCA's payments to Kit Carson County provided approximately 10% of the county's total tax revenue.
- The loss of expected revenue will negatively impact Kit Carson County and Burlington and the level of services that could be provided.

Proposed Solution

- To minimize impact from the facility closure, the Department of Local Affairs requests an appropriation of $515,095 General Fund for (4) Division of Local Government (B) Field Services, Rural Economic Development Initiative Grants.
- The assessed value for CCA will not be $0 for tax year 2017, but will decrease by approximately two-thirds, which is the amount this proposal would backfill.
- The Department will submit a FY 2016-17 supplemental request for the lost utilities and per diem revenue.



COLORADO
Department of Military and Veterans Affairs

FY 2017-18 Governor's Request

$9.3 million General Fund

Share of Statewide General Fund: 0.1%

$226.6 million Total Funds

Share of Statewide Total Funds: 0.8%

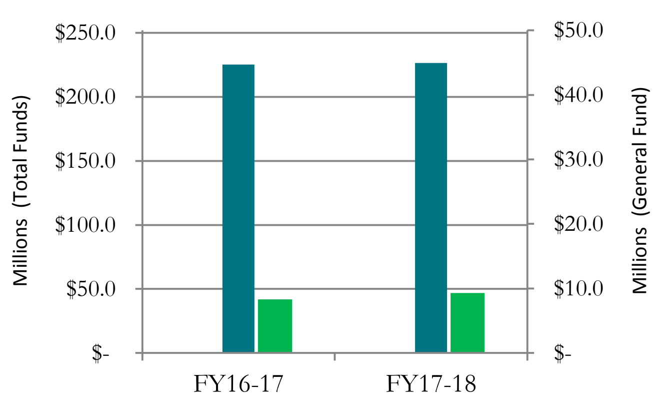
Mission Statement

To provide guidance, support, and legislative coordination to the divisions of the Colorado National Guard, Civil Air Patrol, and Veterans Affairs enabling the divisions to assist Colorado's Veteran Community; and to provide ready forces at home or abroad, protecting the citizens and property of Colorado and the United States of America.

Department Description

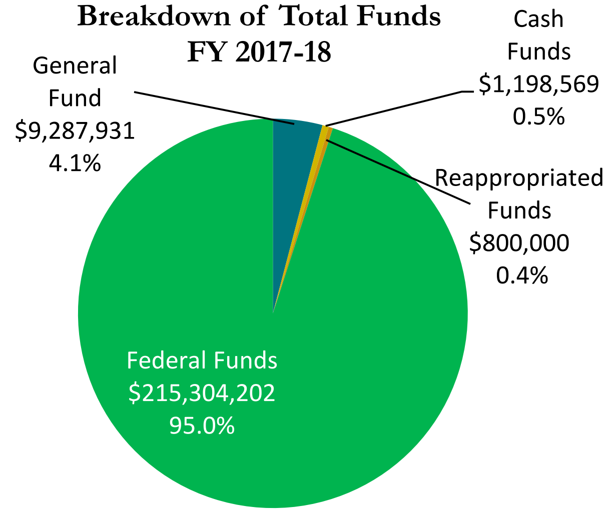
The Department of Military and Veterans Affairs provides assistance and protection in the event of emergencies and disasters for the citizens of Colorado, provides assistance for Colorado veterans, and houses the state's Civil Air Patrol. The National Guard maintains a ready military force that can augment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

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



+0.5% ($1.2 million) +11.8% ($982,427)

Breakdown of Total Funds FY 2017-18



Strategic Policy Initiatives

COLORADO
Department of Military and Veterans Affairs

1 Division of National Guard: Train and Equip the Force

Conduct annual training exercises to validate current structure and familiarize Colorado National Guard personnel with assigned equipment no later than June 30, 2017.

- Recent trends indicate a growing reliance on the domestic response capability of the Colorado National Guard within the State. The Department of Military and Veterans Affairs has proven resilient in the face of adversity and capable of meeting the significant challenges posed by natural disasters, to include fires and floods. From dramatic rescues and highly publicized support to devastated communities to unseen efforts like processing hundreds of Guardsmen into the state payroll system and paying them on time, the Department has faced unique challenges with efficiency and elegance.

2 Division of Veteran Affairs: Outreach to Veterans

Gain funding authority and appropriation for a Veterans One-Stop complex in Grand Junction, CO no later than June 30, 2017.

- Serving Colorado's veterans remains a cornerstone of the Department of Military and Veterans Affairs' efforts. Rural and student veterans stand out as being underserved within the state. Access to support services and a peer-specific community is a problem for both groups. The preponderance of resources, including hospitals, support groups, student veteran chapters and veterans cemeteries are located along the I-25 corridor.
- This community-based center will provide a hub of services to veterans and their family members. Outreach efforts as identified in previous iterations of this document led to the identification of this need.

3 Division of Civil Air Patrol: Provide Low-Cost Disaster Mitigation Services

Improve awareness among military and law enforcement partners by actively sharing their message across the state no later than June 30, 2017.

- The Colorado Wing of the Civil Air Patrol provides a low-cost aviation capability that can be utilized by law enforcement, local responders and other entities before, during and after a disaster strikes. This has been demonstrated by the recent missions that the Civil Air Patrol has undertaken such as fire watch, searches for downed aircraft and post-flood damage assessments.

4 Division of Civil Air Patrol: STEM Education Program

Continue to foster the cadet program and create awareness amongst educators of the value that their STEM- based curriculum can provide no later than June 30, 2017.

- The Civil Air Patrol is perhaps most recognized at a national level for its cadet programs. These programs provide a structured opportunity for growth within a STEM-focused curriculum that primarily relates to aeronautics. In recent years, a cyber security and related educational opportunities have become more prominent within the program.

FY 2017-18 Change Requests

Colorado Department of Military and Veterans Affairs

R-01 Increase Colorado National Guard Tuition Fund

$300,000 General Fund in FY 2017-18, 5% increases in FY 2018-19 and FY 2019-20

1

Equip and Train the National Guard

- For FY 2017-18, the Department is requesting an increase of $300,000 General Fund to the Colorado National Guard Tuition Fund line item to keep pace with rising tuition rates at institutions of higher education in Colorado. The request includes 5% increases to the total budget for tuition assistance for FY 2018-19 and FY 2019-20, at which time the Department will reevaluate its funding needs for the program
- Current funding for tuition assistance is inadequate to maintain existing levels of service in the face of tuition increases of approximately 5% to 6% each year. The Department has tightened GPA and other eligibility requirements for participation, but student demand has remained strong. Without additional funds, the Department will have to either scale back benefit levels, or restrict access to the program even further which could negatively impact recruitment of Guard members.
- Sufficiently funding the program will allow the Department to continue to provide students with flexibility to take courses during the summer months, since many Guard students are completing their education while balancing work, Guard service, and overseas deployment commitments.

R-02 State Cooperative Agreement Program Manager

$80,628 General Fund and 0.9 FTE in FY2017-18, $82,024 and 1.0 FTE ongoing

- The Department is requesting $80,628 General Fund and 0.9 FTE in FY 2017-18 to provide needed oversight in the Department's cooperative agreement (CA) program with the federal government. The request annualizes to $82,024 General Fund and 1.0 FTE ongoing.
- Over the last few years, federal budget challenges have led to an increasing focus on cost savings by federal partners in the cooperative agreement. Process changes have greatly increased the amount of work and oversight required to ensure correct accounting and billing. The Department has incurred statutory violations and been held liable for significant sums of money by the federal government due to this lack of intergovernmental oversight.
- The Department's request will fund 1.0 FTE to act as the State Cooperative Agreement Program Manager to protect the state's interests and to ensure appropriate oversight.

R-03 Annualize Terms of New Department Lease Agreement

$13,220 General Fund in FY 2017-18, with annual escalators

- For FY 2017-18, the Department is requesting an increase of $13,220 General Fund for its Leased Space line item to reflect the terms of the Division of Veterans Affairs' new lease agreement for its space at 1355 S. Colorado Boulevard. The new lease would commence July 1, 2017 and includes option years through FY 2020-21 with average annual lease escalators of 1.7%.
- The new lease includes an additional 808 square feet which will provide the Division with a conference room to conduct business and various meetings. The total square footage leased will now be 4,022 square feet.
- The request includes annual adjustments through FY 2020-21 pursuant to the terms of the lease agreement. The annual escalators average 1.7% and the final year of the lease has a cost per square foot of $15.22, or $62,215 total for the year.

COLORADO

Department of Military and Veterans Affairs

Priority: R-01
Increase Colorado National Guard Tuition Fund
FY 2017-18 Change Request

Cost and FTE

- For FY 2017-18, the Department is requesting an increase of $300,000 General Fund to the Colorado National Guard Tuition Fund line item to keep pace with rising tuition rates at institutions of higher education in Colorado. The request includes 5% increases to the total budget for tuition assistance for FY 2018-19 and FY 2019-20, at which time the Department will reevaluate its funding needs for the program.

Current Program

- Current program funding is $1,296,157, which includes $496,157 General Fund and $800,000 reappropriated funds from the Department of Higher Education.
- For FY 2016-17, the program is expected to serve 556 Colorado National Guard members taking approximately 5,800 credit hours at Colorado institutions of higher education.
- Tuition assistance is a powerful recruiting tool for the Colorado National Guard, and helps to create a highly educated and effective force.

Problem or Opportunity

- Current funding for tuition assistance is inadequate to maintain existing levels of service in the face of tuition increases of approximately 5% to 6% each year.
- The Department has tightened GPA and other eligibility requirements for participation, but student demand has remained strong.
- Without additional funds, the Department will have to either scale back benefit levels, or restrict access to the program even further.

Consequences of Problem

- The Department was unable to offer the program in summer 2016 due to funding shortages, and as a result, hundreds of National Guard members lost funds they were counting on to continue their education.

Proposed Solution

- The proposed solution is to increase funding for the tuition assistance program by $300,000 General Fund for FY 2017-18, with 5% increases to the total budget for FY 2018-19 and FY 2019-20.
- Sufficiently funding the program will allow the Department to continue to provide students with flexibility to take courses during the summer months, since many Guard students are completing their education while balancing work, Guard service, and overseas deployment commitments. This ties directly to the Department's strategic policy initiative of maintaining the force strength.

Cost and FTE

- The Department is requesting $80,628 General Fund and 0.9 FTE in FY 2017-18 to provide needed oversight in the Department's cooperative agreement (CA) program with the federal government. The request annualizes to $82,024 General Fund and 1.0 FTE ongoing, which represents a 3.5% increase in the total Personal Services budget for the Executive Director's Office.

Current Program

- The Department oversees the Colorado National Guard and conducts many operations through a federal/state cost sharing arrangement known as a cooperative agreement. The Department's cooperative agreements account for more than 50% of the funds executed by the Department (i.e. $8.3 million in General Fund vs. $9.3 million in federal funds via CA for FY 2016-17).
- The Department manages 13 cooperative agreement appendices plus construction cooperative agreements for various facilities projects. All oversight is accomplished as an additional duty by personnel who have other full-time commitments (i.e. resource director, budget director).

Problem or Opportunity

- Over the last few years, federal budget challenges have led to an increasing focus on cost savings by federal partners in the cooperative agreement. Process changes have greatly increased the amount of work and oversight required to ensure correct accounting and billing.
- Each cooperative agreement appendix has a federal program manager and a federally funded activity manager, accompanied by audit staff, to conduct the operations of the appendix and act in the interests of the federal government. This equates to more than 30 federal employees to oversee the CA program with the Department.
- The state does not have any personnel dedicated to partnering with federal program and activity managers to ensure the state's interests are met and fiscal liability is limited.
- Any costs that are deemed inappropriate by the federal property and fiscal officer become a liability to the state, even if they are incurred at the direction of federal personnel.

Consequences of Problem

- The Department has incurred statutory violations and been held liable for significant sums of money by the federal government due to this lack of intergovernmental oversight.

Proposed Solution

- The Department requests $80,628 General Fund to hire 0.9 FTE beginning in FY 2017-18, annualizing to $82,024 and 1.0 FTE in FY 2018-19 and ongoing, to act as the State Cooperative Agreement Program Manager to protect the state's interests and to ensure appropriate oversight.
- This position will ensure the state's interests are met and liability to the General Fund is limited.

COLORADO

Department of Military and Veterans Affairs

Priority: R-03
Annualize Terms of New Department Lease Agreement
FY 2017-18 Change Request

Cost and FTE

- For FY 2017-18, the Department is requesting an increase of $13,220 General Fund for its Leased Space line item to reflect the terms of the Division of Veterans Affairs' new lease agreement for its space at 1355 S. Colorado Boulevard. The new lease would commence July 1, 2017 and includes option years through FY 2020-21 with average annual lease escalators of 1.7%.

Current Program

- The Division of Veterans Affairs presently occupies space at 1355 S. Colorado Boulevard in Denver to house the operations of 12.5 FTE.
- The Division's prior lease expired June 30, 2016; the rate for the final year was $14.50 per square foot for 3,214 square feet of space. The lease is currently in holdover.
- For FY 2016-17, the Department is appropriated $44,978 General Fund for leased space.

Problem or Opportunity

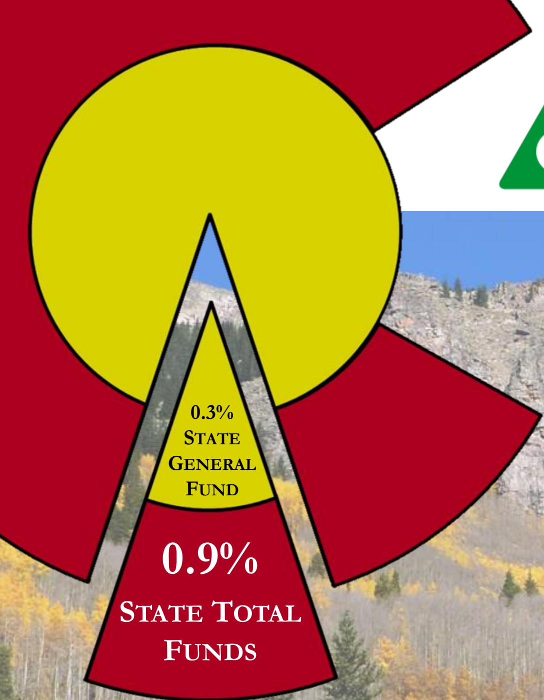
- The new lease will be executed upon approval by the legislature with a commencement date of July 1, 2017.
- The new lease includes an additional 808 square feet which will provide the Division with a conference room to conduct business and various meetings. The total square footage leased will now be 4,022 square feet.
- Previously, the landlord (Empire Park Realty Investments, LLC) provided a conference room for the Division's use at no additional charge; however, the landlord will no longer provide this space at no charge beginning in FY 2016-17.
- The new rate is $14.47 per square foot for FY 2017-18.

Consequences of Problem

- If the proposed solution is not approved, the Department will not have a leased facility to work in and house employees. Veterans and associated organizations will not have an office to do business.

Proposed Solution

- The proposed solution is to increase the Leased Space line item by $13,220 in FY 2017-18 for a total appropriation of $58,198 General Fund.
- The request includes annual adjustments through FY 2020-21 pursuant to the terms of the lease agreement. The annual escalators average 1.7% and the final year of the lease has a cost per square foot of $15.22, or $62,215 total for the year.



COLORADO
Department of Natural Resources

FY 2017-18 Governor's Request

$30.8 million General Fund

Share of Statewide General Fund: 0.3%

$260.6 million Total Funds

Share of Statewide Total Funds: 0.9%

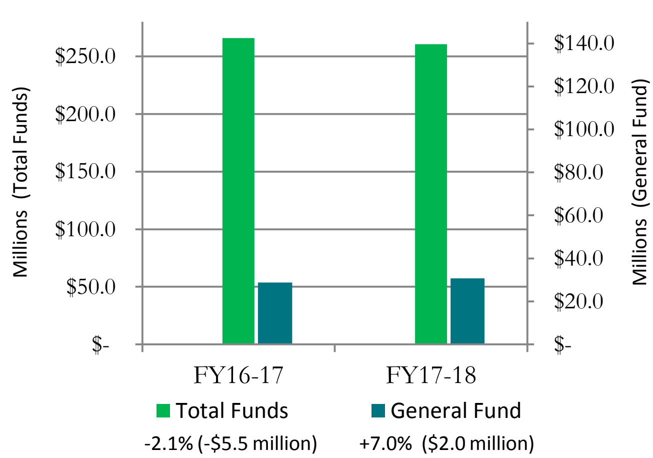
Mission Statement

To soundly manage Colorado's natural resources, so that future generations of Coloradans will enjoy the same high standard of living enjoyed today. The Department's mission also includes the promotion of outdoor recreation as well as natural resources education.

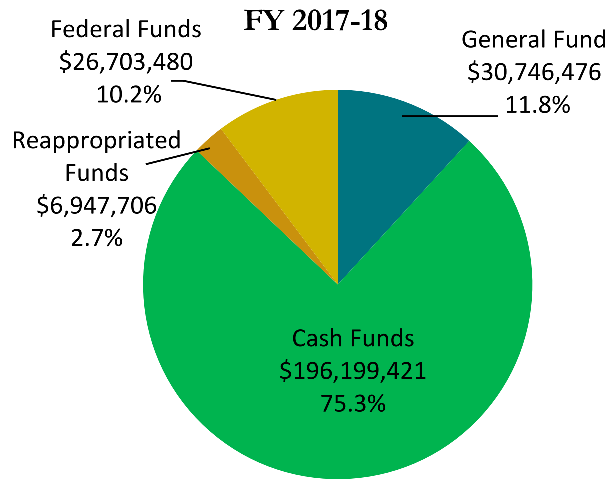
Department Description

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.

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



Breakdown of Total Funds FY 2017-18



STRATEGIC POLICY INITIATIVES

COLORADO
Department of Natural Resources

1 Manage, Enhance, Preserve and Protect State Lands, Wildlife, & Environment

DNR, through its Divisions, is the lead state agency responsible for management of lands and wildlife resources for their natural, scenic, scientific, outdoor recreation and production values now and into the future. The agency must manage these resources and assets for the use, benefit, and enjoyment of the people of Colorado and its visitors.

- One metric the Department uses to measure success is the number O&G Well Inspections – Corrective actions resolved within 1 year. The FY2014-15 actual was 70%; the FY2015-16 goal is 50%, and the FY2016-17 goal is 85%.

2 Conserve, Develop, Protect and Administer Colorado's Water

DNR is committed to achieving a productive economy that supports vibrant and sustainable cities, viable and productive agriculture, as well as a robust skiing, recreation, and tourism industry. In addition, The Department is dedicated to developing effective water infrastructure and healthy watersheds.

- One metric the Department uses to estimate workload and meet customer demand is the number of water court applications (AWR). The FY2014-15 actual was 894, the FY2015-16 actual was 980, an increase of 9.6%.

3 Balance Energy & Mineral Resource Development with the Protection of Public Health

DNR will achieve this initiative through a robust, evolving regulatory scheme with some of the highest standards in the nation; and thorough, strategic inspection programs based on a risk profile of the individual sites.

- The Department is also committed to enforcing long-term reclamation requirements that ensure the restoration of land used for energy and mineral development back to beneficial use.
- One metric the Department uses to measure success is the number of Inspections Completed for Oil and Gas Exploration. The FY2015-16 actual was 41,285, the FY2015-16 target was 37,800, and the FY2016-17 target is 39,900.

FY 2017-18 Change Requests

COLORADO
Department of Natural Resources

R-01 Assistant Subdistrict Coordinator

2
Protect Colorado Water

$82,667 General Funds in FY2017-18 and 0.9 FTE and ongoing

- This request is for an increase of $82,667 General Fund for 0.9 permanent FTE in the Division of Water Resources (DWR) to assist with an increase in workload related to water administration in the Rio Grande Basin. This represents a 0.4% increase in DWR's FTE and a 0.3% increase to DWR's appropriation for Water Administration.
- DWR anticipates a substantial increase in workload caused by the implementation of six new subdistricts and their associated groundwater management plans, as well as additional augmentation plans that are going to be implemented separate from the new subdistricts.

R-02 ISF Program Assistant FTE

2
Protect Colorado Water

$72,858 Cash Funds and 1.0 FTE in FY 2017-18 and ongoing

- The Colorado Water Conservation Board (CWCB) is requesting $72,858 Cash Funds and 1.0 FTE from the Construction Fund to address workload issues in the Instream Flow Program.
- The Instream Flow Program's work load includes processing approximately 100 water court cases annually. CWCB held a Lean event in the spring of 2015 on part of its litigation process. A key outcome of the Lean event was an identified need for a program support FTE.
- Relying upon temporary employees, who only can work for 9-month periods followed by a 4-month hiatus, results in large gaps in program support.

R-03 Satellite Monitoring System

2
Protect Colorado Water

$ 70,176 Cash Funds in FY2017-18 and ongoing

- This request is for a $70,176 increase in spending authority from the Satellite Monitoring Cash Fund in
- the Division of Water Resources (DWR) to assist in hydrography and water administration statewide. This represents a 23% increase in the Cash Fund Spending Authority and a 12% increase in the overall Hydrography program support (excluding personal services).
- The Satellite Monitoring Program is an integral data source for DWR real-time water administration. DWR manages a network of approximately 550 streamflow and diversion structure sites equipped with satellite equipment that transmit data values on an hourly basis.
- Lack of adequate funding for this program could result in inefficient water allocation and potential injury to senior water rights leading to increased conflicts, as well as potential intra and interstate court action and damage payments

R-04 Chatfield Reallocation Loan Payment

2
Protect Colorado Water

$216,829 Cash Funds in FY2017-18

- Colorado Parks and Wildlife (CPW) is requesting increased cash spending authority of $216,829 to cover loan payments to the Colorado Water Conservation Board beginning in fiscal year 2017-18. CPW is not requesting additional FTE.
- The Chatfield Reservoir Reallocation Project will reduce depletions and dependency on non-renewable Denver Basin groundwater; facilitate re-use of water; and use the existing reservoir capacity to provide additional supplies for municipal and agricultural users at an estimated yield of 8,500 acre feet per year.
- To fully execute the Chatfield Reallocation Project, as already approved by the General Assembly, CPW needs operating spending authority to pay back the $6.5 million loan from CWCB.

COLORADO
Department of Natural Resources

Cost and FTE

- This request is for an increase of $82,667 General Fund for 1.0 permanent FTE in the Division of Water Resources (DWR) to assist with an increase in workload related to water administration in the Rio Grande Basin. This represents a 0.4% increase in DWR's FTE and a 0.3% increase to DWR's appropriation for Water Administration.

Current Program

- The Water Administration program in DWR administers nine interstate compacts and over 170,000 water rights through 45,000 surface water structures and 270,000 groundwater wells.
- DWR maximizes the beneficial use of water in Colorado through administration and achieving 100% compliance with interstate compacts. To accomplish these goals, DWR maintains data on water rights and water diversions and monitors water supplies through stream flow measurements and groundwater regulation.

Problem or Opportunity

- DWR anticipates a substantial increase in workload caused by the implementation of six new subdistricts and their associated groundwater management plans, as well as additional augmentation plans that are going to be implemented separate from the new subdistricts. The six new subdistricts and the augmentation plans are mechanisms to bring a total of approximately 4,500 groundwater wells into compliance with state administration for the first time.

Consequences of Problem

- Water right owners may be shorted water and may lose out on potential income; a 1% error in the distribution of water rights has a monetary impact on state water right owners valued conservatively at $10 million annually. Additionally, the DWR will face the potential for litigation if it does not have the staff to administer water rights in the Basin in an accurate and timely manner.

Proposed Solution

- The DWR is requesting 1.0 permanent FTE to administer 4,500 new wells operating under the six new groundwater management subdistricts and multiple augmentation plans that will soon be implemented in the Rio Grande Basin.
- The request for FTE requires on-going General Fund but does not require a statutory change.
- Anticipated outcomes include ability for water users to optimize the use of water without interfering with other water rights or the administration of interstate compacts.

COLORADO
Department of Natural Resources

Cost and FTE

The Colorado Water Conservation Board (CWCB) is requesting $72,858 Cash Funds and 1.0 FTE from the Construction Fund to address workload issues in the Instream Flow Program.

Current Program

The CWCB holds over 1,600 decreed instream flow ("ISF") and natural lake level water rights to preserve and improve the natural environment of streams and lakes in Colorado and continues to appropriate ISF water rights each year for the benefit of the people of the state. This work implements Colorado's Water Plan by maintaining a strong environment that includes healthy watersheds, rivers, streams, and wildlife. CWCB's Stream and Lake Protection Section ("Section") is responsible for processing new ISF appropriations and ISF acquisitions in water court applications, as well as protecting its existing ISFs in water court oppositions.

Problem or Opportunity

The Instream Flow Program's work load includes processing approximately 100 water court cases annually. CWCB held a *Lean* event in the spring of 2015 on part of its litigation process. A key outcome of the *Lean* event was an identified need for a program support FTE. Over the last 10 years, the Section has addressed this need in a piecemeal manner by hiring and relying on temporary employees to perform these duties.

Consequences of Problem

Relying upon temporary employees, who only can work for 9-month periods followed by a 4-month hiatus, results in large gaps in program support. Further, a lack of continuity and institutional knowledge combined with staff's time training new temporary employees is not efficient or effective. Customers of the Section include water courts, water attorneys, water expert engineers, and water users. While the Section staff does their best to keep up with demands without the key support they need, the lack of support results in a backlog of filing and record keeping, and for customers, it results in delays in water court proceedings, which increases costs to everyone involved.

Proposed Solution

A more effective and efficient approach to this problem would be to add a permanent Program Assistant II to the Section, who would provide case management and technical support to Section staff in the areas of new appropriations, legal protection, and acquisitions of water for ISF use. This FTE would perform the following tasks and other duties as assigned: ISF case management, including organizing and maintaining files; coordinating with the Attorney General's Office regarding litigation deadlines and documents; drafting letters, memos and stipulations; preparing materials for board meetings including memos and PowerPoint presentations; database management for the section's water court case records; and managing files for Laserfiche digital filing.

COLORADO
Department of Natural Resources

Cost and FTE

- This request is for a $70,176 increase in spending authority from the Satellite Monitoring Cash Fund in the Division of Water Resources (DWR) to assist in hydrography and water administration statewide. This represents a 23% increase in the Cash Fund Spending Authority and a 12% increase in the overall Hydrography program support (excluding personal services).

Current Program

- DWR administers nine interstate compacts and over 170,000 water rights. DWR maximizes the beneficial use of water in Colorado through administration and achieving 100% compliance with interstate compacts. To accomplish these goals, DWR maintains data on water rights and water diversions and monitors water supplies through stream flow measurements.
- The Satellite Monitoring Program is an integral data source for DWR real-time water administration. DWR manages a network of approximately 550 streamflow and diversion structure sites equipped with satellite equipment that transmit data values on an hourly basis. This data allows DWR to adapt administration to changing stream conditions on a near instantaneous basis.

Problem or Opportunity

- Demand for real-time data continues to increase based on new decrees and the need for more exact and timely administration. Program cooperators, including water conservancy districts, private water rights owners, water user associations, and municipalities, have continued to demand and provide funding for the addition of new stream gaging stations. Since 2011, the number of cooperator funded gages has grown by an average of 12 gages per year.

Consequences of Problem

- Water users that provide financial support for gages in remote locations see the SMS as an effective way to obtain data without the cost and environmental impact of requiring personnel to visit the gages just to get the data. Without the increased cash fund appropriation, DWR will not be able to accept contributions from cooperators and provide the service being requested. The opportunity for the water entity to realize those savings will be lost as will the administrative and management benefits of having access to the data. If the SMS is not maintained and expanded as appropriate based on regulatory need, either the quality and timeliness of streamflow data would decline, or additional field personnel would be required to take daily readings of gage height for data collection purposes. Lack of adequate funding for this program could result in inefficient water allocation and potential injury to senior water rights leading to increased conflicts, as well as potential intra and interstate court action and damage payments.

Proposed Solution

- Approving this increase in spending authority will allow DWR to keep up with the need for more satellite monitoring stations and repair more existing stations.

COLORADO
Department of Natural Resources

Cost and FTE

- Colorado Parks and Wildlife (CPW) is requesting increased cash spending authority of $216,829 to cover loan payments to the Colorado Water Conservation Board beginning in fiscal year 2017-18. CPW is not requesting additional FTE.

Current Program

- Chatfield Reservoir was built in 1975 by the U.S. Army Corps of Engineers (Corps) in southwest Littleton. The reservoir currently has capacity to store more than 350,000 acre-feet of water.
- The Chatfield Reservoir Reallocation Project will reduce depletions and dependency on non-renewable Denver Basin groundwater; facilitate re-use of water; and use the existing reservoir capacity to provide additional supplies for municipal and agricultural users at an estimated yield of 8,500 acre feet per year.

Problem or Opportunity

- The reallocation project will result in the inundation of a number of existing facilities at Chatfield State Park, including the swim beach, boat ramps, trails, roads, picnic areas, and the associated infrastructure. All the owners of shares in the newly created storage space are required to pay into a mitigation fund to cover the cost of replacing the inundated facilities.
- Each owner is assessed an amount which is to be deposited into an escrow account. CPW is being assessed the sum of $6,504,850 to cover its portion of the mitigation fund. The FY 2016-17 Long Bill (H.B. 16-1405) provided CPW with a $6,504,850 cash appropriation to pay these costs.
- In order to obtain the appropriate revenue to finance this appropriation, CPW obtained an interest-free 30 year loan from the Colorado Water Conservation Board (CWCB). CPW has signed a loan agreement obligating the division to repay $216,829 to CWCB annually for 30 years, beginning in fiscal year 2017-18.

Consequences of Problem

- To fully execute the Chatfield Reallocation Project, as already approved by the General Assembly, CPW needs operating spending authority to pay back the $6.5 million loan from CWCB.

Proposed Solution

- CPW is seeking the creation of a new operating line item called Chatfield Reallocation Repayment, with annual cash spending authority of $216,829. The funding source for loan payments will be the Wildlife Cash Fund.

Cost and FTE

- The Department of Natural Resources (DNR) seeks approval to reallocate the cost of 2,194 square feet of capitol complex leased space at 1313 Sherman St. from the Division of Water Resources (DWR) to DNR's Executive Director's Office (EDO). This will result in a reduction in General Fund and a corresponding increase in reappropriated funds to DNR's capitol complex leased space line.
- This change will ultimately result in reduced General Fund spending of approximately $38,000. However, because the additional space will be funded with indirect cost assessments (that would otherwise be used to offset DNR's need for General Fund), there will not be an immediate net reduction in General Fund spending. Based on DNR's methodology for indirect cost assessments, a net reduction in General Fund spending will not materialize until FY 2019-20.

Current Program

- A 2,194 square foot section of the sixth floor of 1313 Sherman is occupied by OIT staff and its cost is attributed exclusively to DWR.

Problem or Opportunity

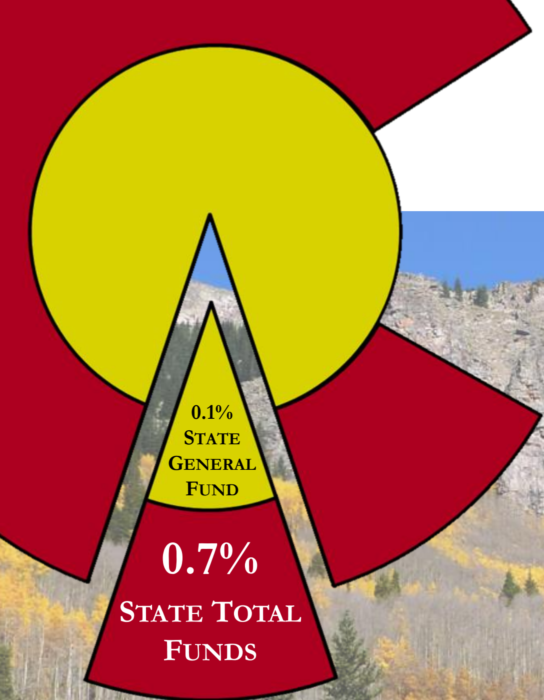
- While it was once the case that staff in this space worked exclusively for DWR, they now work on a variety of department-wide issues. This space would be more appropriately paid for out of department indirect cost recoveries, which are recovered from throughout DNR in proportion to personnel.

Consequences of Problem

- DNR's current allocation attributes an annual cost of approximately $37,000 General Fund to the Division of Water Resources for this space (this cost fluctuates each year according to the rates sets by DPA). Because this space is no longer used exclusively for DWR purposes, this cost allocation is not equitable and charging the expense directly to the General Fund is not appropriate.

Proposed Solution

- DNR proposes changing the cost allocation for this space, refinancing the cost with department indirect instead of General Fund. The cost of this space is $36,709 at FY 2016-17 rates; therefore, in FY 2017-18 and beyond there would be a decrease of approximately this amount of General Fund and an increase of the same amount in reappropriated funds to DNR's capitol complex leased space line item.
- This change will not immediately reduce DNR's net General Fund expenditures. The department applies "excess" indirect cost recoveries (indirect cost recoveries in excess of what is needed to pay for departmental and statewide overhead) to offset DWR's share of certain potted items that would otherwise be paid with General Fund. Increasing the amount of department indirect spent on capitol complex leased space will correspondingly decrease excess department indirect funds to apply toward the DWR General Fund offset.
- DNR will eventually recover a larger sum of department indirect to account for the increase in capitol complex leased space attributed to EDO. DNR's methodology bases indirect cost recoveries on actual overhead expenses incurred in the most recent completed fiscal year. If this proposal is implemented for FY 2017-18, then FY 2019-20 will be the first year in which indirect cost recovery is calculated based on the new allocation, and DNR will experience an overall reduction in costs paid for by the General Fund at this point.



COLORADO
Department of Personnel & Administration

FY 2017-18 Governor's Request

$11.1 million General Fund

Share of Statewide General Fund: 0.1%

$193.8 million Total Funds

Share of Statewide Total Funds: 0.7%

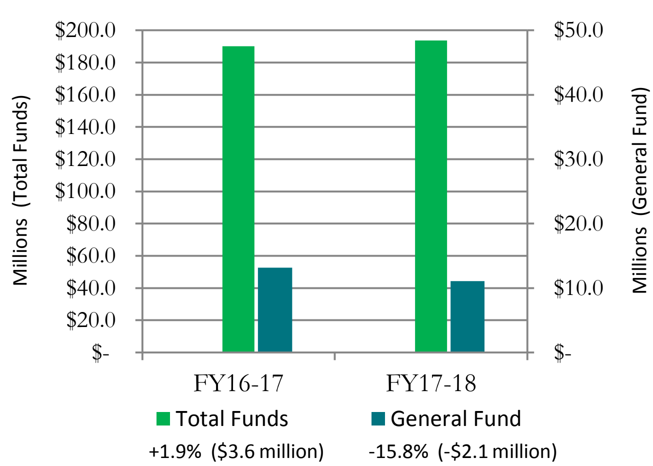
Mission Statement

The mission of the Department of Personnel & Administration (DPA) is to provide quality services to enhance State government success.

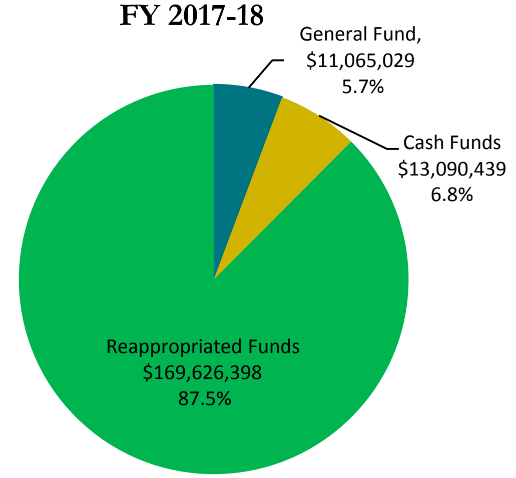
Department Description

The Department of Personnel & 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 mail, data entry, reprographics, facility maintenance and fleet. The Department also manages the State's new Colorado Operations Resource Engine financial system, also known as CORE.

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



Breakdown of Total Funds FY 2017-18



Strategic Policy Initiatives

COLORADO
Department of Personnel & Administration

1 Increase Employee Engagement

The Department aims to increase the average percent of core DPA employee engagement drivers from 67% to 72% by June 30th 2017.

- One-Year Outcome Goals for June 30, 2017: 1) Streamline and enhance recognition and rewards across the Department; 2) Build trust in leadership; 3) Build and implement a program to increase communications between employees and leadership; 4) Implement an employee development series aimed at improving and expanding work skills and sharing best practices; 5) Continue improving Department leadership trainings.
- The Department will conduct a survey of DPA employees in the spring of 2017 to measure progress.

2 Improve Customer Service

The Department aims to increase overall satisfaction with services received from DPA from 62.8% to 65% by June 30, 2017 for internal government customers.

- One-Year Outcome Goals for June 30, 2017: 1) Revise HR technical guidance documents to support HR professionals across the state; 2) Close CORE help desk tickets and continually track the average time it takes to resolve tickets; 3) Continue to conduct LEAN activities and recommendations to improve service delivery; 4) Broaden HR competencies for HR professionals across state; 5) Redesign DPA intranet and internet sites to improve usability for customers; 6) Improve HR University website and portal.
- The Department will conduct another survey in the spring of 2017 to measure progress.

3 Modernize Business Operations

Improve statewide processes for personnel administration, performance management, and statewide leave and time tracking by reducing the number of disparate systems from approximately 80 different applications to a single-source, enterprise Human Resource Information System (HRIS) by 2017 for executive branch departments.

- One-Year Outcome Goals for June 30, 2017: 1) Institute HRIS stakeholder engagement plan across Executive Branch; 2) Procure Human Resources Information System; 3) Conduct business process inventory across Executive Branch; 4) Analyze existing system applications inventory across Executive Branch; 5) Conduct data validation clean-up across Executive Branch; 6) Implement HRIS training program.

R-01 New Case Management System for the Office of Administrative Courts

$54,429 Reappropriated Funds in FY2017-18, and $16,429 ongoing

3

Modernize Business Operations

- For FY 2017-18, the Department is requesting $54,429 in reappropriated funds spending authority to upgrade to a new Electronic Case Management System (E-CAM) for the Office of Administrative Courts (OAC). The request annualizes to $16,429 for FY2018-19 and forward.
- The OAC's existing case management system Legal Files® is 10+ years old. It exists on an Office of Information Technology (OIT) server and due to the OIT firewall, case information cannot be transferred electronically from the e-filing system. Because of this, information is manually transferred from the e-Filing system into Legal Files® in order to have complete case information.
- The manual data entry process takes an estimated 10,000 hours per year, based on an estimate of 60,000 pleadings/motions per year.
- The OAC will partner with OIT to develop a customized electronic case management system (E-CAM); cost of development and implementation of E-CAM will be absorbed by existing OIT resources.

R-02 Fleet Vehicle Replacements

$2,859,694 Reappropriated Funds in FY 2017-18 only

- The Department is requesting to replace 824 fleet vehicles (408 of which are designated as potential Compressed Natural Gas (CNG) vehicles), requiring an increase of $1,251,586 in reappropriated funds for all state agencies' vehicle lease payment appropriations, and an increase of $2,859,694 for the Department's (4) Division of Central Services, (C) Fleet Management Program and Motor Pool Services, Vehicle Replacement Lease/Purchase line item for FY 2017-18.
- The Department's Fleet Management Program analyzes each vehicle on an annual basis to determine its replacement eligibility. This year, 2,180 vehicles were identified as potentially eligible. Due to budget and resource constraints, for FY 2017-18 the Department included 824 replacement vehicles, in the most critical need of replacement.
- The Department proposes the replacement of 824 state fleet vehicles, 408 of which are CNG vehicles. The incremental cost to State agencies is estimated to be an increase of $1,251,586 in total funds, with a General Fund decrease of $136,712.

Cost and FTE

- For FY 2017-18, the Department is requesting $54,429 in reappropriated funds spending authority to upgrade to a new Electronic Case Management System (E-CAM) for the Office of Administrative Courts (OAC). The request annualizes to $16,429 for FY 2018-19 and forward.
- Costs will be allocated to state agencies through the statewide common policy for Administrative Law Judge Services, with an estimated General Fund impact of $6,434 (FY 2017-18) and $1,965 (FY 2018-19 and forward) through the common policy allocations.

Current Program

- The Office of Administrative Courts (OAC) provides an accessible, independent, cost-effective administrative law adjudication system for Colorado. The OAC conducts mediations, holds hearings and decides cases for more than 50 state departments, agencies, boards, and county departments as well as serves the State's citizens.
- There are three OAC offices to serve Colorado: the main office located in Denver, the Western Regional Office in Grand Junction, and the Southern Regional Office in Colorado Springs.

Problem or Opportunity

- The OAC's existing case management system Legal Files® is 10+ years old. It exists on an Office of Information Technology (OIT) server and due to the OIT firewall, case information cannot be transferred electronically from the e-filing system. Because of this, information is manually transferred from the e-Filing system into Legal Files® in order to have complete case information.
- The manual data entry process takes an estimated 10,000 hours per year, based on an estimate of 60,000 pleadings/motions per year.
- The current system does not provide any reporting tools for state agencies.

Consequences of Problem

- Without an upgrade to the current system, the OAC will be unable to eliminate a significant amount of manual data entry or reduce the backlog and average customer wait times, which would allow for improved customer service.

Proposed Solution

- The OAC will partner with OIT to develop a customized electronic case management system (E-CAM); cost of development and implementation of E-CAM will be absorbed by existing OIT resources.
- The OAC is requesting $54,429 for FY 2017-18 and $16,429 for FY 2018-19 and forward in reappropriated funds spending authority for E-CAM licenses.
- E-CAM will be a hosted cloud-based Salesforce system customized for the needs of the OAC, which will allow data to be electronically transferred; this will reduce manual data entry by 70%. E-CAM will allow visibility into everything related to a claim electronically, which eliminates the need to retain paper copies of several documents. It will allow agencies to run reports out of the system which will allow for greater transparency.

COLORADO

Department of Personnel & Administration

Priority: R-02
Annual Fleet Vehicle Request
FY 2017-18 Change Request

Cost and FTE

- The Department of Personnel & Administration (DPA) is requesting to replace 824 fleet vehicles (408 of which are designated as potential Compressed Natural Gas (CNG) vehicles), requiring an increase of $1,251,586 in appropriated funds for all state agencies' vehicle lease payment appropriations, and an increase of $2,859,694 for the Department's (4) Division of Central Services, (C) Fleet Management Program and Motor Pool Services, Vehicle Replacement Lease/Purchase line item for FY 2017-18.
- Additionally, DPA is requesting to incorporate the Motor Pool non-appropriated annual Vehicle Lease Payment adjustment into the Department's appropriated annual Vehicle Lease Payment adjustment. This move would allow DPA, as the operator of Motor Pool and customer of State Fleet, to align the fluctuating Vehicle Lease expenses through the Annual Fleet Request and Supplemental Fleet Request process already in place.

Current Program

- DPA 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

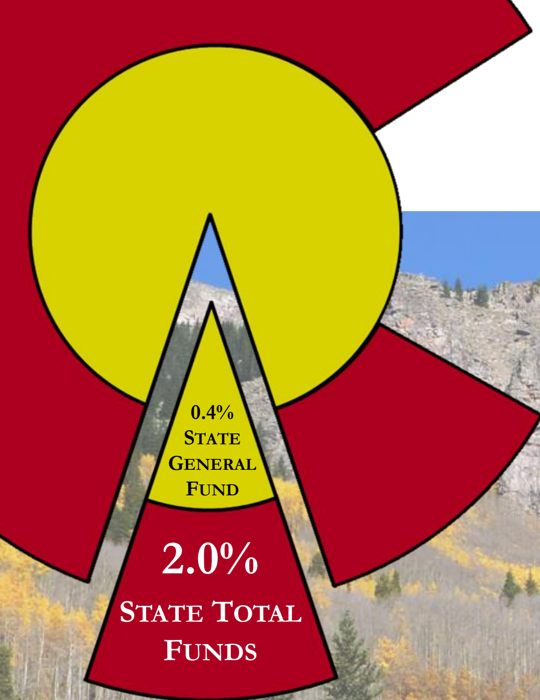
- On an annual basis, DPA submits a fleet replacement request to address the needs of individual state agencies across the State.
- The Department's Fleet Management Program analyzes each vehicle on an annual basis to determine its replacement eligibility. This year, 2,180 vehicles were identified as potentially eligible. Due to budget and resource constraints, for FY 2017-18 the Department included 824 replacement vehicles, in the most critical need of replacement.

Consequences of Problem

- Replacement vehicles for the Colorado State Patrol represent 28.3 percent of the request. These vehicles routinely travel at a high rate of speed under various conditions. Failing to replace 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 824 state fleet vehicles, 408 of which are CNG vehicles. The incremental cost to State agencies is estimated to be an increase of $1,251,586 in total funds, with a General Fund decrease of $136,712.
- The proposed solution is anticipated to save the State $2,359,713 between reduced maintenance costs and reduced fuel expense.
- For this request, the non-CSP vehicles recommended for replacement through the fleet replacement methodology average 155,453 miles.



COLORADO
Department of Public Health & Environment

FY 2017-18 Governor's Request

$47.4 million General Fund

Share of Statewide General Fund: 0.4%

$583.6 million Total Funds

Share of Statewide Total Funds: 2.0%

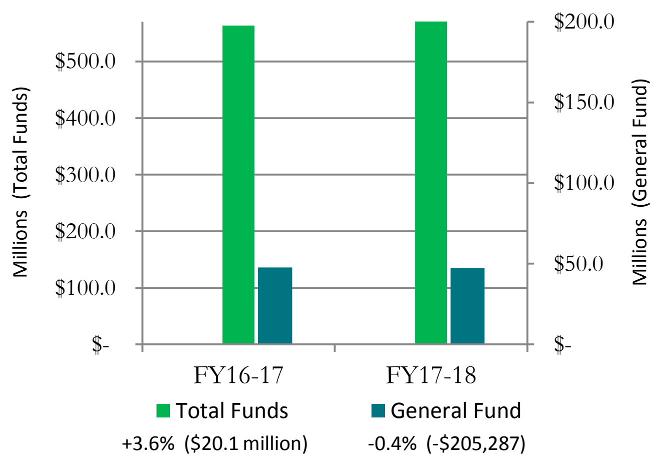
Mission Statement

The mission of the Colorado Department of Public Health and Environment is to protect and improve the health of Colorado's people and the quality of its environment

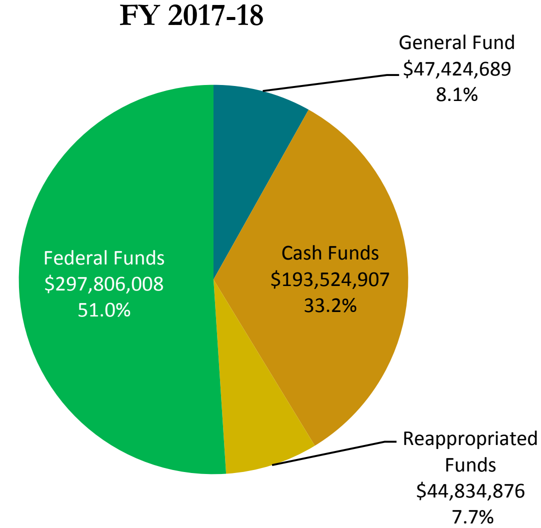
Department Description

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 Environmental Health and Sustainability; and 3) Health Programs including 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

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



Breakdown of Total Funds FY 2017-18



Strategic Policy Initiatives

1 Implement the Governor's Vision for Colorado as the Healthiest State

CDPHE has established targets designed to Implement the plans supporting the health and environment priorities (from the Public Health Improvement Plan and Vision 2018) by June 30, 2017.

- CDPHE aims to address health and environmental issues including nonmedical opioid use, marijuana use by high school students, the suicide rates, obesity percentages among children and adults, and air and water quality.

2 Increase CDPHE's Efficiency, Effectiveness, and Elegance

The Department is dedicated to improving internal operations and external customer service while maintaining a high standard of professionalism.

- The Department aims to increase their efficiency index from 76% to 79%, the effectiveness index from 86% to 88%, and the elegance index from 77% to 80% by June 30, 2017.

3 Improve Employee Engagement

The Department is committed to improving the employee engagement index from 82% to 85% by June 30, 2017.

- Develop and promote using Career Development Plans and ensure professional development information is readily available for employees. In addition, Improve employee satisfaction with the recognition they get for doing their work by improving processes for the current systems and creating new methods that meet employee needs.

4 Promote Health Equity and Environmental Justice

The Department will promote health equity and environmental justice by June 30, 2017.

- To accomplish this, the Department will pursue Health Equity & Environmental Justice Training for employees, a "health in all policies" approach, as well as deploy the Safe Drinking Water program for immigrant/refugee communities .

5 CDPHE is Prepared and Responds to Emerging Issues

CDPHE is prepared and responds to all emerging issues by June 30, 2017.

- The Department will modernize its data collection process, through the 'Modernize Data Collection & Dissemination' family of projects.

FY 2017-18 Change Requests

R-01 Clean Water Sector Fee Proposal

Healthiest State

$433,042 General Fund and $774,965 Cash Funds in FY 2017-18 , ongoing

•The Department seeks $433,042 General Fund and $774,965 Cash Fund spending authority in FY 2017-18 and ongoing to continue to provide the same level of services to its stakeholders.

•This means that permits will be processed, inspections will be conducted, technical/compliance assistance will be provided, and stakeholder involvement throughout all parts of the program will be maintained thereby continuing collaborative work practices and better protecting public health and the environment.

R-02 IDD Facility Staffing Request

Efficiency, Effectiveness Elegance

$334,802 in Reappropriated Funds in FY 2017-18 , and $315,990 in FY2018-19 and ongoing

•This request seeks 5.0 FTE and $417,435 in Reappropriated Fund Medicaid spending authority in FY 2017-18 and 5.0 FTE and $393,920 in ongoing funding.

•The Division is unable to keep pace with routine surveys of providers. New provider growth and an existing backlog add to this problem.

•The addition of the requested 5.0 FTE will allow the program to complete the initial surveys as applications are received, as well as to stay current with complaint inspections and eliminate the backlog of surveys.

R-03 Health Facility Survey Staffing Caseload Adjustment

Efficiency, Effectiveness Elegance

$43,519 General Fund, $115,366 Cash Funds, $184,574 Reappropriated Funds in FY 2017-18 , ongoing

•This request seeks a total of 10.5 FTE over two years. The request is 8.0 FTE and $770,844 total funds for FY 2017-18, and 10.5 FTE and $937,135 in ongoing funding. Of the total funds for FY 2017-18, the request includes $43,519 General Fund, $115,366 Cash Funds, $184,574 Reappropriated Funds (Medicaid spending authority), and $427,385 Federal Funds (Medicare).

•The provider community and number of complaints have significantly expanded over the last several years, increasing the caseload for the three programs.

•With the additional resources, the Division anticipates being able to maintain frequency requirements in surveys of facilities within established timeframes.

R-04 Rural Landfill Monitoring and Closure Assistance

Healthiest State

$250,000 Cash Funds in FY 2017-18

•This request seeks $250,000 in Cash Fund spending authority from the Solid Waste Cash Fund for FY 2017-18 to improve environmental quality at rural landfills. The request also seeks roll forward authority in case projects are not completed by the end of FY 2017-18.

•Landfills operating out-of- compliance pose an environmental, health, and safety risk to the natural and human environment.

•The requested $250,000 will provide some financial assistance to assist rural local governments to either bring their landfill into compliance or close the landfill.

Cost and FTE

- The Colorado Department of Public Health and Environment requests that the Joint Budget Committee sponsor legislation to adjust funding and provide commensurate fee increases for the Clean Water Program in its Water Quality Control Division.
- The Department seeks $433,042 General Fund, $774,965 Cash Fund, and net $0 Federal Fund adjustments spending authority in FY 2017-18 and on-going to continue to provide the same level of services to its stakeholders.

Current Program

- The Clean Water Program is established by statute in the Water Quality Control Act, and is delegated authority by the Environmental Protection Agency to control pollution in state waters.
- The program issues waste water discharge permits and, if necessary, takes enforcement action to ensure compliance with water quality standards, as well as monitoring the pollutant levels in rivers, streams, and other bodies of water.

Problem or Opportunity

- The Department is in need of changes to adequately fund the Clean Water Program.
- House Bill 16-1413 provided a one-time General Fund allocation of $1,208,007 so the Department could maintain services while working with stakeholders on a proposal to adjust funding for the Clean Water Program.

Consequences of Problem

- If funding is not adjusted, the Department will be required to reduce FTE, which will reduce the Department's ability to provide timely services, and may result in less protection of public health and the environment such as recreational water and drinking water supplies.
- Stakeholders will experience a notable decrease in compliance assistance activities, project delays because of an increasing backlog in processing permit and design review applications, a decline in stakeholder outreach for regulation and policy development, and potential loss of public health and environmental protections because of fewer inspections of regulated facilities.

Proposed Solution

- If this request to adjust funding is approved, the Department will be able to maintain the current level of service provided in the Clean Water Program, meaning permits will be processed, inspections will be conducted, technical/compliance assistance will be provided, and stakeholder involvement throughout all parts of the program will be maintained, thereby continuing collaborative work practices and better protecting public health and the environment.

Cost and FTE

- This request seeks 5.0 FTE and $417,435 in Reappropriated Fund Medicaid spending authority in FY 2017-18 and 5.0 FTE and $393,920 in ongoing Reappropriated funding.
- These funds will also be shown in the Health Care Policy and Financing Budget as a 50/50 General Fund/federal fund split.

Current Program

- The Intellectual and Developmental Disabilities (IDD) Community Services section, within the Health Facilities and Emergency Medical Services Division, is responsible for conducting on-site survey and compliance oversight of providers within the following Medicaid Waivers: Home and Community Based (HCBS)-for Persons with Developmental Disabilities (DD), HCBS-Supported Living Services (SLS), and HCBS-Children's Extensive Support Services (CES).
- Workload includes an initial on-site survey/inspection prior to the recommendation of provider enrollment as a Medicaid provider. Once the new agencies are providing services to active clients, a comprehensive survey/inspection must be completed every three years.

Problem or Opportunity

- The provider community for the IDD clients has expanded over the last several years, and the program is unable to complete surveys/inspections at the required frequency.
- The Division is unable to keep pace with routine surveys of providers. New provider growth and an existing backlog add to this problem.
- For FY 2015-16, the Division surveyed approximately 41% of the providers that were due for survey, which equates to approximately 66 agencies that did not receive a recertification survey when due.

Consequences of Problem

- As the Division falls further behind in routine surveys, there is a risk that providers will begin to "cut corners" in their services, which could endanger the quality of programs or health care provision for clients.
- As the Division becomes unable to meet the growing demand of initial surveys, the availability of providers to meet client needs is negatively impacted.

Proposed Solution

- The requested 5.0 FTE and associated funding will make it possible to continue to complete initial surveys and to meet the three year Medicaid survey/inspection requirement.
- The anticipated outcome is elimination of the backlog of surveys which enhances the health and well-being of clients.

COLORADO
Department of Public Health and Environment

Cost and FTE

- The request is for 8.0 FTE and $770,844 total funds for FY 2017-18, and 10.5 FTE and $937,135 in ongoing funding.
- Of the total funds for FY 2017-18, the request includes $43,519 General Fund, $115,366 Cash Funds, $184,574 Reappropriated Funds (Medicaid spending authority), and $427,385 Federal Funds (Medicare). The Reappropriated Medicaid funds will also be shown in the Health Care Policy and Financing Budget as a 50/50 General Fund/federal fund split.

Current Program

- The Acute Care and Nursing Facilities programs survey (inspect) facilities for compliance with state and federal regulations concerning patient health and safety. Acute facilities are typically inspected once every three years, and nursing facilities must be inspected at least every 15 months.
- The complaint program manages the complaint intake process for hundreds of facilities covering all facility types.

Problem or Opportunity

- The provider community and number of complaints have significantly expanded over the last several years, increasing the caseload for the three programs.
- Federal (Medicare), State (Medicaid), and Department licensing regulations establish requirements for surveys.
- The programs have insufficient staffing to meet mandated survey frequencies.

Consequences of Problem

- Failure to perform surveys at required frequencies jeopardizes the quality of programs and health and wellbeing of clients. The federal government also can assess non-delivery deductions if the State fails to survey all facilities in a timely manner.
- If the division continues to have insufficient survey resources, the results could be an inability to complete initial surveys, which would lead to delays in opening facilities and could perpetuate a waitlist in the client population.

Proposed Solution

- The requested 8.0 FTE and $770,844 will allow the Department to respond to the increased caseload of complaints and required surveys.
- With the increased staff, complaint intake staff can triage complaints and assign complaint investigations (surveys) within the established timeframes required by the Centers for Medicaid and Medicare Services.
- As the division surveys facilities and identifies problems, those problems can be remedied so that overall quality of care is increased.

Cost and FTE
• This request seeks $250,000 in one-time Cash Fund spending authority from the Solid Waste Cash Fund for FY 2017-18 to improve environmental quality at rural landfills.
Current Program
• The Solid Waste and Materials Management Program oversees regulatory compliance for disposal of solid waste at landfills, waste tires, composting, waste grease, and the paint stewardship program in addition to oversight of various other solid wastes. • The Program ensures landfills have adequate daily cover, prevention of ground water contamination, maintenance of pests and wind-blown litter, control of public access, and the improper burning of trash.
Problem or Opportunity
• There are approximately 22 small landfills in fifteen rural counties, with almost all of these landfills operating while significantly out of compliance. • Many of these landfills received waivers from the Hazardous Materials and Waste Management Division (HMWMD) for the ground water monitoring and liner requirements; however, these waivers were granted based on old assumptions predicated on low waste volume equated to low risk to ground water. • These assumptions have been proven false in recent years by the state of Wyoming. • Wyoming found that 96% of their small rural landfills have measurable amounts of ground water contamination, and 91% have contamination above-ground water standards.
Consequences of Problem
• Consequences of non-compliance at these small rural landfills could include ground water contamination, nuisance conditions such as odor and wind-blown litter, lack of control of public access, vector occurrence (insects, rodents, birds, etc.), and improper burning of trash.
Proposed Solution
• The Department is requesting $250,000 in one-time Cash Fund spending authority to assist rural local governments operating small landfills to either bring their landfill into compliance or close the landfill. • Depending on which option the local government chooses, funding will either assist with the installation of ground water monitoring wells, or assist with closure of the landfill to a protected status. • The basis of the requested $250,000 is the ability of the Solid Waste Cash Fund to absorb the expenditure without necessitating a fee increase. • The request also seeks roll forward authority in the event that all projects cannot be completed in FY 2017-18.

Cost and FTE
• The Colorado Department of Public Health and Environment (CDPHE) has identified a number of items in its FY 2016-17 Long Bill that it would like to adjust in order to increase efficiency and better align programmatic activities in the FY 2017-18 Long Bill. • This request is net $0.
Current Program
• The Department has approximately 150 Long bill lines, more than 1,300 FTE and over $550 million in funding. • The organization is constantly evolving and changing in order to respond to needs and opportunities to become more effective in protecting public health and the environment.
Problem or Opportunity
• This request seeks a number of adjustments to CDPHE's Long Bill so that it can more efficiently protect public health and the environment. • The request includes various adjustments such as name changes, line item consolidations, and adjustments of funding allocations.
Consequences of Problem
• The current structure of the Long Bill limits flexibility and responsiveness of the Department to changing public health demands. • Without the requested realignments, actual expenditures will not accurately mirror programmatic structure.
Proposed Solution
• If the requested adjustments are authorized, the Department's Long Bill will more accurately reflect programmatic funding and will ensure that programs have the flexibility to respond to emerging health and environmental needs. • Some of the requested adjustments, such as the consolidation of lines within the Disease Control and Environmental Epidemiology Division will improve CDPHE's responsiveness, stakeholder processes, and the Department's transparency. • This request is net $0.

COLORADO
Department of Public Safety

1.1% State General Fund

1.5% State Total Funds

FY 2017-18 Governor's Request

$122.5 million General Fund

Share of Statewide General Fund: 1.1%

$426.8 million Total Funds

Share of Statewide Total Funds: 1.5%

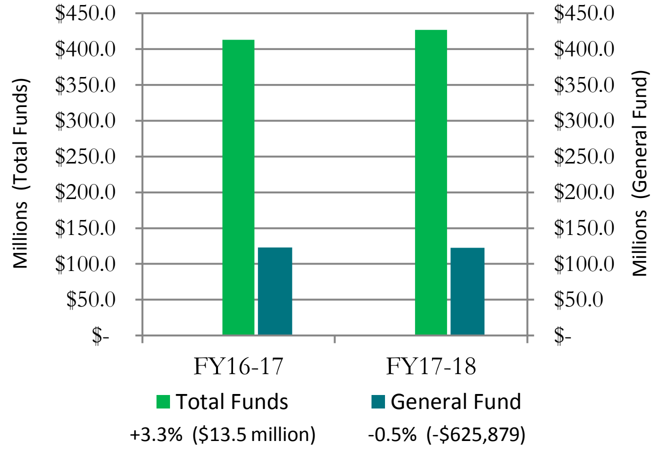
Mission Statement

Engaged employees working together to provide diverse public safety services to local communities and safeguard lives.

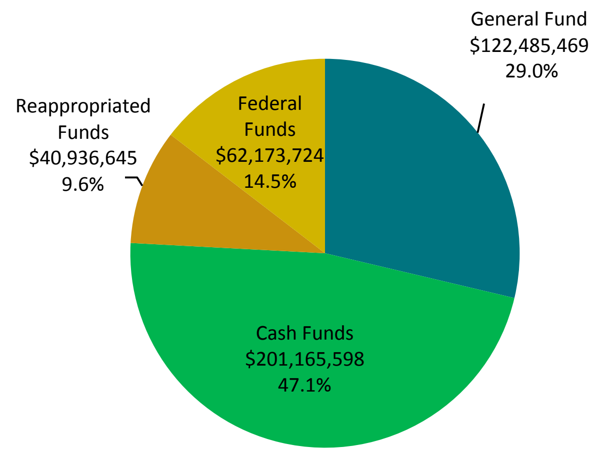
Department Description

The Colorado Department of Public Safety (CDPS) promotes, maintains, and enhances 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.

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



Breakdown of Total Funds FY 2017-18



Strategic Policy Initiatives

1 Reduce the Number of Fatal and Injury Crashes

The Colorado State Patrol strives to improve traffic safety and protect lives through the use of data-driven patrolling strategies, officer training, and public education.

- The Department measures this through the number of fatal and injury crashes under the CSP's jurisdiction. The June 1st, 2016 actual was 3,603; the June 30th, 2017 goal is 3,422, and the June 30th 2019 goal is 3,007.

2 Continue to Reduce Forensic Analysis Turn-Around Time

- **Forensic evidence, including DNA casework, fingerprint, firearm, controlled substance, and sex assault kit analysis, is an increasingly important part of law enforcement investigation due to its value in solving crimes.**
  - New laboratories in Pueblo and Denver became operational during FY2015-16 and are fully online at the beginning of FY2016-17.
  - The Department measures this by the average turn-around time of forensic analysis. The June 1st, 2016 actual was 118 days; the June 30th, 2017 goal is 105 days, and the June 30th 2019 goal is 85 days.

3 Reduce the Number of Large Wildfires

- **Wildland fire affects all Coloradans, threatening lives, property and land, air and water quality. Early detection of and response to wildland fires can minimize the loss of life and property, and save money.**
  - The Department measures this by the number of large wildland fires that threaten lives or property each year. The June 1st, 2016 actual was 39; the June 30th, 2017 goal is 37, and the June 30th 2019 goal is 35.

4 Implement the SWIFT 911 Alert System

- **The Office of Preparedness focuses on internal readiness measures for State employees; specifically, the ability to quickly and effectively alert and warn employees of emergencies and disasters.**
  - The Department will measure this by recording the implementation percentage of the Swift911 Alert System in Executive Branch agencies. Since this is a new initiative, the June 1st, 2016 actual is unmeasured; but the June 30th, 2017 goal is 75%, and the June 30th 2019 goal is 100%.

5 Increase the Number of Offenders Receiving Cognitive Behavioral Treatment

- **Community corrections programs serve offenders who are transitioning from prison or who are sentenced directly as an alternative to prison. DCJ provides technical assistance and training to boards and programs to ensure that offenders' risks and needs are served with state appropriations.**
  - The Department will measure this by noting the utilization of the new Cognitive Behavioral Treatment Pilot Program. Since this is a new initiative, the June 1st, 2016 actual is 0 offenders participating; but the June 30th, 2017 goal is 48, and the June 30th 2019 goal is 448.

FY 2017-18 CHANGE REQUESTS

R-01 Overtime Budget for Crime Scene Call-outs

$125,000 GF in FY 2017-18 , ongoing

2 — Reduce Forensic Analysis Turnaround

- The Department requests $125,000 General Fund in FY 2017-18 and beyond to create a budget to pay overtime costs for crime scene/investigative call-outs and "rush" work in laboratory services.
- CBI will be able to meet its Strategic Performance Initiative for decreasing the average turnaround time for the forensic analysis of evidence and satisfy requests for the "rush analysis" of evidence in cases involving an ongoing threat to public safety or serious violent crimes.

R-02 Request for Additional Troopers and Support Staff

$1,707,399 CF, $39,004 RF, and 12.0 FTE in FY 2017-18 , ongoing

1 — Reduce the Number of Fatal Crashes

- The Department requests $1,707,399 Highway User Tax Fees "Off-the-Top" (HUTF) and 12.0 FTE for FY 2017-18, and $1,990,062 HUTF and 17.0 FTE for FY 2018-19 and beyond for the purpose of acquiring and maintaining additional troopers, staff support, and operating expenses.
- Since 2005, the population of Colorado has increased by 18%, licensed drivers have increased by 19%, and since 2004, and Vehicle Miles Traveled (VMT) has increased by 7 percent.
- The Colorado State Patrol's (CSP) response times for fatal, injury, and property damage crashes have increased by 11.5 percent.
- The CSP plans to allocate the additional troopers along the I-25/I-70 corridor in proportion to the mileage being patrolled. The allocation should decrease response times as well as increase visibility on the highways resulting in a decrease of traffic accidents.

R-03 Increase Spending Authority for InstaCheck

$532,398 CF in FY 2017-18 , ongoing

- The Department requests an increase of $532,398 cash funds spending authority in FY 2017-18 and beyond to fully fund the CBI Instacheck Unit's appropriated 51.7 FTE. This is an increase of 21 percent over the base appropriation for FY 2016-17.
- The CBI Instacheck Unit is the state point-of-contact for firearms transfers and processes appeals for denial of a firearm transfer and concealed handgun permits on the behalf of Colorado Sheriff's Offices.
- The increase in Instacheck's personal services appropriation would allow the hiring of an additional 8.5 FTE, and allow the Unit to retain its existing staff at market-based wages, which are up to 34 percent higher than the minimum job classification amount.

FY 2017-18 Change Requests

COLORADO
Department of Public Safety

R-04 Funding for Expedited Process to Seal Criminal Records

$799,343 CF and 10.5 FTE in FY 2017-18, and $662,970 CF and 10.5 FTE in FY2018-19 and ongoing

- The Department requests $799,343 cash funds spending authority and 10.5 FTE in FY 2017-18 and $662,970 cash funds spending authority and 10.5 FTE in FY 2018-19 and beyond to process sealing of criminal records pursuant to S.B. 16-116.
- The bill provides a simplified and prompt process for a defendant to request that the court seal their criminal record.
- Approval of this request will provide adequate spending authority and FTE to process up to 11,064 sealing of criminal justice record requests per year as required by S.B. 16-116

R-05 Vehicular Crimes Unit GPS Total Mapping Stations

1

Reduce the Number of Fatal Crashes

$952,000 CF in FY 2017-18 , ongoing

- The Department requests a one-time increase of $952,000 Highway Users Tax Fund "Off-the-Top" (HUTF) to acquire 28 Global Positioning System (GPS) Total Mapping Stations. This will provide the Colorado State Patrol (CSP) the ability to more accurately document crash and crime scenes in a shorter, more efficient time, reducing road closure time as well as reduce secondary crashes.

R-06 Adjustment to Executive Director's Office Realignment

$448,011 RF in FY 2017-18 , ongoing

- The Department requests an increase of $448,011 reappropriated funds spending authority for FY 2017-18 and beyond to completely finance the consolidation of staff resources from Department division budgets to the Executive Director's Office (EDO)
- After the realignment decision item was submitted, the Department discovered that payroll data for some of the positions that transferred to the EDO was incorrect.
- Approval of the request will provide adequate funding for personal services expenses for staff included in the realignment for staff that should have been included in the realignment but were accidentally excluded in the FY 2016-17 decision item

R-07 Spending Authority for Patrol of Managed Lanes

1

Reduce the Number of Fatal Crashes

$216,087 CF and 2.0 FTE in FY 2017-18 , ongoing

- The Department requests an increase of $145,020 cash funds spending authority and 2.0 FTE, for FY2017-18 and $95,361 cash funds spending authority and 2.0 FTE for FY2018-10 and beyond for the purpose of increasing highway patrols, specifically on Highway 36 managed lanes.
- The addition of FTE and associated resources will allow the Department to deliver the necessary services essential to delivering the Patrol's mission and ensuring standard operating duties are met, including traffic mitigations, highway patrols and crash response investigations.

Cost and FTE

- The Department requests $125,000 General Fund in FY 2017-18 and beyond to create a budget to pay overtime costs for crime scene/investigative call-outs and "rush" work in laboratory services.

Current Program

- The CBI provides local law enforcement with crime scene response and criminal investigative assistance when requested. Examples include Officer Involved Shootings and complex homicides like the Planned Parenthood and Park County shootings.
- The CBI's strategic performance plan includes a Strategic Performance Initiative for decreasing the average turnaround time for the forensic analysis of evidence.

Problem or Opportunity

- Every year, CBI receives numerous requests for crime scene response, criminal investigative assistance, and the "rush analysis" of evidence from local law enforcement agencies. Many of these requests require a response or ongoing work after weekday duty hours or over weekends.
- Because CBI does not have a dedicated budget to pay overtime (OT) expenses, it must set aside personal services vacancy savings, limiting its ability to fill critical FTE positions.
- If vacancy savings are not available, then CBI converts OT worked into compensatory time, a practice that limits its ability to respond to future requests.
- Requests for the "rush analysis" of evidence in matters involving an ongoing threat to public safety or significant violent crimes divert forensic resources and impact overall turnaround times.

Consequences of Problem

- Due to the number/complexity of crime scene and investigative callouts, and laboratory "rush analysis" requests over the past two fiscal years, CBI has expended up to $121,662 General Fund in OT expenses and converted up to 1,947 OT hours into compensatory time.
- If crime scene call-outs occur near the end of the fiscal year when personal services budgets are nearly expended and when agents are using their earned compensatory time, then responses and some follow-up investigation can be delayed until funds are available in the next fiscal year.
- Having fixed personal services budgets, the CBI will be forced to hold critical FTE positions open and ration its existing resources by only responding to callouts when sufficient funding exists. This will undermine public safety should the necessary resources not be made available in critical and time-sensitive criminal investigations.

Proposed Solution

- With OT funding, the CBI can maintain a budget for call-outs and investigative assistance, and ensure an appropriate response to requests by local law enforcement in critical incidents.
- CBI will be able to meet its Strategic Performance Initiative for decreasing the average turnaround time for the forensic analysis of evidence and satisfy requests for the "rush analysis" of evidence in cases involving an ongoing threat to public safety or serious violent crimes.

COLORADO
Department of Public Safety

Cost and FTE

- The Department requests $1,707,399 Highway User Tax Fees "Off-the-Top" (HUTF), and $39,004 in re-appropriated funds spending authority and 12.0 FTE for FY 2017-18, and $1,990,062 HUTF and $59,720 in re-appropriated funds spending authority and 17.0 FTE for FY 2018-19 and beyond to acquire and maintain additional troopers, staff support and associated equipment.

Current Program

- Since 2005, the population of Colorado has increased by 18 percent, licensed drivers have increased by 19 percent, and since 2004, and Vehicle Miles Traveled (VMT) has increased by 4.8 percent.
- The Colorado State Patrol's (CSP) response times for fatal, injury, and property damage crashes have increased by 11.5 percent since 2014.
- Additionally, there has been an increase in services related to crash investigations along the I-25/I-70 corridors and to secondary road accident coverage.
- There has been over a 40 percent work effort and expense increase in CDOT highway and maintenance projects and law enforcement support for special events since 2009-10.

Problem or Opportunity

- The State's 19 percent population increase coupled with an additional 600,000 driver's licenses since 2005 is compounded further 52,631,000 VMT in 2014, and 376 special events.
- CSP lacks the resources to meet public safety needs due to these incremental factors and has failed to meet the 2015 Strategic Goal Performance Measure in proactively reducing DUI/DUID caused fatal crashes by 10 percent; the CSP reports a 6.6 percent increase in total number of DUI/DUID caused fatal and injury crashes.
- Further, CSP implemented a performance measure of reducing fatal and injury crashes by 5 percent, however, statewide there has been a 7.4 percent increase in the total number of fatal and injury crashes.
- Since 2005, the CSP has only increased by 12 FTE increase in field troopers, to address the increase in the growth related workloads.

Consequences of Problem

- If the request is not approved the CSP will lack the ability to maintain standard operating levels while concurrently addressing the growth in population, road construction safety increases, and increases in special event support.

Proposed Solution

- The additional 12.0 FTE troopers and 4.0 FTE support staff positions are necessary to offset the impact to normal operations as a result of: 1) not meeting Departmental Performance Measures and 2) the increased workload stresses related to Colorado's growth since 2005.
- The CSP plans to allocate the additional troopers along the I-25/I-70 corridor in proportion to the mileage being patrolled. The allocation should decrease response times as well as increase visibility on the highways resulting in a decrease of traffic accidents.

Cost and FTE

- The Department requests an increase of $532,398 cash funds spending authority in FY 2017-18 and beyond to fully fund the CBI Instacheck Unit's appropriated 51.7 FTE. This is an increase of 21 percent over the base appropriation for FY 2016-17.

Current Program

- The CBI Instacheck Unit is the state point-of-contact for firearms transfers and processes appeals for denial of a firearm transfer and concealed handgun permits on the behalf of Colorado Sheriff's Offices. The Unit operates 12 hours per day and is closed Thanksgiving and Christmas Days.
- The Unit currently employs 43.2 FTE but is appropriated 51.7 FTE leaving 8.5 FTE vacant. In FY 2014-15 and FY 2015-16, the Unit processed 325,151 and 365,530 firearms transfers, respectively, which is an annual increase of 12.4 percent.

Problem or Opportunity

- H.B. 13-1229 appropriated an additional 26.3 FTE and $1,143,371 for personal services in FY 2014-15.
- The Department assumed the bill would require 26.3 FTE and $1,580,525 for personal services in FY 2014-15 which is noted in the legislative fiscal note under Departmental Differences.
- Given the annual increase in firearms transfers of 12.4 percent, the Unit will need to hire additional staff to handle the expected increase in workload.

Consequences of Problem

- Within the last two years, the Unit lost 28 FTE through turnover. Of this number, 43 percent left for reasons related to salary. The national quit rate for March 2016 was 2.1 percent.
- To mitigate the turnover rate, the Unit increased its hiring pay rate, which is up to nine percent higher than the minimum amount for a Technician III job classification.
- Because the legislative fiscal note assumed all positions would be funded at the minimum amount, the Instacheck Unit's personal services appropriation is insufficient to fully fund its appropriated 51.7 FTE at market-based wages.
- The Department estimates that up to 8.5 FTE cannot be hired to process the expected increase in firearms transfers and maintain its average monthly turnaround time of seven minutes per background check, per the Department's Strategic Performance Plan.

Proposed Solution

- The Department requests an increase of $532,398 cash funds in Instacheck's personal services appropriation to hire an additional 8.5 FTE and retain its existing staff at market-based wages, which are up to 34 percent higher than the minimum job classification amount.
- The additional staff will assist the Unit in processing the expected increase in workload.
- The additional increase in appropriation will also allow the Unit to retain experienced staff, lower the Unit's turnover rate, and maintain staffing to operate 12 hours per day X 363 days per year.
- The proposed solution does not require a statutory change.

Cost and FTE

- The Department requests $799,343 cash funds spending authority and 10.5 FTE in FY 2017-18 and $662,970 cash funds spending authority and 10.5 FTE in FY 2018-19 and beyond to process sealing of criminal records pursuant to S.B. 16-116.

Current Program

- The Colorado Bureau of Investigation (CBI) is the state's central repository for all arrest, identification, and final charge dispositional information on persons arrested in Colorado for federal, state, or out-of-state criminal offenses and on persons received in the state to serve an incarceration sentence.
- The CBI Identification Unit is comprised of 14.0 FTE Data Specialists and 2.0 FTE Supervisors who process and update criminal history information.

Problem or Opportunity

- The bill provides a simplified and prompt process for a defendant to request that the court seal their criminal record. It also makes it a deceptive trade practice for a private custodian of criminal justice records to retain criminal justice records after receiving notice of a court order sealing such records.
- The introduced bill draft only affected private custodians and therefore did not have a fiscal impact for the Department.
- Amendments to the bill affected all custodians of criminal justice records, which resulted in a fiscal impact for the Department, specifically the CBI Identification Unit.
- The bill was signed into law on June 10, 2016 and has an effective date of August 10, 2016.
- The Department has received new requests to seal records pursuant to the bill but does not have the additional FTE to process these requests. Therefore, any new requests will most likely become backlogged and will not be promptly processed as intended in the bill.

Consequences of Problem

- Based on the estimated number of criminal justice records affected by the bill, the Department expects to receive 9,736 and 11,064 requests to seal criminal justice records in FY 2017-18 and FY 2018-19, respectively.
- Currently, the CBI Identification Unit employs up to 2.5 FTE who process on average 3,045 requests to seal criminal justice records per year. The additional number to process in FY 2017-18 is slightly more than three times the Department's capacity to seal records.

Proposed Solution

- Approval of this request will provide adequate spending authority and FTE to process up to 11,064 sealing of criminal justice record requests per year as required by S.B. 16-116.

COLORADO
Department of Public Safety

Cost and FTE

- The Department requests a one-time increase of $952,000 Highway Users Tax Fund "Off-the-Top" (HUTF) to acquire 28 Global Positioning System (GPS) Total Mapping Stations. This will provide the Colorado State Patrol (CSP) the ability to more accurately document crash and crime scenes in a shorter, more efficient time, reducing road closure time as well as reduce secondary crashes.

Current Program

- CSP's Vehicular Crimes Unit is responsible for investigating all fatal and felony serious bodily injury and high profile crashes and supporting outside agencies with crash and criminal investigations.
- CSP's Vehicular Crimes Unit (VCU), 2011 to date, has received 1,788 calls and completed 153 agency assist incident responses.

Problem or Opportunity

- Currently, CSP utilizes outdated Laser Technology Incorporated (LTI) to investigate and document fatal and felony serious bodily injury crashes.
- On average the CSP spends, three hours using the LTI system documenting crash scenes. This lengthy time on the roadway increases the probability that motorists will engage in evasive maneuvers to circumvent crashes, such as crossing ravines and medians to turn around or driving along the shoulder. This behavior increases the chances for secondary crashes.
- The reduction of roadway closures will reduce economic loss. With an average of three hours of on-scene investigative time, the motoring public and the State of Colorado suffers economic loss at the rate of approximately $3,333 per minute per lane closure.

Consequences of Problem

- CSP will continue to use the outdated LTI system to investigate and document fatal and felony serious bodily injury crashes.
- CSP will continue to average three hours at crash scenes, increasing chances for secondary crashes, negatively impacting the public and officer safety, as well as the Colorado economy.
- Colorado motorists will not receive the benefit of the most accurate crash and criminal investigative technology.

Proposed Solution

- Upgrading to a GPS Total Mapping Stations system solves critical problems for the community and local agencies. The investigation time to clear crashes is significantly reduced by one-half to two-thirds.
- Reduced investigation time translates into less waiting time for motorists stalled on the roadway, as well as a reduction in secondary crashes caused when motorists engage in evasive maneuvers to circumvent a crash, such as crossing ravines and medians to turn around or driving along the shoulder.
- GPS Total Mapping Stations will increase measurement accuracy and improve overall public safety.

Cost and FTE

- The Department requests an increase of $448,011 reappropriated funds spending authority and 4.0 FTE for FY 2017-18 and beyond to completely finance the consolidation of staff resources from Department division budgets to the Executive Director's Office (EDO).

Current Program

- The Department consists of the Executive Director's Office and the following five operating divisions: Colorado Bureau of Investigation, Colorado State Patrol, Division of Criminal Justice, Division of Fire Prevention and Control, and the Division of Homeland Security and Emergency Management.
- The Department submitted an FY 2016-17 decision item to realign the EDO. The approved request realigned administrative resources into the EDO.

Problem or Opportunity

- After the realignment decision item was submitted, the Department discovered that payroll data for some of the positions that transferred to the EDO was incorrect.
- In addition, four financial services positions that should have been included in the transfer were not included in the data provided and therefore not included in the FY 2016-17 request.

Consequences of Problem

- Without the transfer of budgets from the divisions, the EDO personal services, operating expenses will not have adequate funding to fund positions that currently transferred to the EDO, as well as fund positions that should have transferred to the EDO.

Proposed Solution

- Approval of the request will provide adequate funding for personal services expenses for staff included in the realignment for staff that should have been included in the realignment but were accidentally excluded in the FY 2016-17 decision item.
- In addition, the Department will need to submit an associated FY 2016-17 supplemental to provide adequate funding in the current fiscal year.

Cost and FTE

- The Department requests an increase of $216,087 cash funds spending authority and 2.0 FTE for FY 2017-18, and $177,284 cash funds spending authority and 2.0 FTE for FY 2018-19 and beyond for the purpose of increasing highway patrols, specifically on Highway 36 managed lanes.

Current Program

- The Colorado State Patrol (CSP), in the past, has had a long standing partnership with the Colorado Department of Transportation, to provide overtime patrols specific to the high occupancy vehicle lanes in the metro area.
- Plenary Roads Denver (Plenary Group), the managing entity for portions of Highway 36 in Adams, Boulder and Broomfield Counties since 2014, will provide the cash funding to train, equip, and staff 2.0 FTE for his purpose.

Problem or Opportunity

- Plenary Group, in 2015-16, completed phased construction of the Highway 36 corridor between Interstate 25 and the City of Boulder. As construction has been completed, the managed lanes travelling in both directions have become operational, resulting in higher travel speeds and traffic flow conflict as vehicles move between the standard traffic lanes and the managed lanes.
- Stakeholders along the Highway 36, including commuters as well as local government officials have regularly expressed concern about unsafe behavior of vehicles moving between managed and standard lanes illegally, presumably to avoid paying the toll.
- Plenary Group has regularly requested an increase in contracted hours to address the growing highway usage and to more consistently mitigate traffic safety issues such as excessive speeds and unsafe lane changes.

Consequences of Problem

- The ratio of troopers to Colorado residents on highways continues to decrease, impacting the patrol's ability to address incremental traffic safety needs caused by growth in in population, driver's license, vehicle miles traveled, coupled with growth along the Highway 36 corridor. Reduced enforcement visibility decreases safety for the motoring public.
- If this request is not approved, the Patrol's ability to achieve its goal of reducing fatal and injury crashes on Colorado roads by 10 percent in the current calendar year and the stretch goal of 20 percent by 2018 as compared to 2013 levels, will be negatively impacted.

Proposed Solution

- The addition of FTE and associated resources will allow the Department to deliver the necessary services essential to delivering the Patrol's mission and ensuring standard operating duties are met, including traffic mitigations, highway patrols and crash response investigations.

Cost and FTE

- For FY 2015-16 the Department was appropriated $399,000 General Fund to secure and implement a standardized alert notification system for all Executive Branch agencies, and the cost came in under budget. Therefore, the Department requests a net neutral transfer of $364,000 to fund and sustain State-affiliated Incident Management Teams (IMTs). The remaining funding will be utilized to fund the ongoing maintenance and administration for the alert notification system.

Current Program

- There are State-affiliated IMTs certified and geographically positioned throughout Colorado. State and local governments call on these expertly trained assets as emergencies grow in complexity and destructiveness, especially when an incident exceeds the capabilities of the local jurisdiction.

Problem or Opportunity

- The State-affiliated IMTs have a long and proud history of providing emergency management expertise and surge capacity during emergencies and planned events.
- Deploying IMTs achieves faster incident stabilization, thereby saving lives and reducing property and infrastructure losses.
- State-affiliated IMT members need resources to maintain capability and to ensure team members are properly certified, equipped, and able to deploy rapidly for an emergency.

Consequences of Problem

- A lack of ongoing funding to support IMT efforts may reduce the number of IMT members that can be deployed.
- Lack of State support may lead to members missing important trainings, exercises, and other essential preparedness activities.
- Fewer teams to manage critical incidents can delay or negatively impact response efforts, which can compromise people, property and the environment.

Proposed Solution

- The Department requests repurposing $364,000 General Fund from the State Facility Security line item, and moving the appropriation to the Office of Emergency Management, Program Administration line item to ensure long-term sustainability of the State-affiliated IMTs.
- The Department requires $35,000 for the ongoing maintenance of the standardized alert notification system, and requests that the remaining State Facility Security line item appropriation move to the Office of Preparedness, Program Administration line item, and the State Facility Security line item be eliminated.

Cost and FTE

- The Department requests an increase of $81,200 General Fund for the ongoing maintenance of the recently installed new video surveillance system for the Capitol Complex area.

Current Program

- Beginning FY 2015-16, the General Assembly approved funding to replace the aging analog video surveillance system in the Capitol Complex area.

Problem or Opportunity

- The FY 2015-16 Information Technology (IT) capital construction request included an estimated amount of $81,000 for ongoing maintenance costs.
- Approval of this request would provide funding the proper maintenance and service costs associated with the new surveillance system.

Consequences of Problem

- Without the requested funding, the new camera surveillance system will begin to lose capability and within five years, the system will become obsolete, software and hardware compatibility with current industry standards will be affected and the level of quality and service to the end user will be degraded.
- The new system has a twenty year projected life-cycle. Lacking annual maintenance and upgrades, the new system is not projected to be operational during its estimated life-cycle.

Proposed Solution

- Approval of this request will provide funding for the ongoing maintenance for the Capitol Complex surveillance system.
- Funding for annual maintenance of the surveillance system will provide a complete annual inspection, the repair or replacement of malfunctioning equipment, the replacement of equipment that has reached end-of-life with current industry standard equipment, as well as maintaining the functionality of the entire system for the benefit of the Governor, Legislators, citizens, and state employees working and visiting the Capitol Complex.

Priority: R-10
Disaster Emergency Fund Augmentation for 2013 Floods
FY 2017-18 Change Request

Cost and FTE

- The Department of Public Safety requests $12,500,000 General Fund for FY 2017-18 through FY 2020-21 transferred into the Disaster Emergency Fund (DEF) to pay costs associated with the response and recovery from the historic flooding that occurred in September 2013.
- In addition, the Department requests the redirection and encumbrance of $14 million in the existing balance of the DEF to pay for costs associate with the response and recovery from the September 2013 flooding.

Current Program

- The Division through the Emergency Management branch is responsible for the state's comprehensive emergency management program which supports local and state agencies. Activities and service cover the five phases of emergency management: Prevention, protection, mitigation, response, and recovery.

Problem or Opportunity

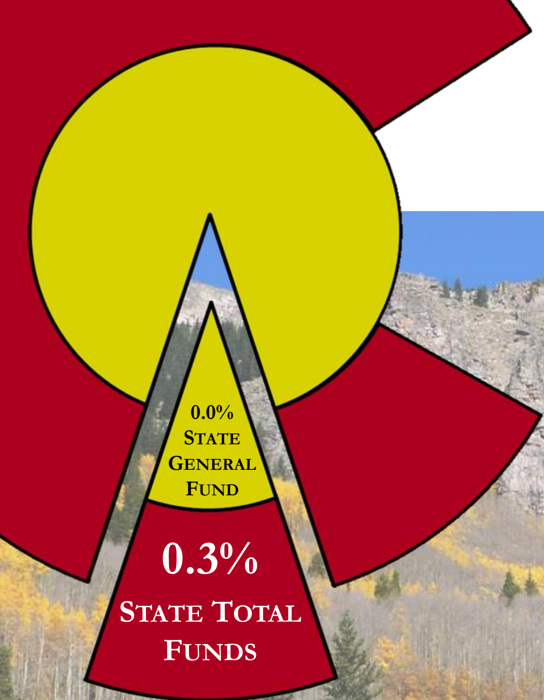
- From September 9 through September 12, 2013, several communities along Colorado’s Front Range were affected by a series of catastrophic floods, causing approximately $4 billion in damage and killing 10 people.
- The Governor and General Assembly anticipated that the $111.5 million would provide sufficient funding for these matching obligations.
- As rebuilding efforts have progressed, it has become apparent that the amount set aside by the Governor and General Assembly will be insufficient to cover the costs associated with the response and recovery from the September 2013 floods.

Consequences of Problem

- Without the approval of this request, the State will be unable to fulfill its commitment to local communities to match 12.5 percent of the total FEMA grants dedicated to recovery from the floods.

Proposed Solution

- To cover the anticipated $62.1 million shortfall, the Department proposes $14.0 million in the existing balance of the Disaster Emergency Fund redirected and encumbered to pay for costs associated with the September 2013 floods and a $12,500,000 General Fund appropriated and transferred into the Disaster Emergency Fund each fiscal year beginning FY 2017-18 through FY 2020-21.



Colorado Department of Regulatory Agencies

FY 2017-18 Governor's Request

$1.9 million General Fund

Share of Statewide General Fund: 0.0%

$91.4 million Total Funds

Share of Statewide Total Funds: 0.3%

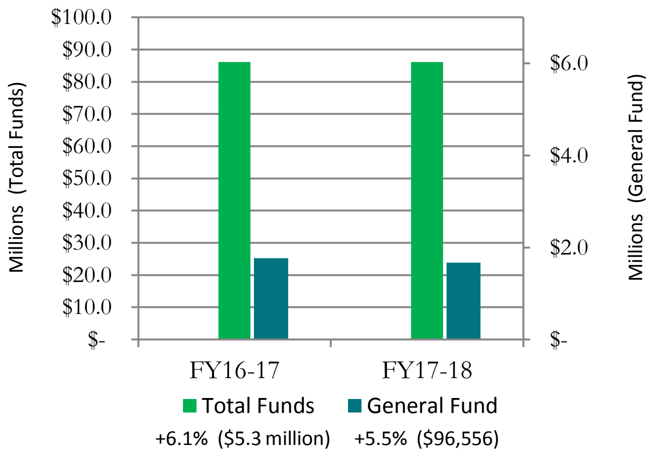
Mission Statement

The Department of Regulatory Agencies (DORA) is dedicated to preserving the integrity of the marketplace and promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

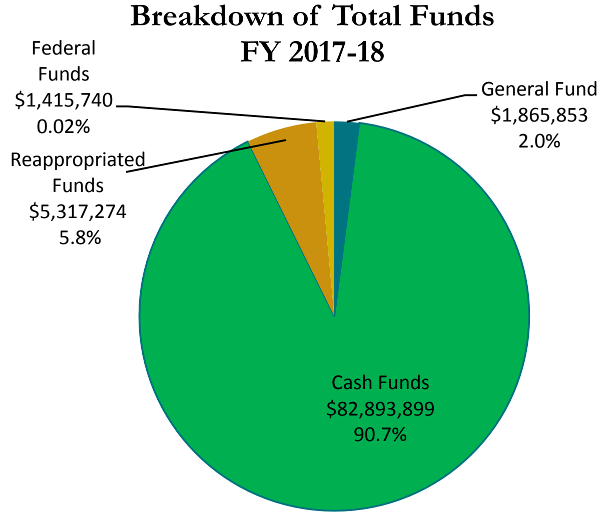
Department Description

The Colorado Department of Regulatory Agencies (DORA) 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.

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



Breakdown of Total Funds FY 2017-18



STRATEGIC POLICY INITIATIVES

1 Provide Efficient and Effective Regulation for the Public

By June 30th, 2017, the Department hopes to have 100% of business and occupational license/regulatory applications available online.

- Improving processes, and identifying opportunities to expand and/or share common resources beyond division and department boundaries, enables DORA to make measurable and innovative changes, including enabling online filing of civil rights complaints, decreasing licensing processing times for high-demand occupations, and achieving savings efficiencies.

2 Improve Public Protection via the Consumer Protection Lens

By June 30th, 2017, the Department will have implemented strategies and activities that further combat predatory practices, including two new telephone hotlines for at-risk communities and increasing utilization rates of the Prescription Drug Monitoring Program.

- Expanding partnerships with law enforcement, engaging in broader outreach, and leveraging Departmental and Division resources will enable the Department to continue to strengthen its critical consumer protection work.

3 Ensure Regulatory Activities Support Economic Development

By June 30th, 2017, the Department will have expanded its efforts to support economic development, with 100% of Divisions empaneling industry stakeholder groups to partner with on the modification/elimination of unnecessary rules, and expansion of regulatory reform efforts by the Colorado Office of Policy Research and Regulatory Reforms.

- The Department must continue to strengthen internal and external partnerships to improve economic development, foster and sustain a competitive marketplace, and protect consumers.

4 DORA is Accessible and Responsible

By June 30th, 2017, the Department will have defined and delivered "platinum level" customer experience through implementation of centralized DORA Welcome Center. Success will be demonstrated by a 25% DORA Welcome Center first call resolution, and a 10% reduction in the number of dropped incoming calls to the Executive Director's Office.

- DORA will increase Department accessibility and responsiveness, establish a culture of service, increase employee engagement and accountability, equating to and resulting in high performance.

5 Expand Outreach To and Engagement With the Public

By June 30th, 2017, DORA's outreach strategies are enhanced and expanded. That means outreach activities mirror the Department's performance plan, highlighting core priorities, purpose, mission and breadth of resources we provide as one department, tailored to be customer centric.

- DORA recognizes and leverages the value of partnerships and preventative measures by providing training, education and information to consumers and groups regarding current laws.

FY 2017-18 CHANGE REQUESTS

COLORADO
Department of Regulatory Agencies

R-01 Reorganization Related Savings Request

Efficient & Effective Regulation

($80,000) Cash Funds in FY 2017-18 and ongoing

- The Department of Regulatory Agencies' (DORA) Division of Banking and Division of Insurance proposes to reduce FY 2017-18 Personal Services appropriations in the amount of $80,000 Cash Funds – $50,000 and $30,000, respectively.
- Ongoing streamlining and reorganization initiatives have positioned the Department to return modest appropriation amounts in the personal services line items of both Divisions, in a way that does not negatively affect consumer protection.

R-02 Reduced Leased Space Appropriation

Efficient & Effective Regulation

($459,714) Total Funds, including ($98,313) General Fund in FY 2017-18

- The Department proposes a reduction to its Leased Space request of $459,714 total funds, including $98,313 General Fund and $361,401 Cash Funds, to capture an available rent credit related to the State's share of the commission paid on its lease.
- DORA executed its new, 10-year lease agreement in July 2016. As a part of the master contract with its representation (Jones Lange LaSalle, or JLL), DORA was entitled to 30% of JLL's fee commission for the signed lease agreement. After using $37,578 to reduce the FY 2016-17 leased space appropriation, the remaining balance of fee commission is $459,714.

R-03 Marijuana Tax Cash Fund Request

Efficient & Effective Regulation

$317,956 Cash Funds in FY 2017-18, and $82,956 Cash Funds ongoing

- The Department requests funding from the Marijuana Tax Cash Fund to enable the Colorado Medical Board (CMB) to expand its collaboration with local, state and federal regulators and law enforcement in supporting the State of Colorado's efforts to eliminate the medical marijuana grey market by enforcing practice standards to protect patients. Specifically, this request includes $317,956 and 1.0 FTE Cash Funds for FY 2017-18 to support $200,000 in legal expenses, the one-time retention of a strategic marketing/communication firm estimated at $35,000, as well as 1.0 FTE (Criminal Investigator I) ongoing at $82,956.
- As of January 2016, there were approximately 8,200 patients with a recommendation for 50 or more marijuana plants. At a rate of one pound per plant every 90 days, these patients are estimated to be producing approximately 1.6 million pounds of marijuana per year.
- This contributes to the growing marijuana grey market in Colorado.
- Funding is requested for FY 2017-18 to: increase awareness, receive and investigate increased complaints, and support legal expenses using the Marijuana Tax Credit Fund.

Cost and FTE

- The Division of Banking (DOB) and Division of Insurance (DOI) at the Department of Regulatory Agencies propose to reduce FY 2017-18 Personal Services appropriations in the amount of $80,000 Cash Funds – $50,000 and $30,000, respectively. These ongoing reductions, which constitute less than 1% of appropriations, are intended to modestly capture some savings associated with streamlining and re-organization initiatives underway in these Divisions.

Current Program

- The Division of Banking Personal Services line ($3.8 million) supports an appropriated staff of 40.0 FTE. The Division is responsible for protecting consumers by regulating the business of state-chartered commercial banks and trust companies, state-licensed money transmitters, and enforcing the Public Deposit Protection Act. Staff conduct examinations of state-chartered institutions and licensees, and work closely with the Federal Reserve Bank and the Federal Deposit Insurance Corporation in the regulation of commercial banks and certain federally insured trust companies.
- The Division of Insurance Personal Services line ($6.3 million) supports an appropriated staff of 83.2 FTE. The Division is responsible for protecting consumers by regulating the insurance industry in Colorado, including state licensure of insurance agents and companies. Staff investigate consumer complaints, receive and review rate and form filings, and conduct market conduct examinations of insurance institutions.

Problem or Opportunity

- Two specific initiatives to re-organize and streamline staffing have occurred within the Department, as follows:
- *Division of Banking.* Since July 2015 the Division has sought to reorganize in a way that streamlined operations and consolidated functions in order to leverage resources to devote to examiner positions at all levels, enhancing the Division's ability to protect consumers into the future in terms of both succession and cross training purposes. Having concluded its efforts the Division is poised to maintain a staff with a healthy and dynamic range of experience and seniority, which will serve to protect consumers into the future.
- *Division of Insurance.* In May 2015 the Division embarked on a "OneDOI" initiative which sought to comprehensively assess organizational effectiveness, re-design processes, and align resources in order to deliver customer value and ensure goal-setting, accountability, and continuous improvement. This process has afforded specific and distinct improvements that will serve the organization well into the future.
- As a result of these initiatives, both Divisions can proudly report that although outright savings was not the goal of these important efforts, opportunity nevertheless exists to offer modest savings associated with respective improvements.

Consequences of Problem

- Ongoing streamlining and re-organization initiatives have positioned the Department to return modest appropriation amounts in the personal services line items of both Divisions, in a way that does not negatively affect consumer protection.

Proposed Solution

- The Department proposes a permanent reduction of $80,000 Cash Funds in its personal services appropriations for the Division of Banking ($50,000) and the Division of Insurance ($30,000).

Cost and FTE

- The Department proposes a reduction to its Leased Space request of $459,714 total funds, including $98,313 General Fund and $361,401 Cash Funds, to capture an available rent credit related to the State's share of the commission paid on its lease. This is one-time for FY 2017-18 and represents a 14% reduction to the Leased Space line item.

Current Program

- The Department presently occupies a total of 165,764 square feet of space at 1560 Broadway in Denver to house operations of approximately 600 employees, over 300 board members, and 55 regulatory programs.
- The Department's FY 2016-17 decision item "R-01 Annualize Terms of New Department Lease Agreement" was approved by the General Assembly during the 2016 Legislative Session. After annualizing the request to remove the one-time savings from FY 2016-17, the FY 2017-18 request for the Leased Space line item is $3,235,631 total funds including $98,313 General Fund.

Problem or Opportunity

- The Department executed its new, 10-year lease agreement in July 2016. The budget impact of the new lease agreement was significantly less than expected in both the short and long term, owing to rent credits, graduated lease escalations, and up-front free rent.
- As a part of the master contract with its representation (Jones Lange LaSalle, or JLL), the Department was entitled to 30% of JLL's fee commission for the signed lease agreement. The State's share of the fee commission was $497,292 and it must be used prior to December 31, 2017.
- In its FY 2016-17 decision item, the Department proposed committing $37,578 of this amount as an additional rent credit in year 1 of the lease, enabling the Department to fully offset General Fund appropriations in the first year (adding this amount to an estimated $59,459 in General Fund savings from the other abatement/credits in the lease). As a result, the General Fund appropriation for Leased Space during the first year of the new lease was eliminated.
- Although the Department mentioned at this time last year that it was considering utilizing the remaining commission funds for tenant improvements (in lieu of securing additional space), in light of the present budget environment ultimately the Department has determined that realizing budget savings with this vendor commission is the best use of those resources.
- With the remaining balance of this vendor commission ($459,714), the Department is positioned to both eliminate the General Fund appropriation in its Leased Space line item for a second year (an estimated $98,313), as well as include a further savings of $361,401 cash funds.

Consequences of Problem

- The existence of the vendor commission enables the Department to contribute further appropriations savings to the overall State budget, at any time through FY 2017-18.

Proposed Solution

- The Department proposes a reduction of its FY 2017-18 Leased Space continuation request of $3,235,631 by $459,714 (a reduction of $98,313 General Fund and $361,401 Cash Funds). Utilization of the vendor commission in this way prior to its December 2017 expiration will deliver additional up-front savings to both the General Fund as well as DORA fee payers, keeping leased space appropriations below the last year of its previous lease (FY 2015-16) for two full years.

COLORADO
Department of Regulatory Agencies

Priority: R-03
Improve Enforcement of Medical Marijuana Grey Market
FY 2017-18 Change Request

Cost and FTE

- The Department requests funding from the Marijuana Tax Cash Fund to enable the Colorado Medical Board (CMB) to expand its collaboration with local, state and federal regulators and law enforcement in supporting the State of Colorado's efforts to eliminate the medical marijuana grey market by enforcing practice standards to protect patients. Specifically, this request includes $317,956 cash funds and 1.0 FTE for FY 2017-18 to support $200,000 in legal expenses, the one-time retention of a strategic marketing/communication firm estimated at $35,000, and 1.0 FTE (Criminal Investigator I) ongoing at $82,956. These amounts represent less than 1% of the Personal Services appropriation and roughly 2% of the Department's legal appropriation.

Current Program

- The CMB protects consumers via regulating the practice of medicine in Colorado by licensing qualified physicians and enforcing practice standards by investigating complaints and carrying out disciplinary actions when standards are not met. Licenses issued, complaints processed, investigations opened, and disciplinary actions are all associated workload measures. The Medical Board is a complaint driven board, and thus, referrals from law enforcement are a key component of the Board's regulatory portfolio.
- In Colorado, only physicians are authorized to make medical marijuana (MMJ) recommendations. Colorado Medical Board Policy 40-28 Regarding Recommendations for Marijuana as a Therapeutic Option sets forth guidelines for physicians making medical marijuana recommendations.

Problem or Opportunity

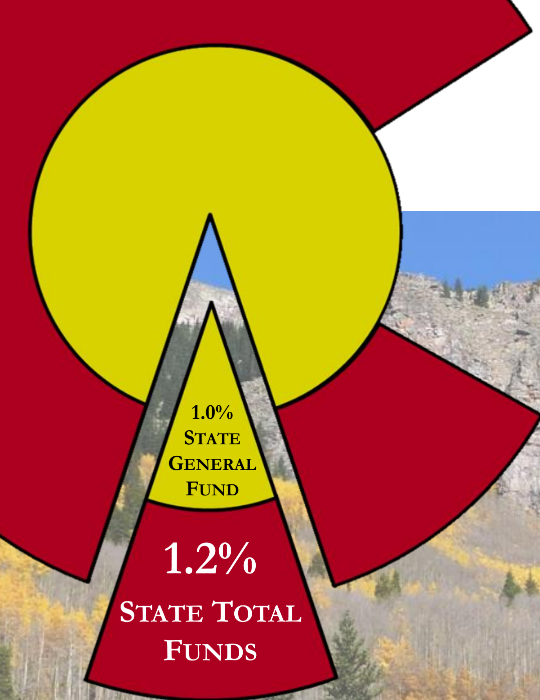
- *Educational campaign in FY 2017-18.* Similar to efforts with the Prescription Drug Monitoring Program, the Department seeks retention of a professional marketing/communication firm to effectively develop a campaign to raise awareness among third-party victims so that complaints are received by concerned neighbors, friends, employers, colleagues and a broader base of stakeholders.
- *Law Enforcement Education.* The requested awareness campaign will also include facilitation of a DORA forum with law enforcement to identify regulatory gaps and to develop and distribute a roadmap for law enforcement regarding complaints and factors for successful case completion. These efforts may lead to enhanced collaboration and evidence sharing to identify wrongdoing and to expedite MMJ cases and discipline.
- *Increased Investigation and Access to Filing Complaints.* The investigator FTE would dedicate time to investigation of MMJ cases while also staffing a malpractice hotline to receive the increased complaints and remove barriers for those suspecting wrongdoing.
- *Legal Services.* Emerging marijuana enforcement issues targeting medical licensees require supporting funds from the Marijuana Tax Cash Fund.

Consequences of Problem

- If the proposed solution is not approved, the Department and the State will continue to be limited in efforts to meaningfully address the medical marijuana grey market.

Proposed Solution

- The proposed solution is to request funding for FY 2017-18 to: increase awareness, receive and investigate increased complaints, and support legal expenses using the Marijuana Tax Cash Fund.
- The Department will be able to measure results by tracking the increase in complaints and types of disciplinary actions taken, as well as by reaching an increased number of stakeholders using outreach.



COLORADO Department of Revenue

FY 2017-18 Governor's Request

$108.4 million General Fund

Share of Statewide General Fund: 1.0%

$354.9 million Total Funds

Share of Statewide Total Funds: 1.2%

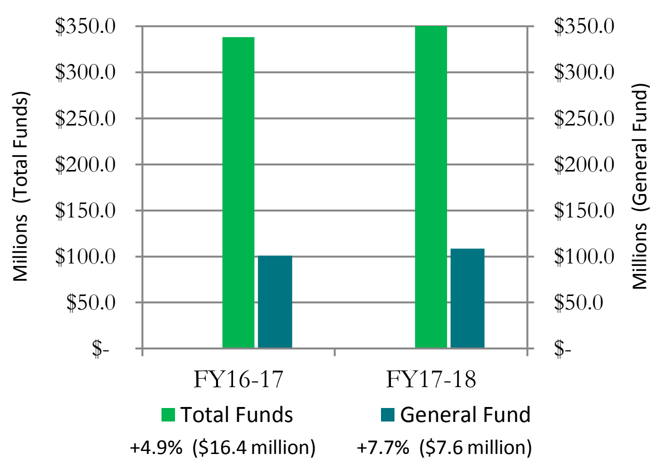
Mission Statement

To provide quality service to our customers in fulfillment of our fiduciary and statutory responsibilities while instilling public confidence through professional and responsive employees.

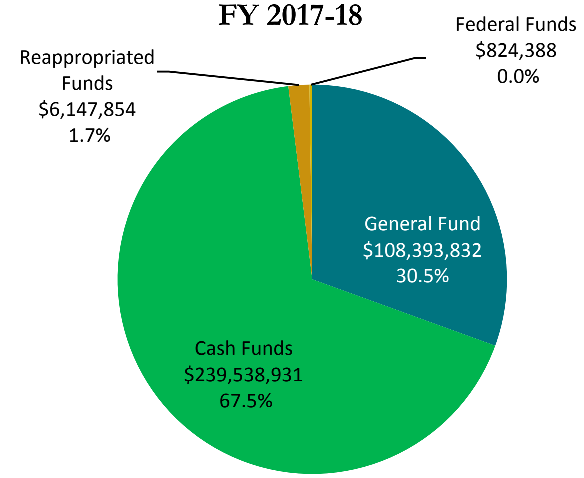
Department Description

The key responsibilities of the Colorado Department of Revenue (DOR) 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.

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



Breakdown of Total Funds FY 2017-18



Strategic Policy Initiatives

1 Provide Services that are Clear, Simple, Timely, and Convenient

The Department strives to resolve matters at first contact, reduce the time it takes to obtain the services needed, provide education to the public to assist them in having a successful outcome and to offer a variety of options for citizens to use to transact business.

- One metric the Department uses to measure success is the percent of Drivers License customers that are called to the counter within an average of 15 minutes. The FY 2015-16 actual was 54% of customers; FY 2016-17 goal is 65% and in quarter 1 of FY 2016-17, 63.5% of customers were served within 15 minutes. The 3-year goal is 85%.
- Another metric is e-filed sales tax returns and income tax returns as a percentage of total sales tax returns filed, from the baseline of 13% in FY 2009-10. The FY 2015-16 actual was 77.3% of sales tax returns and 84.1% of income tax returns filed online. The FY 2016-17 goal is 77% of sales tax returns, which the Department is exceeding so far with 80% filed online in quarter 1; and 84.5% of income tax filings with the Department so far at 76.2% for quarter 1. The 3-year goals are 82% for sales tax e-filings and 86% for income tax e-filings.

2 Provide Responsible Fiscal Management

The CDOR collects more than $14 billion dollars per year on behalf of the citizens of Colorado. It is the Department's responsibility to ensure that those funds are collected in a fair and consistent manner as well as in accordance with the law.

- One metric the Department uses to measure success is the percentage of funds deposited within 24 hours of being received. The first three quarters of FY 2015-16 actual was 92.2%; the 1-year and 3-year goals are 95%.

3 Fairness and Consistency in the Application of the Law

Many times, statutes are subject to interpretation by CDOR staff. CDOR works hard to provide opportunities for stakeholders and the public to give input on rules and regulations.

- One metric the Department uses to measure success is number of final agency actions for new applications for medical marijuana business licenses within 90 days. The FY 2015-16 actual was 80%; the goal for FY16 was 75%; and 80% for FY17 and beyond.

4 Recruit, Develop, and Value a High-Quality, Diverse Workforce

To achieve the Department's goals and serve the public's best interest, it is paramount that the best possible employees are recruited and hired.

- DOR employee concerns are identified and addressed through the Employee Engagement Survey results in the areas of Lean, Leadership and Middle Level Management engagement.

5 Maximize Public Trust Via Responsible Stewardship and Transparency

Many of the Department's regulatory functions exist to ensure that the public is protected. It is vital that the public have confidence that CDOR staff is doing their job to ensure citizens feel protected when they participate in these activities.

- One metric the Department uses to measure success is the percentage of gambling institutions that are compliant with regulations. The Department is largely meeting its goal; the FY 2015-16 actual was 95.1% and the 1-year goal is 90% while the 3-year goal is 95%.

FY 2017-18 Change Requests

R-01 DMV Waitless System Maintenance

Provide Simple & Timely Service

$183,042 Cash Funds in FY 2017-18, ongoing

- The Department requests an increase of $183,042 in cash fund spending authority for Licensing Services Cash Fund in FY 2017-18 and ongoing for the estimated hardware and software maintenance cost for the Waitless queuing and data management system in the Division of Motor Vehicles (DMV).
- The system collects vital data regarding wait times and transaction times, provides statistical information to improve office procedures, and provides on-line appointment scheduling, and is imperative to the Department's goal to reduce wait times.

R-02 License Plate and Year-Tab Ordering

Provide Simple & Timely Service

$4.0 million Total Funds ($3.8 million Cash Funds and $200,000 General Fund in FY 2017-18), ongoing at $3.0 million

- The Department requests a total increase of $4,056,720 ($3,847,078 in cash fund spending authority from the License Plate Cash Fund and $209,642 in General Fund) in FY 2017-18 (annualizing to $2,713,078 cash funds and $209,642 in General Fund in FY 2018-19 and beyond).
- Due to past and future growth in license plate and year-tab issuance, the costs to meet increased demand are expected to surpass current spending authority limits. Additionally, there is a deficit in the fund that will result in a negative fund balance if not mitigated.
- The Department has been able to handle issuance growth and revenue shortfalls so far by depleting pre-existing plate inventories, but there is no longer any remaining. The requested funds will be used to replenish inventory, fill shortfall from statutory fee exemptions, and meet the demand for plates.
- if this request is not funded, the Department will not be able to issue license plates and year-tabs to registered vehicles, compromising both customer service and public safety.

R-04 DMV Leased Space

Provide Simple & Timely Service

$1.1 million Cash Funds in FY 2017-18, $179,106 Cash Funds in FY2018-19 and ongoing

- The Department requests a cash funds appropriation of $1,090,106 in FY 2017-18 and $179,106 in FY 2018-19 and thereafter from the Licensing Services Cash Fund.
- Of this amount, one time costs of $911,000 will expand and/or relocate the Colorado Springs, Northglenn, and Fort Morgan driver license offices to more adequately serve its customers and $179,106 will pay for ongoing leased space at the new and expanded locations.
- Limited space in the current offices restricts the number of workstations that can be installed which limits the number of customers that can be served, resulting in longer than necessary wait times.

R-05 GenTax System Maintenance, Support, and Hosting

Provide Simple & Timely Service

$3.9 million General Fund in FY 2017-18, ongoing

- The Department requests $3,858,767 of ongoing General Fund to transfer the technical infrastructure of GenTax to a vendor-hosted solution from the current OIT-hosted solution, for continued base software licensing and for enhanced on-site IT support.
- Demands upon the GenTax system continue to grow. Population increases, the addition of new taxes (e.g. marijuana taxes), statutory changes, an increase in fraudulent refund activity, and customer service enhancements have all placed increased pressures on the system and hardware on which it operates.
- GenTax processes $11 billion dollars in revenue for the state, and must be properly maintained to continue functioning at an optimal level.

Cost and FTE

- The Department requests an increase of $183,042 in cash fund spending authority for Licensing Services Cash Fund in FY 2017-18 and ongoing for the hardware and software maintenance cost to support the implemented Waitless system. The hardware and software maintenance is imperative to the system's functionality and the DMV's goal to enhance customer service by reducing wait times.

Current Program

- In FY 2014-15, the General Assembly approved the Division of Motor Vehicles (DMV) change request R-2 DMV-Customer Service Enhancements for $4,168,025 General Fund and 52.0 FTE.
- Of this total, $1,492,103 was for the purchase and installation of Waitless queuing and data management technology to 31 state-operated driver license offices.
- The purpose of the system is to reduce customer wait times by providing an office management system to measure and manage the efficiency and effectiveness of driver license operations.
- The system collects vital data regarding wait times and transaction times, provides statistical information to improve office procedures, and provides on-line appointment scheduling.

Problem or Opportunity

- The ongoing cost of $158,638 included in the FY 2014-15 request was primarily for kiosk paper.
- The hardware and software maintenance costs were not included in the request because they were unknown at the time, and the Department intended to submit a request for the necessary additional appropriation once maintenance costs were determined.
- In FY 2015-16, the Department negotiated a hardware maintenance contract through June 30, 2017, and a software maintenance contract through March 31, 2017. The cost for both of these contracts is funded in FY 2016-17 by the current ongoing operating appropriation, due to a lower cost of kiosk paper than the DMV anticipated, due to switching from thermal paper to non-thermal paper.
- In FY 2017-18, the hardware maintenance cost is estimated to increase and the remaining ongoing appropriation will no longer cover the cost of both maintenance renewals.

Consequences of Problem

- If the request is not approved, the DMV will have to defer building maintenance and other operating needs that are critical to the effective operations of the division to accommodate this need.

Proposed Solution

- The Department requests an increase of $183,042 in cash fund spending authority for Licensing Services Cash Fund in FY 2017-18 and ongoing for the estimated hardware and software maintenance cost to support the implemented Waitless system. The total cost of the software maintenance is partially offset by the savings in kiosk paper costs included in the FY 2014-15 request.

Cost and FTE

- The Department requests a total increase of $4,056,720 ($3,847,078 in cash fund spending authority, and $209,642 in General Fund appropriation) in the License Plate Ordering line item in FY 2017-18 to mitigate a funding deficit and accommodate growth in issuance of regular license plates and year-tabs, annualizing to $2,713,078 cash funds and $209,642 General Fund in FY 2018-19 and thereafter.

Current Program

- The License Plate Ordering line item funds payments to the Department of Corrections, Correctional Industries for the purchase of license plates and products used to document registered vehicles.
- The License Plate Cash Fund is funded by material fees assessed at the time of issuance for license plates and products. Pursuant to C.R.S. §42-3-301, the fee is equal to the material cost for each item.

Problem or Opportunity

- The License Plate Cash Fund is experiencing a funding deficit that will result in a negative fund balance at the end of FY 2016-17 if not mitigated. This deficit is a result of statutory exemptions of the material fees for certain plates and placards, and the diversion of material fee revenue that should have been deposited into the fund due to the following: 1) Fee exemptions made at the discretion of the counties related to customer service; 2) Programming issues in the Colorado State Title and Registration System (CSTARS); and 3) Policy and statute interpretation.
- Due to past and future growth in license plate and year-tab issuance, the costs to meet increased demand are expected to surpass current spending authority limits.
- The Department has been able to satisfy issuance growth, maintain a positive fund balance in the License Plate Cash Fund, and remain within spending authority limits by depleting pre-existing plate inventories. Plate inventory was depleted in FY 2015-16 and can no longer be used to mitigate revenue shortfalls and/or increasing costs related to increasing plate issuance.

Consequences of Problem

- With no plate inventory remaining to mitigate the negative cash flow and issuance growth, if this request is not funded, the Department will not be able to issue license plates and year-tabs to registered vehicles, compromising both customer service and public safety.

Proposed Solution

- The Department requests that $4,058,874 of the total FY 2017-18 cash fund spending authority come from the CSTARS fund to compensate for the revenue shortfall in the LPCF. This will require a change to the Long Bill letter note and to C.R.S. 42-1-211(2).
- With the rollout of DRIVES in FY 2018-19, the Department anticipates that the incorrect distribution issues in the CSTARS programming will end. In addition, DRIVES will enable the Department to better quantify un-collected revenue and pursue alternatives in the future.

Cost and FTE

- The Department requests a cash funds appropriation of $52,884 in FY 2017-18 and thereafter in the Liquor Enforcement Division and State Licensing Authority Cash Fund for operating expenses in the Liquor and Tobacco Enforcement Division (LED). This represents a 41 percent increase in the LED operating expenses line item appropriation.

Current Program

- The LED is empowered with statewide law enforcement jurisdiction.
- The LED monitors compliance with Colorado liquor and tobacco laws and regulations through education, outreach, licensing, inspections, and enforcement activities in conjunction and cooperation with local and state enforcement officials, local licensing authorities, and the industry.
- LED investigators conduct compliance checks and inspections, investigate complaints, and offer training. The LED also works special events at the request of local law enforcement agencies.

Problem or Opportunity

- Compliance checks serve as a deterrent for retail establishments from serving alcohol to minors and for minors from possessing alcohol at large public venues. Current funding for operating expenses is insufficient to conduct compliance checks in remote locations and to adequately staff minor-in-possession operations at concerts, sporting events, and other venues.
- The LED has three investigators and one supervisor stationed in Grand Junction to cover the Western Slope. Due to the size of this region, compliance checks and enforcement operations often result in higher travel expenses – either for the regional investigator or for Denver-based staff who travel to conduct enforcement operations at concerts, sporting events and other venues.
- Equipment needs associated with enforcement operations are funded at the expense of travel or other operational needs.

Consequences of Problem

- The LED will conduct compliance checks and enforce underage drinking laws in a limited capacity in remote locations without additional spending authority. Enforcement operations at events such as Country Jam, XGames, and Bands in the Backyard, will be eliminated or reduced.
- The non-compliance rate for underage liquor sales and minor-in-possession citations could be negatively impacted if the industry and public become aware that enforcement efforts have decreased.

Proposed Solution

- The Department requests $52,884 in LED operating expenses to improve compliance and enforcement operations statewide. Citizens, local law enforcement, and the industry will benefit from the solution.

Cost and FTE

- The Department requests a cash fund appropriation of $1,090,106 in FY 2017-18 and $179,106 in FY 2018-19 and thereafter in the Licensing Services Cash Fund. Of this amount, $179,106 will be in the leased space line item. One-time costs of $911,000 will be in the Driver Services Operating line item to expand and/or relocate the Colorado Springs, Northglenn, and Fort Morgan driver license offices to more adequately serve its customers.

Current Program

- The Department's Division of Motor Vehicles (DMV) operates 36 driver license offices, and the leases are funded by the Executive Director's Office Leased Space line item.
- The current Colorado Springs and Northglenn driver license offices do not meet the needs of the customer base and require either an expansion of the existing space or the relocation to a new space.
- Customer demand at the Colorado Springs and Northglenn driver license offices is continuing to increase, causing increases in wait times.
- The Fort Morgan lease has been in holdover since 2007 and requires relocation to an office that is better suited to meet the needs of the DMV.

Problem or Opportunity

- The existing leases for Colorado Springs, Northglenn, and Fort Morgan do not meet customer needs and limit the Department's ability to reduce or maintain current wait times. These offices require expansion and/or relocation for the DMV to provide driver licenses and identification cards to citizens within wait time goals, yielding a positive experience and high customer satisfaction.

Consequences of Problem

- Without adequate spending authority to address these location issues, customer satisfaction in these locations will decrease as wait times and crowding increase.

Proposed Solution

- The Department proposes expanding and/or relocating the Colorado Springs, Northglenn, and Fort Morgan driver's license offices to spaces that can better serve customers and meet the DMV's goal to enhance customer service by reducing wait times.
- The Department requests the following from the Licensing Services Cash Fund: $75,000 in Driver Services Operating for moving costs in FY 2017-18; $836,000 for the cost to build out the three offices in FY 2017-18; and $179,106 in the Executive Director's Office Leased Space line item in FY 2017-18 and thereafter for increased lease costs.

Cost and FTE

- The Department requests $3,858,767 of ongoing General Fund appropriation to transfer the technical infrastructure of GenTax to a vendor-hosted solution from the current state OIT-hosted solution.

Current Program

- During the period from 2008 through 2012, the Department replaced its aged and antiquated tax systems with a modified off-the-shelf product called GenTax, in a project called Colorado Integrated Tax Architecture (CITA). The project was completed on time and under budget, with GenTax now serving as the system of record for the taxation divisions.

Problem or Opportunity

- Demands upon the system continue to grow. Population increases, the addition of new taxes (e.g. marijuana taxes), statutory changes, an increase in fraudulent refund activity, and customer service enhancements have all placed increased traffic and pressures on the system and its hardware.
- These pressures strain the current limits of the hardware platform which is near end-of-life, putting at risk the successful completion of the nightly batch-processing job stream. This leads to processing "catch up" on the weekends, and delayed service for customers.
- The current maintenance and support contract is reaching expiration and it is time to evaluate the current arrangement in order to identify opportunities for improvement and enhancement.

Consequences of Problem

- This mission critical system generates $11 billion in revenue for the State and must be properly maintained. Without needed enhancements, the system infrastructure will become unreliable.
- Processing demands will continue to increase over time, causing further delays for customers.
- The Department will not be able to implement future strategic initiatives such as e-filing options.

Proposed Solution

- Of the request, $1,070,000 is for vendor hosting, which provides cost savings to the state of more than $750,000 over 5 years compared to the OIT-hosted solution, and is more than $1.7 million less expensive in the first year. The vendor solution guarantees system availability and performance as it shifts responsibility to the vendor to ensure maintenance and reliability.
- Base software licensing and on-site support with 4.0 contracted staff to replace OIT staff support make up $1,708,767 (other increases from inflation, new tax types, and additional volume), and the remaining $1,080,000 will fund an enhanced level of system support including 3.0 contracted staff to address strategic initiatives and other opportunities to improve service levels to state taxpayers.

Cost and FTE

- The Department requests $361,682 in FY 2017-18 and $328,500 in FY 2018-19 of ongoing spending authority in the Auto Dealers License Fund for 4.0 FTE and associated expenses in the Auto Industry Division (AID). This represents a 14.7 percent increase to the AID personal services line item.

Current Program

- The AID is a statewide regulatory agency with responsibilities that include issuance of all license types for motor vehicle dealers, manufacturers, and related salespersons.
- The AID issues approximately 19,000 licenses annually.
- The AID also investigates approximately 1,300 cases each year related to consumer harm and unlicensed sales activities.

Problem or Opportunity

- Current staffing levels are insufficient for investigative teams to manage the current caseload. In addition, staffing levels are not adequate to re-instate previously eliminated proactive enforcement programs essential to providing a balanced regulatory program.
- The most effective regulatory programs have a balance of education, compliance, and enforcement.
- Compliance inspections and educational outreach programs are used to encourage compliance through an increase in awareness which can help prevent future enforcement actions.
- These programs were eliminated in 2008 due to a decrease in revenue and an increase in investigative caseload related to the economic downturn. Additional resources are needed to reinstate these proactive measures and strengthen consumer protection.

Consequences of Problem

- The AID is not adequately staffed to respond to the current caseload of investigations and to restore regulatory education and compliance inspections. The Division will continue to be unable to provide educational programs and compliance inspections for dealers to help them identify proactive operational improvements which will reduce potential enforcement actions against them.

Proposed Solution

- The Department requests the specified ongoing spending authority and FTE in the Auto Dealers License Fund to reinstate compliance inspections and proactive educational activities.
- The additional FTE would restore a balanced regulatory model that includes public education to encourage proactive compliance and improve investigation timelines. Motor vehicle dealers/manufacturers, related salespersons, and consumers will benefit from the solution.

Cost and FTE

- The Department requests $31,989 in FY 2017-18 and $27,286 in FY 2018-19 and thereafter in the Racing Cash Fund for 1.0 FTE and associated expenses in the Division of Racing Events (RAC).
- This represents a 2.8 percent increase to the RAC personal services line item appropriation.

Current Program

- The RAC is a statewide regulatory agency with responsibilities that include issuance of licenses, enforcement, pari-mutuel tax collections, and safeguarding the health and safety of racing animals.
- The Legal Assistant is intimately involved in the disciplinary and investigatory processes. This position generates nearly all legal documents for RAC, including: Notices of Hearing; Orders; notices of proposed denial of license; notices of denial of license; and warning letters for rule violations. This position attends hearings representing RAC in administrative matters, provides paralegal support and acts as Rules Manager for annual Rulebook changes, reviews policies and procedures of the RAC and ensures that any updates are in compliance with State policies and statutory obligations. Additionally, the Legal Assistant makes sure that any discovery requests made by outside attorneys are answered in a timely fashion.

Problem or Opportunity

- The RAC currently utilizes temporary legal assistant services for up to nine months, which comes with a detrimental three-month break in service.
- This break in service compromises the Division's ability to properly monitor and analyze legislation and meet its rulemaking needs and to properly monitor, address, and report rule violations and administrative actions leading up to and during the first weeks after the race meet has begun.
- Inefficiencies are created by the need to re-train a new temporary legal assistant every year to properly prepare for live race meets, processing of administrative actions, assisting with conducting hearings, rulemaking, and preparing and issuing legal documents and rulings.
- Because of the unique nature of the racing industry, further inefficiencies are created when the new temporary talent must be educated, by instruction or experience, on the administrative rule making process and on the industry itself.

Consequences of Problem

- Without the additional FTE, the RAC will continue to utilize state temporary resources, necessitating a three-month break in service and compromising efficiency of staff to complete ongoing projects.

Proposed Solution

- The Department requests the specified ongoing spending authority and FTE in the Racing Cash Fund to provide ongoing and consistent legal assistant services.
- The cost of the FTE will be partially offset from the savings in not hiring a temporary employee.

Cost and FTE

- The Department requests an informational (I) annotation for the Amendment 35 Distribution to Local Governments line item for FY 2017-18 and thereafter to provide adequate spending authority for the Department to distribute the tobacco tax cash funds to local and county governments.

Current Program

- In November 2004, voters passed Amendment 35 to the Colorado Constitution, which increased the tax on cigarettes.
- Pursuant to C.R.S. §39-22-623 (1)(B)(c), the Department is statutorily required to distribute 30% of these moneys deposited in the Tobacco Tax Cash Fund to local and county governments, which compensates these entities for a loss of tax revenue as a result of the tax increase.
- The Amendment 35 Distribution to Local Governments line item was created in FY 2006-07 to implement this allocation.
- The appropriation is based on economic forecasts authored by the Office of State Planning and Budgeting, and is adjusted accordingly on an annual basis.
- The March 2015 revenue forecast triggered a reduction in the FY 2015-16 appropriation by $414,900.

Problem or Opportunity

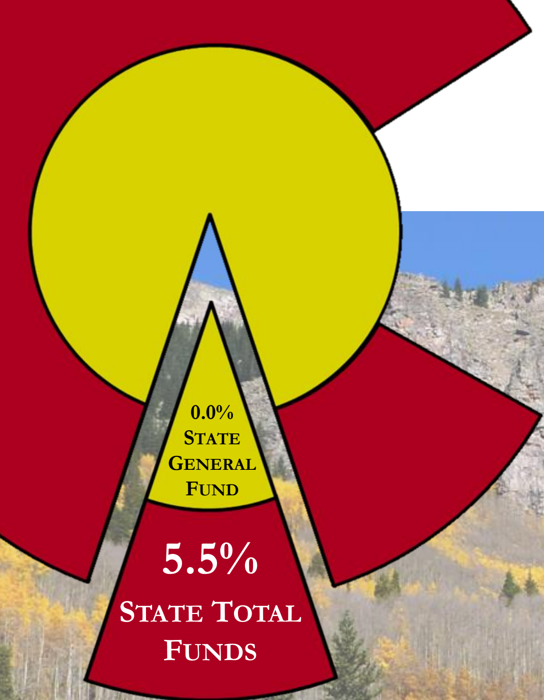
- The Department did not have adequate spending authority in S.B. 15-234 to meet its obligation to distribute the estimated total tobacco tax cash funds for the 2015-16 fiscal year.
- Pursuant to C.R.S. §39-22-623 (1)(a)(II)(B), "Moneys apportioned pursuant to this subparagraph (II) shall be included for informational purposes in the general appropriation bill or in supplemental appropriation bills for the purpose of complying with the limitation on state fiscal spending imposed by section 20 of article X of the state constitution and section 24-77-103, C.R.S."

Consequences of Problem

- If the (I) annotation is not added to this line item, then the Long Bill will not agree with state statute and the Department may not be able to meet its constitutional obligation of distributing these moneys to local jurisdictions.

Proposed Solution

- The Department requests an informational (I) annotation for the Amendment 35 Distribution to Local Governments line item for FY 2017-18 and thereafter to harmonize the Long Bill with other state statutes and provide adequate spending authority for the Department to distribute the tobacco tax cash funds to local and county governments.



Colorado Department of Transportation

FY 2017-18 Governor's Request

$0 General Fund

Share of Statewide General Fund: 0.0%

$1.68 billion Total Funds

Share of Statewide Total Funds: 5.5%

Mission Statement

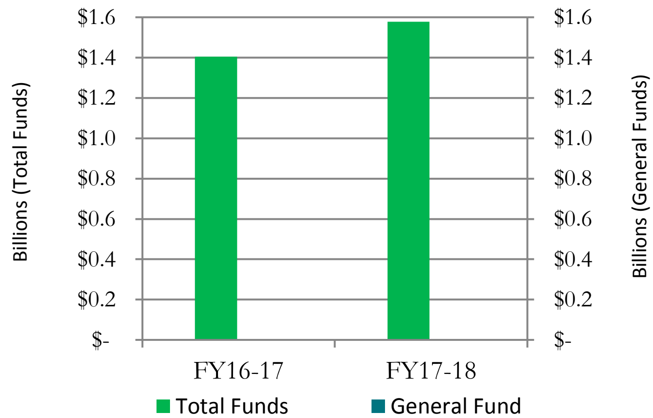
To provide the best multi-modal transportation system for Colorado that most effectively and safely moves people, goods and information.

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.

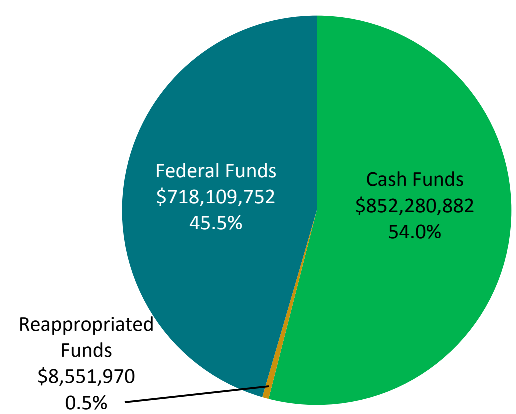
The state's transportation system is managed by CDOT under the direction of the Colorado Transportation Commission, composed of eleven members who represent specific districts. Each commissioner, appointed by the Governor and confirmed by the Senate, serves a four-year term. The commission directs policy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

Change in General Fund and Total Funds FY 2016-17 to FY 2017-18



+12.4% ($174.3 million) 0% ($0)

Breakdown of Total Funds FY 2017-18



STRATEGIC POLICY INITIATIVES

1 Safety

Move Colorado toward zero deaths by reducing traffic-related deaths by one-half by 2030.

- This includes reducing fatalities by 12 per year, from 548 in 2008 to 344 in 2025. CDOT aims to reduce fatalities to 440 for its one-year target (Dec. 31, 2017, target, or calendar year 2017 fatalities) and to 416 for its three-year target (Dec. 31, 2019, target, or calendar year 2019 fatalities).
- Fatalities on Colorado roadways increased from 488 in 2014 to 546 in 2015. This was higher than the Department's goal of 464.

2 Pavement Condition

Attain High or Moderate Drivability Life for 80 percent of sampled lane miles of pavement on the state highway system by 2025, up from 79 percent in fiscal year 2015.

- CDOT plans to achieve 69 percent High/Moderate Drivability Life for its one-year target (June 30, 2017, target, or fiscal year 2017 pavement condition) and 57 percent for its three-year target (June 30, 2019, target, or fiscal year 2019 pavement condition).
- The percentage of pavement on the state highway system with High or Moderate Drivability Life rose in fiscal year 2015 to 79 percent, from 73 percent in fiscal year 2014. This was just below the goal of 80 percent for fiscal year 2015 referenced in the 2014-15 Performance Plan.

3 Travel Time Reliability

Slow the growth of congestion on Interstate 25, between Northwest Parkway and C-470, during daytime and early evening weekday hours. Slow the growth of congestion on Interstate 70, between Vail and C-470, during daytime and early evening weekend hours

- CDOT set its first goals for the reliability metrics in this plan for calendar year 2016, so a comparison of performance to targets is not available. Planning Time Indices on both Northbound and Southbound Interstate 25 increased in 2015 compared to 2014 levels. This occurred in a year that also saw the number of Vehicle Miles Traveled on the corridor increase.

4 Maintenance

Maintain CDOT's roadways and facilities to minimize the need for replacement or rehabilitation in a constrained funding environment.

- This includes achieving an overall Maintenance Levels of Service (MLOS) grade of C+ for the state highway system in fiscal year 2017 and a C for fiscal year 2019, compared to a B- in fiscal year 2015.
- CDOT achieved a B- for overall Maintenance Levels of Service in fiscal year 2015, which met the goal in the 2014-15 Performance Plan. The Department has achieved a B- each year from 2010-15, except for 2013, when a B was achieved For fiscal year 2017, CDOT forecasts it will achieve a C+ grade for overall Maintenance Levels of Service.

COLORADO
Department of Transportation

R-01 Marijuana Impaired Driving Campaign	
Safety	**$1.0 million Marijuana Tax Cash Fund in FY 2017-18**
	• The Department is requesting $1,000,000 from the MTCF to provide funding for the Marijuana Impaired Driving Campaign. • This campaign performs public outreach to both Coloradans and tourists from out of state on both the dangers and legal consequences of driving while impaired on marijuana. Through the first few years of the campaign, CDOT has made significant headway in educating the population on the simple fact that driving while under the influence of marijuana is illegal. • As of November, 2015, 91% of people surveyed in a statewide survey on various driving behaviors reported that they were aware that driving while under the influence of marijuana could lead to an arrest. • Unfortunately, although 91% of drivers surveyed were aware that driving high is illegal, 32% still reported that they believe they are safe when driving under the influence of marijuana

COLORADO

Department of Transportation

Priority: R-01
CDOT Marijuana Impaired Driving Campaign
FY 2017-18 Request

Cost and FTE

- This request seeks $1,000,000 from the Marijuana Cash Fund in FY 2017-18 to fund a statewide marijuana impaired driving public education campaign. In FY 2016-17 these existing funds were used to support the "Heat is On" impaired driving campaign focusing on alcohol.

Current Program

- The Colorado Department of Transportation (CDOT) manages statewide public awareness campaigns to prevent impaired driving in Colorado, paired with heightened enforcement by the Colorado State Patrol (CSP) and local law enforcement. CDOT has a separate campaign specifically focused on marijuana impaired driving. Efforts include planning and execution of public awareness campaign, data collection, Drug Recognition Expert training and DUI enforcement under section 405(d) of the federal transportation authorization bill ("Moving Ahead for Progress in the 21st Century Act" or "MAP-21").

Problem or Opportunity

- Currently 18% of DUI arrests issued by CSP are for marijuana (CSP data).
- 55% of marijuana users admitted driving high in 7 of the last 30 days (CDOT survey).
- CDOT has identified a target audience and message for the public awareness campaign: males, ages 21-34, who have a higher binge risk and are likely to combine drugs and alcohol. This audience may also be less aware of laws and consequences of driving high. The *Dangerous Combinations* campaign has several messages, including "Hits Lead to Hits" and "Drive High, Get a DUI."
- CDOT's current funding is not adequate for this purpose given the scope of the problem of marijuana impaired driving in the state. Most notably CDOT is limited by a slim media budget (in market = 1 month).
- Funding would support a larger ad buy and other tactics to reach a broader audience over a longer period of time. Data collection and campaign creative development would also receive funds.

Consequences of Problem

- In 2014, 84 drivers involved in fatal crashes tested positive for marijuana (FARS data).

Proposed Solution

- Administration: Program strategy, development, management, execution, consultation/evaluation
- Creative Development: Further executions of CDOT's "Dangerous Combinations" campaign (in conjunction with "Drive High, Get a DUI" messaging)
- Media Buying : Statewide media campaign directed primarily to target audience
- Public Relations: PR strategies to further campaign messaging to tourists, mnt. communities, etc.
- Evaluation: Measure behavioral patterns and message retention to inform future campaign efforts

COLORADO
Office of State Planning
& Budgeting
111 State Capitol
Denver, Colorado 80203

November 1, 2016

The Honorable Max Tyler
Chair, Joint Technology Committee
State Capitol Building
Denver, Colorado 80203

RE: OSPB Submission of FY 2017-18 Prioritized Information Technology Requests

Dear Representative Tyler:

As required by Section 24-37-304 (1) (c.5) (I) (B), C.R.S., please find attached the Governor's Office of State Planning and Budgeting (OSPB) prioritization of Executive Branch information technology budget requests for FY 2017-18. This submission includes two binders, both of which are provided to the Joint Technology Committee (JTC) staff. The binders contain the requests for state departments except the Department of Higher Education.

This November 1 package includes the following:

- A list of information technology projects recommended for funding;
- An updated assessment of the need for a General Fund transfer into the Capital Construction Fund.

OSPB has recommended only five information technology projects for funding in FY 2017-18. This recommendation will continue projects begun in FY 2016-17, and represents the fullest extent to which available revenues will support information technology expenditures.

Please feel free to contact my office at (303) 866-3317 with questions or concerns. At the Committee's request, I am available to present any necessary information at a future meeting.

Thank you for your consideration of these important requests.

Sincerely,

Henry Sobanet

Henry Sobanet
Director

Cc: Members of the Joint Technology Committee
Ms. Jessika Shipley, JTC Staff
Mr. John Ziegler, JBC Staff Director

Mr. Alfredo Kemm, JBC Staff
Mr. Kevin Neimond, JBC Staff
Ms. Kori Donaldson, CDC Staff
Mr. Erick Scheminske, Deputy Director, OSPB
Ms. Andrea Day, OSPB Staff

Table CC-A: General Fund Transfer for Capital Construction Projects		
	Forecast	Forecast
	FY 2017-18	FY 2018-19
Capital Construction Projects		
Level I Controlled Maintenance	($20,013,721)	($21,000,000)
CDOT Transportation Projects	($500,000)	($500,000)
DYC Facility Refurbishment for Safety and Risk Mitigation, Modernization	($5,517,550)	$0
CSM Green Center Roof and HVAC Replacement	($1,908,207)	($6,591,793)
Limon Hot Water Loop Replacement	($4,488,518)	$0
Adams YSC Replacement	($14,845,503)	$0
State Capitol Roof Repair, Phase II	($6,069,053)	$0
Institute Hawkins Building L2 Unit Addition	($5,420,468)	$0
Public Safety Communications Network Microwave Infrastructure	($11,193,784)	($11,193,784)
Subtotal Capital Projects Approved For Funding	**($71,491,834)**	**($40,820,607)**
Information Technology Projects		
DOC Offender Management Info Syst.	($12,610,083)	$0
Modernizing Child Welfare Care Mng Sys.	($3,374,809)	$0
Interoperability	($1,061,188)	($1,061,188)
Subtotal IT Projects Approved For Funding and Supplementals	**($17,046,080)**	**($1,061,188)**
All Projects	**($88,537,914)**	**($41,881,795)**

FY 2017-18 Capital Construction IT Requests									
OSPB Priority	CCHE Priority	Recommend Funding	Department	Request Title	CC-IT	FY 2017-18 Request			
						TF	GF	CF/RF	RF/FF
CDA-1	N/A	Yes	Agriculture	CDA AgLicense, Inspection, and Enforcement	CC-IT	$285,000	$0	$285,000	$0
DOC-1	N/A	Yes	Corrections	DOC Offender Management System	CC-IT	$12,610,083	$12,610,083	$0	$0
DHS-1	N/A	Yes	Human Services	DHS Modernization of the Child Welfare Case Management System	CC-IT	$6,749,617	$3,374,809	$0	$3,374,808
DHS-2	N/A	Yes	Human Services	DHS Interoperability - Phase 2	CC-IT	$10,611,880	$1,061,188	$0	$9,550,692
CDPHE-1	N/A	Yes	Public Health and Environment	CDPHE CIMPLE Online Permitting	CC-IT	$996,588	$0	$896,588	$100,000
Total Information Technology Requests Recommended for Funding by the Governor						**$31,253,168**	**$17,046,080**	**$1,181,588**	**$13,025,500**
DHS-3	N/A	Yes	Human Services	DHS Regional Center Electronic Health Record System	CC-IT	$3,041,459	$3,041,459	$0	$0
CDPHE-3	N/A	Yes	Public Health and Environment	CDPHE Electronic Birth Registration System Replacement	CC-IT	$60,000	$60,000	$0	$0
CDOT-1	N/A	Yes	Transportation	CDOT Installation of Fiber Optic Cable along US 24 West	CC-IT	$3,674,330	$3,674,330	$0	$0
Total Information Technology Requests						**$38,028,957**	**$23,821,869**	**$1,181,588**	**$13,025,500**

FY 2017-18 Information Technology Requests																					
		Prior Appropriations					**FY 2017-18**					**FY 2018-19 *Expected Impact***					**FY 2019-20 *Expected Impact***				
Priority	**Request Title**	**TF**	**CCF**	**CF**	**RF**	**FF**	**TF**	**CCF**	**CF**	**RF**	**FF**	**TF**	**CCF**	**CF**	**RF**	**FF**	**TF**	**CCF**	**CF**	**RF**	**FF**
CDA-1	CDA AgLicense, Inspection, and Enforcement	$0	$0	$0	$0	$0	$285,000	$0	$285,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
DOC-1	DOC Offender Management System	$18,378,886	$16,845,761	$0	$0	$1,533,125	$12,610,083	$12,610,083	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
DHS-1	DHS Modernization of the Child Welfare Case Management System	$13,574,184	$6,787,092	$0	$0	$6,787,092	$6,749,617	$3,374,809	$0	$0	$3,374,808	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
DHS-2	DHS Interoperability - Phase 2	$24,751,180	$2,475,118	$0	$0	$22,276,062	$10,611,880	$1,061,188	$0	$0	$9,550,692	$10,611,880	$1,061,188	$0	$0	$9,550,692	$10,611,880	$1,061,188	$0	$0	$9,550,692
CDPHE-1	CDPHE CIMPLE Online Permitting	$0	$0	$0	$0	$0	$896,588	$0	$896,588	$0	$100,000	$896,588	$0	$896,588	$0	$100,000	$996,588	$0	$896,588	$0	$100,000
Total Information Technology Requests Recommended for Funding by the Governor		**$56,704,250**	**$26,107,971**	**$0**	**$0**	**$30,596,279**	**$31,153,168**	**$17,046,080**	**$1,181,588**	**$0**	**$13,025,500**	**$11,508,468**	**$1,061,188**	**$896,588**	**$0**	**$9,650,692**	**$11,608,468**	**$1,061,188**	**$896,588**	**$0**	**$9,650,692**
DHS-3	DHS Regional Center Electronic Health Record System	$0	$0	$0	$0	$0	$3,041,459	$3,041,459	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CDPHE-3	CDPHE Electronic Birth Registration System Replacement	$0	$0	$0	$0	$0	$60,000	$60,000	$0	$0	$0	$1,130,000	$630,000	$300,000	$0	$200,000	$310,000	$310,000	$0	$0	$0
CDOT-1	CDOT Installation of Fiber Optic Cable along US 24 West	$0	$0	$0	$0	$0	$3,674,330	$3,674,330	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Information Technology Requests		**$56,704,250**	**$26,107,971**	**$0**	**$0**	**$30,596,279**	**$37,928,957**	**$23,821,869**	**$1,181,588**	**$0**	**$13,025,500**	**$12,638,468**	**$1,691,188**	**$1,196,588**	**$0**	**$9,850,692**	**$11,918,468**	**$1,371,188**	**$896,588**	**$0**	**$9,650,692**

COLORADO
Office of State Planning & Budgeting

111 State Capitol
Denver, Colorado 80203

November 1, 2016

The Honorable Randy Baumgardner
Chair, Capital Development Committee
029 State Capitol Building
Denver, CO 80203

RE: OSPB Submission of FY 2017-18 Prioritized Capital Construction Requests

Dear Senator Baumgardner:

As required by Section 24-37-304 (1) (c.3) (I), C.R.S., please find attached the Governor's Office of State Planning and Budgeting (OSPB) prioritization of capital construction requests for FY 2017-18. This submission includes two binders, both of which are provided to the Capital Development Committee (CDC) staff.

This November 1 package includes the following:

- A prioritized list of capital construction projects utilizing Capital Construction Funds;
- A non-prioritized list of capital construction projects utilizing 100 percent federal or cash funds, all recommended for funding; and
- An updated assessment of the need for a General Fund transfer into the Capital Construction Fund.

OSPB has recommended only nine capital construction projects for funding in FY 2017-18. This recommendation will continue projects begun in FY 2016-17, and represents the fullest extent to which available revenues will support new capital construction expenditures. These projects are prioritized in accordance with recommendations from the Capital Planning Unit within the Office of the State Architect.

Please note that the Department of Higher Education (CDHE) and the Commission on Higher Education reserve the ability under Section 23-1-306 (7) (a), C.R.S. to submit a prioritized list to the Capital Development Committee that may include projects not recommended by OSPB. OSPB has delegated review of all 100 percent cash funded projects for institutions of higher education to the Department of Higher Education. These cash requests will be submitted directly to the Capital Development Committee by CDHE.

OSPB did not approve any inflationary adjustments for the FY 2017-18 capital construction requests.

Please feel free to contact my office at (303) 866-3317 with questions or concerns. At the Committee's request, I am available to present any necessary information at a future meeting.

Thank you for your consideration of these important requests.

Sincerely,

Henry Sobanet

Henry Sobanet
Director

cc: Representative Edward Vigil, Vice-Chair, CDC
Senator Jerry Sonnenberg, CDC
Senator John Kefalas, CDC
Representative K C Becker, CDC
Representative J. Paul Brown, CDC
Ms. Kori Donaldson, CDC Staff
Mr. John Ziegler, JBC Staff Director
Mr. Alfredo Kemm, JBC Staff
Ms. June Taylor, Executive Director, Department of Personnel and Administration
Mr. Henry Sobanet, Director, OSPB
Mr. Larry Friedberg, Office of the State Architect

Table CC-A: General Fund Transfer for Capital Construction Projects		
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All Projects	**($88,537,914)**	**($41,881,795)**

FY 2017-18 Capital Construction Requests										
OSPB Priority	CCHE Priority	Recommend Funding	Department	Division or Institution	Request Title	CC/ CM/ CR	FY 2016-17 Request			
							TF	CCF	CF/RF	FF
1	N/A	Yes	Level I CM	Not Applicable	Level I Controlled Maintenance - Partial	CM	$20,013,721	$20,013,721	$0	$0
2	N/A	Yes	Human Services	Division of Youth Corrections	DYC Facility Refurbishment (Safety, Risk Mitigation)	CC	$5,517,550	$5,517,550	$0	$0
3	N/A	Yes	Human Services	Division of Youth Corrections	DYC Adams Youth Center Replacement	CC	$14,845,503	$14,845,503	$0	$0
4	N/A	Yes	Governor	Office of Information Technology	Public Safety Communications Network Microwave Towers	CC	$11,193,784	$11,193,784	$0	$0
5	N/A	Yes	Corrections	Not Applicable	Limon Hot Water Loop Replacement	CR	$4,488,518	$4,488,518	$0	$0
6	3	Yes	Higher Ed	CSM	CO School of Mines Green Center Roof and HVAC	CR	$3,816,415	$1,908,207	$1,908,208	$0
7	N/A	Yes	Personnel	Not Applicable	State Capitol Roof Repair	CC	$6,069,053	$6,069,053	$0	$0
8	N/A	Yes	Human Services	Colorado Mental Health Institutes	Institute Hawkins Building L2 Unit Addition - Phase 1	CC	$5,420,468	$5,420,468	$0	$0
9	N/A	Yes	Public Safety	Colorado State Patrol	King Air Engine Replacement	CC	$1,535,030	$1,535,030	$0	$0
Total Capital Construction Requests Recommended for Funding by the Governor							**$72,900,042**	**$70,991,834**	**$1,908,208**	**$0**

FY 2017-18 Capital Construction Requests										
OSPB Priority	CCHE Priority	Recommend Funding	Department	Division or Institution	Request Title	CC/ CM/ CR	FY 2016-17 Request			
							TF	CCF	CF/RF	FF
10	N/A	No	Human Services	Colorado Mental Health Institutes	CMHIFL Campus Facilities Upgrade, Phase 1	CR	$8,542,390	$8,542,390	$0	$0
11	N/A	No	Human Services	Colorado Mental Health Institutes	CHMHIP Campus Facilities Upgrade	CR	$29,135,975	$29,135,975	$0	$0
12	N/A	No	Human Services	Colorado Veterans Community Living Centers	Veterans Community Living Center Fitzsimons	CC	$15,000,000	$7,500,000	$7,500,000	$0
13	N/A	No	Human Services		Grand Junction Regional Center Group Homes	CC	$12,000,000	$12,000,000	$0	$0
14	1	No	Higher Ed	FRCC	Higher Education: FRCC Larimer Campus Health Care Career Center	CC	$31,939,930	$23,387,740	$8,552,190	$0
15	1	No	Higher Ed	UC-Boulder	Higher Education: UC-Boulder Anscutz Center for Personalized Medicine	CC	$56,103,121	$23,832,606	$32,270,515	$0
16	4	No	Higher Ed	UC-Boulder	Higher Education: UC-Boulder Aerospace Engineering Sciences Building	CC	$74,896,700	$23,456,347	$51,440,353	$0
17	N/A	No	Military Affairs	Not Applicable	Military Affairs: Grand Junction Veterans One Stop	CC	$3,509,650	$3,509,650	$0	$0
18	N/A	No	Human Services	Not Applicable	DYC Facilities Planning	CC	$613,170	$613,170	$0	$0
19	N/A	No	Human Services	Not Applicable	DHS Facilities Master Plan	CC	$1,109,466	$1,109,466	$0	$0
20	5	No	Higher Ed	CMU	Higher Education: CMU Performing Arts Renovation	CC	$8,749,497	$7,962,041	$787,456	$0
21	6	No	Higher Ed	AHEC	Higher Education: AHEC King Center Renovation	CC	$43,767,307	$43,327,307	$440,000	$0
22	7	No	Higher Ed	PPCC	Higher Education: PPCC Student Learning Commons & Black Box Theater	CC	$6,550,995	$4,847,735	$1,703,260	$0
23	8	No	Higher Ed	UC-Denver	Higher Education: UC-Denver Engineering and Physical Sciences Building	CC	$62,957,818	$47,218,364	$15,739,454	$0
24	9	No	Higher Ed	CSU-FC	Higher Education: CSU-Ft. Collins Shepardson Addition and Renovation	CC	$4,527,223	$4,527,223	$0	$0
25	10	No	Higher Ed	UNC-Greeley	UNC Boiler #3 Replacement	CR	$3,329,505	$3,329,505	$0	$0
26	11	No	Higher Ed	CMU	Higher Education: CMU Electric Lineworker Building	CC	$3,212,486	$2,923,361	$289,125	$0
27	11	No	Higher Ed	WSCU	Higher Education: WSCU Fiber Security	CC	$13,635,051	$13,410,051	$225,000	$0
28	13	No	Higher Ed	ASU	Adams State Plachy Hall HVAC Upgrades	CR	$4,470,884	$4,470,884	$0	$0
29	14	No	Higher Ed	WSCU	Higher Education: WSCU Savage Library Renovation	CC	$10,863,516	$10,663,516	$200,000	$0
30	15	No	Higher Ed	CSU-P	Higher Education: CSU-P Psychology Building Renovation and Remodel	CC	$16,815,751	$16,815,751	$0	$0
31	15	No	Higher Ed	FLC	Higher Education: FLC Whalen Academic & Athletic Complex	CC	$3,206,625	$2,885,962	$320,663	$0
32	17	No	Higher Ed	PPCC	Higher Education: PPCC Campus Emergency Notification and Power	CC	$1,653,360	$1,653,360	$0	$0
33	18	No	Higher Ed	CSU-P	Higher Education: CSU-P Campus IT Upgrades	CC	$817,823	$817,823	$0	$0

FY 2017-18 Capital Construction Requests										
OSPB Priority	**CCHE Priority**	**Recommend Funding**	**Department**	**Division or Institution**	**Request Title**	**CC/ CM/ CR**	**FY 2016-17 Request**			
							TF	**CCF**	**CF/RF**	**FF**
34	19	No	Higher Ed	CMU	Higher Education: CMU Tri-Generation (Combined Cooling, Heating, and Power)	CC	$6,951,575	$6,325,932	$625,643	$0
35	19	No	Higher Ed	UNC-Greeley	UNC Gray Hall Mechanical Improvements	CR	$3,160,332	$3,160,332	$0	$0
36	21	No	Higher Ed	PCC	Higher Education: PCC Wireless Networking, Conferencing Solutions, and Related Technologies	CC	$1,707,400	$1,280,550	$426,850	$0
37	22	No	Higher Ed	CMU	Higher Education: CMU Marching Band Storage	CC	$578,307	$526,258	$52,049	$0
38	23	No	Higher Ed	OJC	Higher Education: OJC Agriculture Science Remodel	CC	$1,393,800	$1,393,800	$0	$0
39	24	No	Higher Ed	UC-Boulder	CU Boulder Hellums Capial Renewal	CR	$30,000,000	$30,000,000	$0	$0
40	25	No	Higher Ed	UC-CS	Higher Education: UC-CS Renovation of Existing Engineering Building	CC	$7,929,559	$7,929,559	$0	$0
41	26	No	Higher Ed	CCD	Higher Education: CCD Boulder Creek	CC	$23,590,783	$22,175,336	$1,415,447	$0
42	27	No	Higher Ed	CSU-FC	Higher Education: CSU-Ft. Collins Anatomy Zoology East Wing Revitalization		$15,032,883	$15,032,883	$0	$0
43	28	No	Higher Ed	PCC	Higher Education: PCC Welding Shop Remodel		$1,349,041	$1,349,041	$0	$0
44	29	No	Higher Ed	CSU-FC	Higher Education: CSU-Ft.Collins Chemistry B & C Wing Revitalization		$23,763,000	$23,763,000	$0	$0
45	30	No	Higher Ed	LCC	Higher Education: LCC Vocational Trades Building		$1,996,733	$1,996,733	$0	$0
46	31	No	Higher Ed	OJC	Higher Education: OJC Communication/Technology Upgrade		$507,375	$507,375	$0	$0
47	32	No	Higher Ed	LCC	Higher Education: LCC Technology Infrastructure		$651,704	$651,704	$0	$0
Total Capital Construction Requests							**$536,020,735**	**$414,032,730**	**$121,988,005**	**$0**

FY 2017-18 Prioritized Capital Construction Funds (CCF)																					
Row	**Request Title**	**Prior Appropriations**					**FY 2017-18**					**FY 2018-19** ***Expected Impact***					**FY 2019-20** ***Expected Impact***				
		TF	**CCF**	**CF**	**RF**	**FF**	**TF**	**CCF**	**CF**	**RF**	**FF**	**TF**	**CCF**	**CF**	**RF**	**FF**	**TF**	**CCF**	**CF**	**RF**	**FF**
1	Level I Controlled Maintenance - Partial	Ongoing	Ongoing	Ongoing	$0	$0	$20,013,721	$20,013,721	$0	$0	$0	$21,000,000	$21,000,000	$0	$0	$0	$21,000,000	$21,000,000	$0	$0	$0
2	DYC Facility Refurbishment (Safety, Risk Mitigation)	$6,789,500	$6,789,500	$0	$0	$0	$5,517,550	$5,517,550	$0	$0	$0	$5,552,500	$5,552,500	$0	$0	$0	$1,710,000	$1,710,000	$0	$0	$0
3	DYC Adams Youth Center Replacement	$4,982,833	$4,982,833	$0	$0	$0	$14,845,503	$14,845,503	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4	Public Safety Communications Network Microwave Towers	$21,467,408	$21,467,408	$0	$0	$0	$11,193,784	$11,193,784	$0	$0	$0	$11,193,784	$11,193,784	$0	$0	$0	$0	$11,193,784	$0	$0	$0
5	Limon Hot Water Loop Replacement	$0	$0	$0	$0	$0	$4,488,518	$4,488,518	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6	CO School of Mines Green Center Roof and HVAC	$0	$0	$0	$0	$0	$3,816,415	$1,908,207	$1,908,208	$0	$0	$13,183,586	$6,591,793	$6,591,793	$0	$0	$0	$0	$0	$0	$0
7	State Capitol Roof Repair	$7,262,990	$7,262,990	$0	$0	$0	$6,069,053	$6,069,053	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	Institute Hawkins Building L2 Unit Addition - Phase 1	$0	$0	$0	$0	$0	$5,420,468	$5,420,468	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
9	King Air Engine Replacement	$0	$0	$0	$0	$0	$1,535,030	$1,535,030	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Capital Construction Requests Recommended for Funding by the Governor		**$40,502,731**	**$40,502,731**	**$0**	**$0**	**$0**	**$72,900,042**	**$70,991,834**	**$1,908,208**	**$0**	**$0**	**$50,929,870**	**$44,338,077**	**$6,591,793**	**$0**	**$0**	**$22,710,000**	**$33,903,784**	**$0**	**$0**	**$0**

Row	Request Title	FY 2017-18 Prioritized Capital Construction Funds (CCF) — Prior Appropriations					FY 2017-18					FY 2018-19 *Expected Impact*					FY 2019-20 *Expected Impact*				
		TF	CCF	CF	RF	FF	TF	CCF	CF	RF	FF	TF	CCF	CF	RF	FF	TF	CCF	CF	RF	FF
10	CMHIFL Campus Facilities Upgrade, Phase 1	$0	$0	$0	$0	$0	$8,542,390	$8,542,390	$0	$0	$0	$10,524,234	$10,524,234	$0	$0	$0	$6,629,002	$6,629,002	$0	$0	$0
11	CHMHIP Campus Facilities Upgrade	$0	$0	$0	$0	$0	$29,135,975	$29,135,975	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
12	Veterans Community Living Center Fitzsimons	$0	$0	$0	$0	$0	$15,000,000	$7,500,000	$7,500,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	Grand Junction Regional Center Group Homes	$0	$0	$0	$0	$0	$12,000,000	$12,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
14	Higher Education: FRCC Larimer Campus Health Care Career Center	$0	$0	$0	$0	$0	$31,939,930	$23,387,740	$8,552,190	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
15	Higher Education: UC-Boulder Anscutz Center for Personalized Medicine	$0	$0	$0	$0	$0	$56,103,121	$23,832,606	$32,270,515	$0	$0	$69,462,862	$23,839,654	$45,623,208	$0	$0	$0	$0	$0	$0	$0
16	Higher Education: UC-Boulder Aerospace Engineering Sciences Building	$0	$0	$0	$0	$0	$74,896,700	$23,456,347	$51,440,353	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
17	Military Affairs: Grand Junction Veterans One Stop	$0		$0	$0	$0	$3,509,650	$3,509,650	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
18	DYC Facilities Planning	$0	$0	$0	$0	$0	$613,170	$613,170	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
19	DHS Facilities Master Plan	$0	$0	$0	$0	$0	$1,109,466	$1,109,466	$0	$0	$0	$1,268,714	$1,268,714	$0	$0	$0	$1,372,856	$1,372,856	$0	$0	$0
20	Higher Education: CMU Performing Arts Renovation	$0	$0	$0	$0	$0	$8,749,497	$7,962,041	$787,456	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
21	Higher Education: AHEC King Center Renovation	$0	$0	$0	$0	$0	$43,767,307	$43,327,307	$440,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
22	Higher Education: PPCC Student Learning Commons & Black Box Theater	$0	$0	$0	$0	$0	$6,550,995	$4,847,735	$1,703,260	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
23	Higher Education: UC-Denver Engineering and Physical Sciences Building	$0	$0	$0	$0	$0	$62,957,818	$47,218,364	$15,739,454	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
24	Higher Education: CSU-Ft. Collins Shepardson Addition and Renovation	$0	$0	$0	$0	$0	$4,527,223	$4,527,223	$0	$0	$0	$29,068,278	$20,068,278	$9,000,000	$0	$0	$0	$0	$0	$0	$0
25	UNC Boiler #3 Replacement	$0	$0	$0	$0	$0	$3,329,505	$3,329,505	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
26	Higher Education: CMU Electric Lineworker Building	$0	$0	$0	$0	$0	$3,212,486	$2,923,361	$289,125	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
27	Higher Education: WSCU Fiber Security	$0	$0	$0	$0	$0	$13,635,051	$13,410,051	$225,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
28	Adams State Plachy Hall HVAC Upgrades	$0	$0	$0	$0	$0	$4,470,884	$4,470,884	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
29	Higher Education: WSCU Savage Library Renovation	$0	$0	$0	$0	$0	$10,863,516	$10,663,516	$200,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
30	Higher Education: CSU-P Psychology Building Renovation and Remodel	$0	$0	$0	$0	$0	$16,815,751	$16,815,751	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
31	Higher Education: FLC Whalen Academic & Athletic Complex	$0	$0	$0	$0	$0	$3,206,625	$2,885,962	$320,663	$0	$0	$25,543,601	$22,989,241	$2,554,360	$0	$0	$0	$0	$0	$0	$0
32	Higher Education: PPCC Campus Emergency Notification and Power	$0	$0	$0	$0	$0	$1,653,360	$1,653,360	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
33	Higher Education: CSU-P Campus IT Upgrades	$0	$0	$0	$0	$0	$817,823	$817,823	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
34	Higher Education: CMU Tri-Generation (Combined Cooling, Heating, and Power)	$0	$0	$0	$0	$0	$6,951,575	$6,325,932	$625,643	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0
35	UNC Gray Hall Mechanical Improvements	$0	$0	$0	$0	$0	$3,160,332	$3,160,332	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0
36	Higher Education: PCC Wireless Networking, Conferencing Solutions, and Related Technologies	$0	$0	$0	$0	$0	$1,707,400	$1,280,550	$426,850	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

FY 2017-18 Prioritized Capital Construction Funds (CCF)																					
Row	Request Title	Prior Appropriations					FY 2017-18					FY 2018-19 *Expected Impact*					FY 2019-20 *Expected Impact*				
		TF	CCF	CF	RF	FF	TF	CCF	CF	RF	FF	TF	CCF	CF	RF	FF	TF	CCF	CF	RF	FF
37	Higher Education: CMU Marching Band Storage	$0	$0	$0	$0	$0	$578,307	$526,258	$52,049	$0	$0	$0	$0	$0	$0	$0	$0				
38	Higher Education: OJC Agriculture Science Remodel	$0	$0	$0	$0	$0	$1,393,800	$1,393,800	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
39	CU Boulder Hellums Capial Renewal	$0	$0	$0	$0	$0	$30,000,000	$30,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
40	Higher Education: UC-CS Renovation of Existing Engineering Building	$0	$0	$0	$0	$0	$7,929,559	$7,929,559	$0	$0	$0	$23,982,288	$23,982,288	$0	$0	$0	$0	$0	$0	$0	$0
41	Higher Education: CCD Boulder Creek	$0	$0	$0	$0	$0	$23,590,783	$22,175,336	$1,415,447	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
42	Higher Education: CSU-Ft. Collins Anatomy Zoology East Wing Revitalization	$0	$0	$0	$0	$0	$15,032,883	$15,032,883	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
43	Higher Education: PCC Welding Shop Remodel	$0	$0	$0	$0	$0	$1,349,041	$1,349,041	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
44	Higher Education: CSU-Ft.Collins Chemistry B & C Wing Revitalization	$0	$0	$0	$0	$0	$23,763,000	$23,763,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
45	Higher Education: LCC Vocational Trades Building	$0	$0	$0	$0	$0	$1,996,733	$1,996,733	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
46	Higher Education: OJC Communication/Technology Upgrade	$0	$0	$0	$0	$0	$507,375	$507,375	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
47	Higher Education: LCC Technology Infrastructure	$0	$0	$0	$0	$0	$651,704	$651,704	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Capital Construction Requests		**$0**	**$0**	**$0**	**$0**	**$0**	**$536,020,735**	**$414,032,730**	**$121,988,005**	**$0**	**$0**	**$159,849,977**	**$102,672,409**	**$57,177,568**	**$0**	**$0**	**$8,001,858**	**$8,001,858**	**$0**	**$0**	**$0**

FY 2017-18 Capital Construction Cash Fund Requests										
Row	**Department**	**Division or Institution**	**Request Title**	**CC/ CM/ CR**	**TF**	**CCF**	**CF**	**RF**	**FF**	**HUTF**
1	Agriculture	Not Applicable	Department of Agriculture: Office Consolidation Phase II	CC	$16,079,078	$0	$16,079,078	$0	$0	$0
2	Corrections	Colorado Correctional Industries	Department of Corrections: Colorado Correctional Industries Small Projects	CC	$660,000	$0	$660,000	$0	$0	$0
3	History Colorado	Historical Society	History Colorado: Regional Property Preservation Project	CC	$700,000	$0	$700,000	$0	$0	$0
4	Human Services	Regional Centers	Department of Human Services: Regional Center Capital Depreciation Fund Request	CC	$1,002,925	$0	$1,002,925	$0	$0	$0
5	Natural Resources	Wildlife	Natural Resources: Land and Water Acquisitions, Wildlife	CC	$9,300,000	$0	$9,300,000	$0	$0	$0
6	Natural Resources	Parks	Natural Resources: Park Infrastructure and Facilities, State Parks	CC	$16,607,200	$0	$16,607,200	$0	$0	$0
7	Natural Resources	Wildlife	Natural Resources: Infrastructure and Real Property Maintenance , Wildlife	CC	$3,633,200	$0	$3,633,200	$0	$0	$0
8	Natural Resources	Parks	Natural Resources: Land and Water Acquisitions, State Parks	CC	$1,400,000	$0	$1,400,000	$0	$0	$0
9	Public Safety	Colorado State Patrol	Public Safety: Troop 2D CDOT Region 2 and Pueblo Communications Center Facility	CC	$4,617,718	$0	$0	$0	$0	$4,617,718
Total Cash Funded Requests Approved for Funding by the Governor					**$54,000,121**	**$0**	**$49,382,403**	**$0**	**$0**	**$4,617,718**

Row	Request Title	Total					Prior Appropriations					FY 2017-18					FY 2018-19 *Expected Impact*					FY 2019-20 *Expected Impact*				
		TF	**CCF**	**CF**	**FF**	**HUTF**	**TF**	**CCF**	**CF**	**FF**	**HUTF**	**TF**	**CCF**	**CF/RF**	**FF**	**HUTF**	**TF**	**CCF**	**CF**	**FF**	**HUTF**	**TF**	**CCF**	**CF**	**FF**	**HUTF**
1	Department of Agriculture: Office Consolidation Phase II	$16,079,078	$0	$16,079,078	$0	$0	$0	$0	$0	$0	$0	$16,079,078	$0	$16,079,078	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2	Department of Corrections: Colorado Correctional Industries Small Projects	$1,280,000	$0	$1,280,000	$0	$0	$620,000	$0	$620,000	$0	$0	$660,000	$0	$660,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	History Colorado: Regional Property Preservation Project	$1,400,000	$0	$1,400,000	$0	$0	$700,000	$0	$700,000	$0	$0	$700,000	$0	$700,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4	Department of Human Services: Regional Center Capital Depreciation Fund Request	$3,401,572	$0	$3,401,572	$0	$0	$979,884	$0	$979,884	$0	$0	$1,002,925	$0	$1,002,925	$0	$0	$720,082	$0	$720,082	$0	$0	$698,681	$0	$698,681	$0	$0
5	Natural Resources: Land and Water Acquisitions, Wildlife	Ongoing	$0	Ongoing	$0	$0	Ongoing	$0	Ongoing	$0	$0	$9,300,000	$0	$9,300,000	$0	$0	$9,300,000	$0	$9,300,000	$0	$0	$9,300,000	$0	$9,300,000	$0	$0
6	Natural Resources: Park Infrastructure and Facilities, State Parks	Ongoing	$0	Ongoing	$0	$0	Ongoing	$0	Ongoing	$0	$0	$16,607,200	$0	$16,607,200	$0	$0	$1,607,200	$0	$1,607,200	$0	$0	$1,607,200	$0	$1,607,200	$0	$0
7	Natural Resources: Infrastructure and Real Property Maintenance , Wildlife	Ongoing	$0	Ongoing	$0	$0	Ongoing	$0	Ongoing	$0	$0	$3,633,200	$0	$3,633,200	$0	$0	$3,633,200	$0	$3,633,200	$0	$0	$3,633,200	$0	$3,633,200	$0	$0
8	Natural Resources: Land and Water Acquisitions, State Parks	Ongoing	$0	Ongoing	$0	$0	Ongoing	$0	Ongoing	$0	$0	$1,400,000	$0	$1,400,000	$0	$0	$1,400,000	$0	$1,400,000	$0	$0	$1,400,000	$0	$1,400,000	$0	$0
9	Public Safety: Troop 2D CDOT Region 2 and Pueblo Communications Center Facility	$13,853,154	$0	$0	$0	$13,853,154	$0	$0	$0	$0	$0	$4,617,718	$0	$0	$0	$4,617,718	$0	$0	$0	$0	$4,617,718	$0	$0		$0	$4,617,718
Total Cash Funded Requests Recommended for Funding by the Governor		**$36,013,804**	**$0**	**$22,160,650**	**$0**	**$13,853,154**	**$2,299,884**	**$0**	**$2,299,884**	**$0**	**$0**	**$54,000,121**	**$0**	**$49,382,403**	**$0**	**$4,617,718**	**$16,660,482**	**$0**	**$16,660,482**	**$0**	**$4,617,718**	**$16,639,081**	**$0**	**$16,639,081**	**$0**	**$4,617,718**

Colorado Commission on Higher Education (CCHE) Priority List for FY 2017-18 State Funded Capital Projects							
Priority	**Institution**	**Project Name**		**Prior Appropriations**	**Current Request**	**Out Year Requests**	**Total**
N/A	Colorado State University - Fort Collins	Health Education Outreach Center**	CCF	$ -	$ 22,300,000	$ -	$ 22,300,000
			CF & FF	$ -	$ 1,000,000	$ -	$ 1,000,000
			TF	$ -	$ 23,300,000	$ -	$ 23,300,000
N/A	Colorado State University - Fort Collins	Institute for Biological and Translational Therapies (IBTT)**	CCF	$ -	$ 6,500,000	$ -	$ 6,500,000
			CF & FF	$ -	$ 78,300,000	$ -	$ 78,300,000
			TF	$ -	$ 84,800,000	$ -	$ 84,800,000
N/A	Colorado State University - Fort Collins	Equine Veterinary Teaching Hospital**	CCF	$ -	$ 21,200,000	$ -	$ 21,200,000
			CF & FF	$ -	$ 44,058,627	$ -	$ 44,058,627
			TF	$ -	$ 65,258,627	$ -	$ 65,258,627
		TOTAL	**CCF**	**$ -**	**$ 50,000,000**	**$ -**	**$ 50,000,000**
			CF & FF	**$ -**	**$ 123,358,627**	**$ -**	**$ 123,358,627**
			TF	**$ -**	**$ 173,358,627**	**$ -**	**$ 173,358,627**
***** National Western Center COP requests pending approval of project implementation conditioned upon the payments beginning July 1, 2019.***							
1 (tie)	Front Range Community College	Larimer Campus Health Care Career Center	CCF	$ -	$ 23,387,740	$ -	$ 23,387,740
			CF & FF	$ -	$ 8,552,190	$ -	$ 8,552,190
			TF	$ -	$ 31,939,930	$ -	$ 31,939,930
1 (tie)	University of Colorado System	Anschutz - Center for Personalized Medicine Building	CCF	$ -	$ 23,832,606	$ 23,839,654	$ 47,672,260
			CF & FF	$ -	$ 32,270,515	$ 45,623,208	$ 77,893,723
			TF	$ -	$ 56,103,121	$ 69,462,862	$ 125,565,983
3	Colorado School of Mines	Green Center Roof Replacement	CCF	$ -	$ 1,908,207	$ 6,591,793	$ 8,500,000
			CF	$ -	$ 1,908,208	$ 6,591,793	$ 8,500,001
			TF	$ -	$ 3,816,415	$ 13,183,586	$ 17,000,001
4	University of Colorado System	Boulder - Aerospace Engineering Sciences Building	CCF	$ -	$ 23,456,347	$ -	$ 23,456,347
			CF & FF	$ -	$ 51,440,353	$ -	$ 51,440,353
			TF	$ -	$ 74,896,700	$ -	$ 74,896,700
5	Colorado Mesa University	Performing Arts Expansion and Renovation	CCF	$ -	$ 7,962,041	$ -	$ 7,962,041
			CF & FF	$ -	$ 787,456	$ -	$ 787,456
			TF	$ -	$ 8,749,497	$ -	$ 8,749,497
6	AHEC	King Center Renovation and Addition	CCF	$ -	$ 43,327,307	$ -	$ 43,327,307
			CF & FF	$ -	$ 440,000	$ -	$ 440,000
			TF	$ -	$ 43,767,307	$ -	$ 43,767,307
7	Pike's Peak Community College	Student Learning Commons & Black Box Theater	CCF	$ -	$ 4,847,735	$ -	$ 4,847,735
			CF & FF	$ -	$ 1,703,260	$ -	$ 1,703,260
			TF	$ -	$ 6,550,995	$ -	$ 6,550,995
8	University of Colorado System	Denver - Engineering & Physical Sciences Building/Renovation	CCF	$ -	$ 47,218,364	$ -	$ 47,218,364
			CF & FF	$ -	$ 15,739,454	$ -	$ 15,739,454
			TF	$ -	$ 62,957,818	$ -	$ 62,957,818
9	CSU - Fort Collins	Shepardson Addition and Renovation	CCF	$ -	$ 4,527,223	$ 20,068,278	$ 24,595,501
			CF & FF	$ -	$ -	$ 9,000,000	$ 9,000,000
			TF	$ -	$ 4,527,223	$ 29,068,278	$ 33,595,501
10	University of Northern Colorado	Heat Plant Boiler #3	CCF	$ -	$ 3,329,505	$ -	$ 3,329,505
			CF & FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 3,329,505	$ -	$ 3,329,505
11 (tie)	Colorado Mesa University	Electric Lineworker Building	CCF	$ -	$ 2,923,361	$ -	$ 2,923,361
			CF & FF	$ -	$ 289,125	$ -	$ 289,125
			TF	$ -	$ 3,212,486	$ -	$ 3,212,486
11 (tie)	Western State Colorado University	Fiber Security	CCF	$ -	$ 13,410,051	$ -	$ 13,410,051
			CF & FF	$ -	$ 225,000	$ -	$ 225,000
			TF	$ -	$ 13,635,051	$ -	$ 13,635,051
13	Adams State University	Plachy Hall HVAC Upgrade	CCF	$ -	$ 4,470,884	$ -	$ 4,470,884
			CF & FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 4,470,884	$ -	$ 4,470,884
14	Western State Colorado University	Savage Library Renovation	CCF	$ -	$ 10,663,516	$ -	$ 10,663,516
			CF & FF	$ -	$ 200,000	$ -	$ 200,000
			TF	$ -	$ 10,863,516	$ -	$ 10,863,516
15 (tie)	CSU- Pueblo	Psychology Building Renovation and Remodel	CCF	$ -	$ 16,815,751	$ -	$ 16,815,751
			CF & FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 16,815,751	$ -	$ 16,815,751
15 (tie)	Fort Lewis College	Whalen Academic & Athletic Complex	CCF	$ -	$ 2,885,962	$ 22,989,241	$ 25,875,203
			CF & FF	$ -	$ 320,663	$ 2,554,360	$ 2,875,023
			TF	$ -	$ 3,206,625	$ 25,543,601	$ 28,750,226
17	Pike's Peak Community College	Campus Emergency Notification and Power	CCF	$ -	$ 1,653,360	$ -	$ 1,653,360
			CF & FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 1,653,360	$ -	$ 1,653,360
18	CSU- Pueblo	Campus IT Upgrades	CCF	$ -	$ 817,823	$ -	$ 817,823
			CF & FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 817,823		$ 817,823
19 (tie)	Colorado Mesa University	Tri-generation (Combined Cooling, Heating and Power)	CCF	$ -	$ 6,325,932	$ -	$ 6,325,932
			CF&FF	$ -	$ 625,643	$ -	$ 625,643
			TF	$ -	$ 6,951,575	$ -	$ 6,951,575

Priority	Institution	Project Name		Prior Appropriations	Current Request	Out Year Requests	Total
19 (tie)	University of Northern Colorado	Gray Hall Mechanical Systems Improvements	CCF	$ -	$ 3,160,332	$ -	$ 3,160,332
			CF&FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 3,160,332		$ 3,160,332
TOTAL			**CCF**		**$ 246,924,047**	**$ 73,488,966**	**$ 320,413,013**
			CF&FF		**$ 114,501,867**	**$ 63,769,361**	**$ 178,271,228**
			TF		**$ 361,425,914**	**$ 137,258,327**	**$ 498,684,241**
21	Pueblo Community College	Wireless Networking, Conferencing Solutions and Related Technologies	CCF	$ -	$ 1,280,550	$ -	$ 1,280,550
			CF&FF	$ -	$ 426,850	$ -	$ 426,850
			TF	$ -	$ 1,707,400		$ 1,707,400
22	Colorado Mesa University	Marching Band Storage	CCF	$ -	$ 526,258	$ -	$ 526,258
			CF&FF	$ -	$ 52,049	$ -	$ 52,049
			TF	$ -	$ 578,307	$ -	$ 578,307
23	Otero Junior College	Agriculture Science Remodel	CCF	$ -	$ 1,393,800	$ -	$ 1,393,800
			CF&FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 1,393,800	$ -	$ 1,393,800
24	University of Colorado System	Boulder - Hellems Capital Renewal	CCF	$ -	$ 30,000,000	$ -	$ 30,000,000
			CF&FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 30,000,000	$ -	$ 30,000,000
25	University of Colorado System	Colorado Springs - Renovation of Existing Engineering Building	CCF	$ -	$ 7,929,559	$ 23,982,288	$ 31,911,847
			CF&FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 7,929,559	$ 23,982,288	$ 31,911,847
26	Community College of Denver	Boulder Creek	CCF	$ -	$ 22,175,336	$ -	$ 22,175,336
			CF&FF	$ -	$ 1,415,447	$ -	$ 1,415,447
			TF	$ -	$ 23,590,783	$ -	$ 23,590,783
27	CSU - Fort Collins	Anatomy Zoology East Wing Revitalization	CCF	$ -	$ 15,032,883	$ -	$ 15,032,883
			CF&FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 15,032,883	$ -	$ 15,032,883
28	Pueblo Community College	Welding Shop Remodel	CCF	$ -	$ 1,349,041	$ -	$ 1,349,041
			CF&FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 1,349,041	$ -	$ 1,349,041
29	CSU - Fort Collins	Chemistry B & C Wing Revitalization	CCF	$ -	$ 23,763,000	$ -	$ 23,763,000
			CF	$ -	$ -	$ -	$ -
			TF	$ -	$ 23,763,000	$ -	$ 23,763,000
30	Lamar Community College	Vocational Trades Building	CCF	$ -	$ 1,996,733	$ -	$ 1,996,733
			CF&FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 1,996,733	$ -	$ 1,996,733
31	Otero Junior College	Communication/Technology Upgrades	CCF	$ -	$ 507,375	$ -	$ 507,375
			CF&FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 507,375	$ -	$ 507,375
32	Lamar Community College	Technology Infrastructure	CCF	$ -	$ 651,704	$ -	$ 651,704
			CF&FF	$ -	$ -	$ -	$ -
			TF	$ -	$ 651,704	$ -	$ 651,704
TOTAL			**CCF**		**$ 106,606,239**	**$ 23,982,288**	**$ 130,588,527**
			CF&FF		**$ 1,894,346**	**$ -**	**$ 1,894,346**
			TF		**$ 108,500,585**	**$ 23,982,288**	**$ 132,482,873**
TOTAL REQUESTS			**CCF**		**$ 353,530,286**	**$ 97,471,254**	**$ 451,001,540**
			CF & FF		**$ 116,396,213**	**$ 63,769,361**	**$ 180,165,574**
			TF		**$ 469,926,499**	**$ 161,240,615**	**$ 631,167,114**