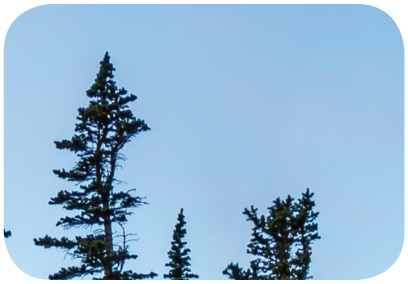


FY 2018-19 Budget Request

November 1, 2017 | Governor John W. Hickenlooper

Photo: Courtesy of Steve Pulver

STATE OF COLORADO

OFFICE OF THE GOVERNOR
136 State Capitol Building
Denver, Colorado 80203
(303) 866 - 2471
(303) 866 - 2003 Fax

John W. Hickenlooper
Governor

November 1, 2017

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

Dear Senator Lambert:

We are pleased to submit the FY 2018-19 budget request for Colorado State government to the Joint Budget Committee of the General Assembly. The request reflects the dynamic factors that are occurring in Colorado's economy, constitutional and statutory requirements, and demand for services from State government. The passage of S.B. 17-267 has materially and positively changed the State's financial outlook compared with one year ago, when the request had to close a $500 million funding gap in the General Fund.

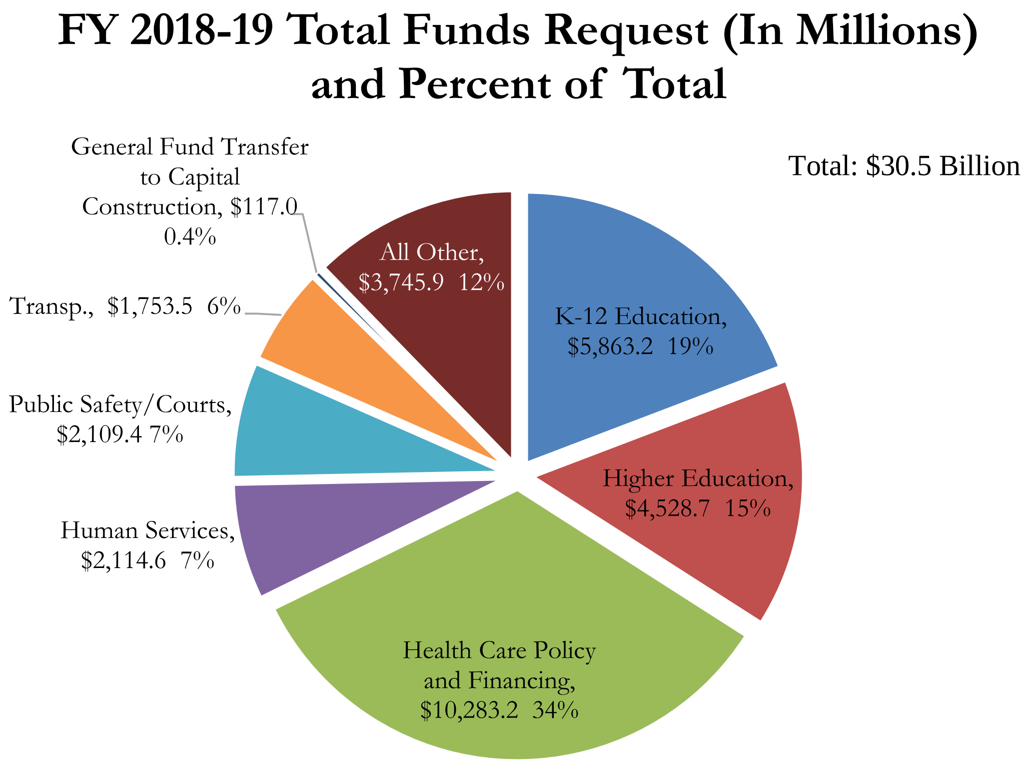
We believe the request reflects the priorities that Colorado citizens expect and accordingly the request addresses important needs in K-12 and higher education as well as certain essential criminal justice system needs.

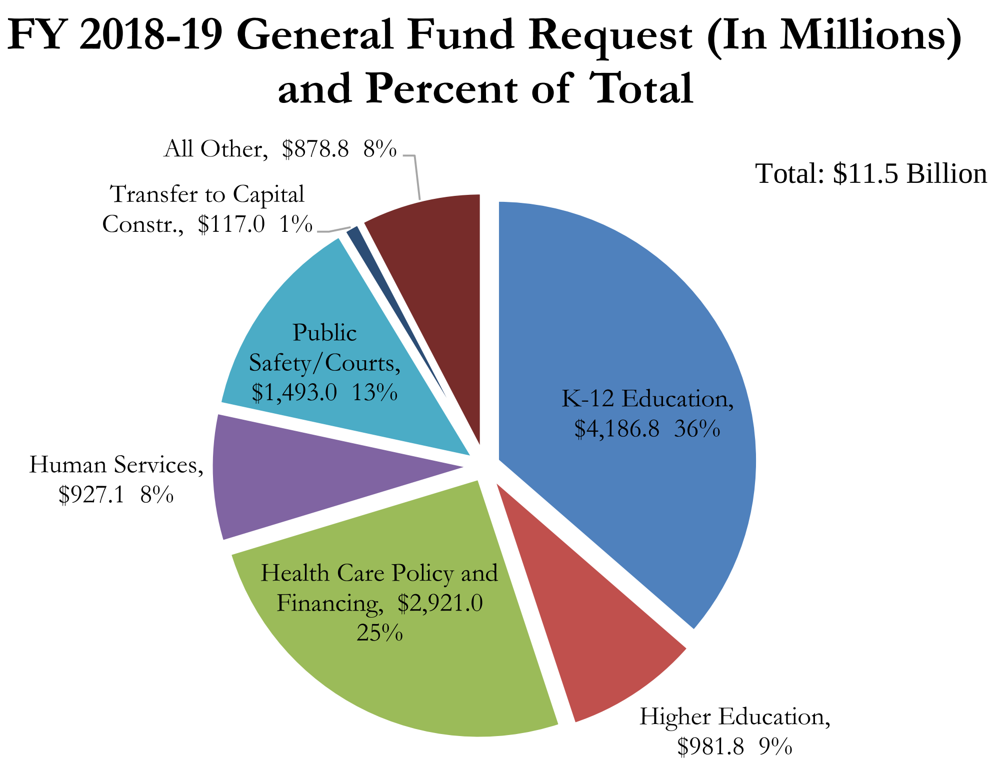
Relative to expected FY 2017-18 appropriations, the request reflects a total funds budget of $30.5 billion, an increase of just under $1.09 billion or 3.7 percent. In the General Fund, the request totals $11.5 billion, an increase of $292.1 million or 2.6 percent. Appendix C displays totals by fund source for each department. The pie charts on the following page show the composition of the request by department for the total funds and General Fund budget.

Notable new allocations of General Fund dollars in FY 2018-19 are as follows:

- Department of Corrections: $57.8 million (+7.5 percent)
- K-12 Education: $84.6 million (+2.1 percent)
- Higher Education: $86.9 million (+9.7 percent)
- Health Care Policy and Financing : $98.2 million (+3.5 percent)
- Department of Human Services: $60.2 million (+6.9 percent)
- Increase to the General Fund Reserve: $154.6 million

The reserve increase includes restoring an estimated $77.2 million reserve shortfall that carries over from FY 2017-18 and an increase to 7.0 percent as the target. The request also includes resources for total compensation of State employees, which amount to $94.7 million total funds,





$48.8 million General Fund. These expenses are accounted for within each department's total increase.

Colorado's economy continues to outperform nearly every state and the national economy overall. Economic forecasts from both the Office of State Planning and Budgeting and the Colorado Legislative Council Staff share the view that the most reasonable expectation for the overall economy is continued modest growth. We note that not all areas of the state are experiencing the same level of economic activity and some issues around the impacts of growth are becoming more apparent.

Recent statistics highlight the vibrancy and momentum in the economy as well as the magnitude of recent growth:

- In calendar year 2018, Colorado's economy is projected to add 53,000 jobs. From 2011 through 2017, total non-farm employment will have grown by almost 400,000 jobs.

- Colorado's unemployment rate will average 2.4 percent in 2017 compared with 4.4 percent for the nation as a whole.

- Colorado's population will grow by 90,600 (1.6 percent) in 2018; net migration to the state accounts for 61,000 of this amount. From 2011 through 2017, the population will have grown by almost 514,000 (10.0 percent).

As Colorado grows, so do the demands on the services provided by the State. The request reflects a variety of programmatic demands across all areas of Colorado State government.

Discussion of the notable priority areas include:

K-12 Education / Department of Education. The Department of Education currently has an appropriation of $5.6 billion total funds, $4.1 billion General Fund. The request reflects a total funds increase of $267.3 million (4.8 percent), and a General Fund increase of $84.6 million (2.1 percent).

For K-12 school finance, the request reflects funding above enrollment and inflation by $70 million, with a total school finance request of $6.9 billion, an increase of $343.4 million (5.2 percent). Of this amount, $243 million will be state share payments and $100.4 million will be local share. This reflects new funding per pupil of $343.4, a 4.5 percent increase. Relative to the current appropriation for K-12 education, this funding level will reduce the Budget Stabilization factor by $70 million to $758.3 million. The request maintains a $105.9 million balance in the State Education Fund. Other components of the request for K-12 funding as well as funding for the Department of Education include:

- An increase of $8.9 million (State Education Fund) for a 3.0 percent inflationary increase for Categorical Funded education programs pursuant to the requirements in Amendment 23 of the Colorado Constitution.

- An increase of $11.0 million ($5.5 million General Fund) to equalize mill levy funding for Institute Charter Schools located in school districts that currently share mill levies with district sponsored charter schools.

- An increase of $3.9 million ($2.2 million General Fund) for other Department requests and technical adjustments, including $1.0 million to increase funding for the Career Development Success Pilot Program, $462,865 and 3.0 FTE to enhance Department IT systems, $140,408 to digitize state board meeting audio recordings, $87,666 to fund the salary schedule at the School for the Death and the Blind, and $2.2 million for technical adjustments and incorporating common policy adjustments.

Higher Education. The Department of Higher Education currently has an appropriation of $4.3 billion total funds, $894.9 million General Fund. The request reflects a total funds increase of $227.1 million (5.3 percent), including a General Fund increase of $86.9 million (9.7 percent). Requests for new funding primarily include the following initiatives:

- $73.1 million General Fund ($129.9 million total funds) to improve student affordability and outcomes in Colorado public higher education. Included in this sum is $56.8 million for an 8.5 percent General Fund increase for higher education governing boards. This governing board increase is comprised of the following:

- $15.9 million for an inflationary COLA increase,
- $1.7 million to fund estimated health benefits,
- $6.0 million to address the cost of serving Pell-eligible students, and
- $33.2 million to further moderate tuition increases.

- In addition to the $56.8 million for governing boards, $2.2 million (an 8.5 percent increase) is added for Local District Colleges and Area Technical Colleges. A small calibration of $126,933 is added for the private COF stipend, as required by statute.

- Together, these resources add over $59.1 million to address affordability for all students by moderating higher education tuition increases. Our request assumes an average 3 percent growth for Colorado undergraduate resident students. This request is the beginning of a multi-year affordability initiative to moderate tuition increases.

- $13.9 million General Fund/total funds is added for financial aid for students, mostly in the area of need-based aid ($11.9 million) but with a portion for work study ($2.0 million).

- $86.0 million cash funds/total funds for tuition spending authority for both resident and non-resident students. Pursuant to state statute, tuition spending authority is subject to appropriation by the General Assembly.

- $1.5 million General Fund/total funds for a new Emergency Completion and Retention Grant to help college students who have a small unexpected financial event that would prevent them from retaining or graduating. Emergency grants are a targeted way to direct one-time aid to students that, left unaddressed, could impair a student's ability to continue in school.

- $5.0 million General Fund/total funds for a new Occupational Credential Capacity Grant program to increase the number of high-demand post-secondary certificate credentials. These credentials will be available to institutions to serve additional concurrent enrollment students, DOC inmates, and other post-secondary students.

- $4.0 million General Fund/total funds for the Colorado Opportunity Scholarship Initiative (COSI). This funding will allow the program to continue and thrive, serving even more students across the state with this investment and the matching funds raised annually.

- $112,207 General Fund ($0 total funds) for History Colorado to recoup and refinance its OIT cost increases and build fiscal sustainability for the organization.

- A $373,209 General Fund/total funds decrease to reflect enrollment declines of Native American students participating in the Fort Lewis Native American Waiver.

In addition to the General Fund increases for the decision items noted above, a General Fund increase of $3.3 million is requested in the Department's base budget to pay for the two higher education certificate of participation payments (COPs) included in the Department's budget for FY 2018-19.

Health Care Policy and Financing. Growth in health care expenses has been a significant driver of expenditures in recent years. In the Medicaid program, the FY 2017-18 caseload is projected to be 18,587 below the current appropriation and next year's growth rate (3.0 percent) is some 50 percent below recent average increases.

The Department of Health Care Policy and Financing currently has an appropriation of $10.0 billion total funds, $2.8 billion General Fund. The request reflects a total funds increase of $328.0 million (3.3 percent), and a General Fund increase of $98.2 million (3.5 percent). Requests for new funding include the following:

- An increase of $305.7 million total funds, $89.4 million General Fund, for caseload and per capita changes for Medicaid, the Child Health Plan Plus (CHP+), and the Medicare Modernization Act.
    - These requests include net savings of $83.3 million total funds savings related to H.B. 17-1353, which called for an expansion of the Accountable Care Collaborative.
    - 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.

.

- A request for provider rate adjustments of $27.8 million total funds, $10.3 million General Fund. The request reflects the Department's prioritization using the analysis provided by the Medicaid Provider Rate Review Advisory Committee, not the full recommendations. This provides an across the board rate increase of 0.77 percent to those providers in a variety of service categories and an increase in alternative care facility rates. However, the request does include a decrease in anesthesia rates and a reduction to one percent (from three) in the allowable growth factor on nursing facility per diem rates.

- A request to implement an Electronic Visit Verification system as required by federal law, which requires personal care and home health attendants providing services in the Medicaid program to provide verification that services were provided to members. This request contains estimated savings of $777,000 total funds, $1.2 million General Fund in FY 2018-19, and estimated savings of $6.4 million total funds, $3.9 million General Fund in FY 2019-20.

- A request to create a permanent program to help people in nursing facilities to return to the community, with estimated savings of $1.1 million total funds, $703,000 General

Fund in FY 2018-19, growing to savings of $6.3 million total funds, $3.2 million General Fund in FY 2018-19.

- A request to expand utilization management, low cost transportation options, and trust recoveries, and the implementation of premiums on certain high-income families with children on Medicaid, with estimated savings of $1.4 million total funds, $2.2 million General Fund in FY 2018-19.

- A request to expand prior authorizations of physician administered drugs to ensure appropriate utilization and funding to investigate alternative payment methodologies for pharmacy reimbursement, with estimated savings of $24,000 General Fund in FY 2018-19.

- A request to increase reimbursement to public emergency medical transportation providers; the request would allow for the Department to distribute $9.9 million in new federal funds without requiring new state investment.

- A request to transfer the Children's Habilitation Residential Program from the Division of Child Welfare to the Department of Health Care Policy and Financing, and fund transition services to allow children with severe disabilities to return to their homes.

- Funding to sustain the All-Payer Claims Database, the most comprehensive source of health claims data in the state with claims from Health First Colorado (Medicaid), Medicare, and commercial payers in the state.

Department of Human Services. The Department currently has an appropriation of $2.0 billion total funds, $867.0 million General Fund. The request reflects a total funds increase of $79.0 million (3.9 percent), and a General Fund increase of $60.2 million (6.9 percent). Requests for new funding include the following:

- $22.0 million to begin to increase salaries for direct care staff at 24/7 facilities. This includes $21.2 million General Fund and $802,147 cash funds. DHS direct care staff are currently underpaid 20 percent on average, compared to the market rates.

- $8.2 million total funds, including $4.8 million General Fund to issue an across the board 1.0 percent rate increase to community service providers contracting with the Department.

- $4.0 million total funds/General Fund, to increase funding for Colorado's Area Agencies on Aging (AAAs), which provide services such as personal care, assisted transportation, congregate meals, home-delivered meals, homemaker services, adult day care, and legal services to older Coloradans.

The Office of Behavioral Health in the Department of Human Services is facing increased demand for court-ordered referrals for competency evaluations and restorations. In short, the increasing rate of court-ordered referrals is resulting in an increased number of required forensic commitments at the Mental Health Institute at Pueblo. Combined, the limited supply of inpatient beds and the growth in court-ordered demand are perpetuating longer waitlists and wait-times for individuals. The Department is legally required to comply with a maximum 28-day wait time. To meet this requirement, the Department is requesting the following:

- $7.4 million General Fund to expand jail-based bed space and $3.4 million General Fund to contract with hospitals for additional bed space to provide competency services.

- $1.2 million General Fund to expand upon funding for an outpatient competency restoration program, which was enacted by S.B. 17-012. The bill was passed in the 2017 legislative session without funds required for implementation. Providing an outpatient structure for competency restoration services has potential to reduce demand for inpatient services, especially for low-risk offenders.

- $1.1 million General Fund to add additional psychologists and administrative support staff to assist with the increasing referrals for inpatient competency evaluations and restorations at the Mental Health Institute at Pueblo.

Other requests include:

- $590,936 from the Marijuana Tax Cash Fund to implement a pilot program intended to improve medication consistency and health record exchange among behavioral health service providers and jails. This policy change was enacted by S.B. 17-019, which passed without funding in the 2017 Legislative Session. The program aims to improve coordination of treatment services between jails, the Department of Corrections, and other community treatment providers.

- A net zero shift in spending authority of $2.2 million total funds (including $2.0 million from the Marijuana Tax Cash Fund). This request will allow the Department to transition the Circle Program from the Mental Health Institute at Pueblo to community providers in order to reopen the program.

- $2.6 million total funds/General Fund and 49.5 FTE to improve safety and security at the Division of Youth Services facilities. This request will help the Department become compliant with the federal Prison Rape Elimination Act.

- $662,223 total funds/General Fund and 5.3 FTE to improve special education services in Division of Youth Services facilities. This request will provide funding for new teachers, special education coordinators, school social workers, contract staff and a school psychologist to help administer youth Individualized Education Programs.

- $6.1 million total funds, including $1.8 million General Fund to hire additional caseworkers and improve the safety and security of youth in the Child Welfare system. This request will fund approximately 100 new caseworker positions for county human/social services offices.

- $406,588 total funds/General Fund and 1.8 FTE to improve permanency outcomes for youth that are in the Child Welfare system awaiting adoption or permanent placement. These resources will be targeted towards youth that may have significant barriers to achieving permanency.

- $624,612 total funds/Marijuana Tax Cash Fund and 1.1 FTE to fund the evidence-based mental health program "The Incredible Years." This request will expand prevention and intervention services to an additional 100 children and their families throughout the state.

- $650,651 General Fund to expand funding associated with the Child Mental Health Treatment Act. This funding helps families avoid child welfare involvement by connecting children with co-occurring intellectual and developmental disabilities and behavioral health needs to the necessary treatment.

- $1.3 million total funds/General Fund and 1.0 FTE to extend services for ReHire Colorado for the last six months of FY 2018-19. The program is currently scheduled to end services to individuals in December 2018 and the program is set to expire in June 2019. The Department is requesting this funding to continue services through the end date of the program and to ensure it can conduct a rigorous evaluation of the outcomes for participants.

- $3.1 million total funds/federal funds and 1.8 FTE to enhance county Colorado Works case management performance. Specifically, the Department is interested in improving data quality, contracting for LEAN support for counties, and adopting a statewide data entry tool for case managers.

- $1.9 million cash funds increase to fund an anticipated 1.5 percent Cost of Living Adjustment (COLA) to the grant award provided to Old Age Pension program participants.

- $435,489 (which includes $372,812 in rollforward spending authority and $62,677 in new General Fund) in FY 2018-19 and $675,222 General Fund in FY 2019-20 and 2020-21 to implement the recommendations of the Respite Care Task Force, which will include studying the economic benefits of respite care, the development of resources for health care providers, and the development of policy priorities to enhance respite care.

- $200,000 in spending authority for the Colorado Brain Injury Program, in order to fully provide brain injury screenings and case management services, when necessary, for people in the criminal justice system.

Corrections and Public Safety. Though the prison population in Colorado has been trending downward, so too has available capacity; with several prisons taken offline in recent years. With the prison population rising slightly, the request for the Department of Corrections reflects new capacity costs, among other items. The Department of Corrections currently has an appropriation of $864.7 million total funds, $769.2 million General Fund. The request reflects a total funds increase of $57.3 million (6.6 percent), and a General Fund increase of $57.8 million (7.5 percent). Requests for new funding include the following:

- $19.4 million General Fund for a prison capacity placeholder. According to the Division of Criminal Justice's summer 2017 Interim Prison Population Forecast, by the end of FY 2018-19, we expect an additional 566 inmates above the FY 2017-18 level. Since it is likely that any solution to the rising prison population trends will involve some mix of external capacity (private prisons and jails) and internal capacity (state-owned facilities), this sum is broken out between the Superintendents subprogram and the External Capacity subprogram. An updated version of this request will be provided by the January 15, 2018 due date for caseload budget amendments.

- $16.5 million General Fund to treat offenders currently diagnosed with Hepatitis C (HCV), pursuant to the severity of their condition. The Department's standard for treatment eligibility is based on the patient's AST to Platelet Ratio Index (APRI) score and is in line with standards set by the Federal Bureau of Prisons. In FY 2014-15, the Department started a HCV treatment pilot program that has achieved great success, with 75 of 76 offenders testing virus free following treatment. Approval of this request would likely allow the Department to treat all patients who qualify under the Department's treatment eligibility standards.

- $3.3 million total funds ($3.3 million General Fund) to provide salary progression for six key job classes that are experiencing high turnover. The six classes contribute disproportionately to overall turnover rates, which have been as high as 47 percent in some years for some classifications.

- $1.6 million General Fund to meet new medical Per Offender Per Month (POPM) needs and allow the Department to provide statutorily-mandated health care to the offender population.

- A reduction of $2.1 million General Fund to adjust for downward movement in the size of the Department's community supervision population.

- $1.1 million total funds ($1.1 million General Fund and $35,000 Reappropriated Funds) to support a 1.0 percent provider rate increase. This ongoing request will support external providers that house offenders, provide clinical treatment, and conduct parole community service programs.

Though most law enforcement in Colorado is provided by county and city governments, we believe enhancements in some areas provided by the State are necessary. The Department of

Public Safety currently has an appropriation of $421.4 million total funds, $123.4 million General Fund. The request reflects a total funds increase of $28.3 million (6.7 percent), and a General Fund increase of $2.9 million (2.3 percent). Requests for new funding include the following:

- $1.96 million ($1.8 million Highway Users Tax Fund and $91,512 reappropriated funds) for the Colorado State Patrol (CSP) to hire 14.5 FTE additional State Troopers, to enhance staff support, and to maintain operations. The goal is to bolster the CSP's proactive policing effort in order to prevent accidents, reduce injuries and save lives. Adding additional troopers will help the division attain a 50/50 time split between reactive and proactive policing, which is a promising practice for law enforcement agencies nationwide.

- $148,575 total funds ($119,117 General Fund) for the Colorado Bureau of Investigation (CBI) to reduce salary disparities for the Criminal Investigator III series. Criminal Investigator IIIs are undercompensated when their salaries are compared to similar positions in other local, state and federal law enforcement agencies. The compensation gap is making it difficult to recruit and retain qualified criminal investigators, and this request aims to bring each of these employees to the midpoint of the State's salary range for this position.

- $365,977 General Fund to add additional Communications Officers to help expand and enhance the Safe2Tell Program, which empowers students and the community to provide anonymous tips about unsafe, harmful, or violent criminal activities. The Safe2Tell program has experienced significant increases in the volume of tips received in recent years. Moreover, S.B. 17-193 provided additional funds for the program to distribute information to public schools across the state, therefore the Department is expecting the growth to increase even more in future years.

- $1.5 million from the Highway Users Tax Fund to expand and enhance the Colorado State Patrol's officer safety equipment package. The requested funds will better prepare the State Patrol to mitigate the impacts of rifle-level active shooters. Additionally, the funding will allow the CSP to include naloxone in the officer safety equipment package to help prevent opioid related deaths statewide.

- $178,661 total funds/reappropriated funds to strengthen the Planning and Communications Office. Of the amount requested, $77,949 will allow the office to hire 1.0 FTE as a Lean Specialist, which will allow the Department to pursue at least seven process improvement events each year.

- $1.2 million from the Marijuana Tax Cash Fund to assemble a special unit within the Colorado Bureau of Investigation to investigate black market marijuana operations across Colorado. Black market marijuana cultivation, distribution, and exportation continues to increase in prevalence, especially in rural communities where local law enforcement agencies lack the resources necessary to coordinate an effective response. The unit will help reduce the number of black market grow operations and the nexus to organized crime.

- $255,443 General Fund to continue funding the Colorado Commission on Criminal and Juvenile Justice (CCJJ). The CCJJ has accomplished important work regarding evidence-based recidivism reduction and ensuring that criminal justice funding is spent effectively. The CCJJ is set to repeal in July of 2018, and this request will continue funding the Commission pending successful bill passage in the 2018 legislative session.

- $683,604 General Fund for a 1.0 percent community provider rate increase for Community Corrections providers.

- To continue the State's commitment to assist in local recovery from the 2013 floods, the overall budget request accounts for the second of four $12.5 million General Fund transfers to the Disaster Emergency Fund. This funding is included in the Department's total funds appropriation.

Department of Agriculture. The Department currently has an appropriation of $50.2 million total funds, $10.5 million General Fund. The request reflects a total funds increase of $1.4 million (2.7 percent), and a General Fund increase of $562,628 (5.4 percent). The increase includes $85,528 General Fund and 1.0 FTE to enhance State assistance to Colorado ranchers as they navigate the federal lands planning process.

Governor's Office. The Governor's Office currently has an appropriation of $335.7 million total funds, $35.3 million General Fund (this includes the Office of Information Technology). The request reflects a total funds increase of $11.6 million (3.4 percent), and a General Fund increase of $5.8 million (16.5 percent). Requests for new funding include the following:

- An ongoing increase of $562,240 General Fund to allow the next administration to continue to support key functions within its Administration line item after the expiration of temporary federal funds occurs in FY 2018-19.

- $3.1 million General Fund and 16.5 FTE for the Colorado Energy Office (CEO) to replace funding that was repealed as of June 30, 2017. A stable funding source will ensure the CEO is able to support its mandates.

- An ongoing increase of $90,000 General Fund and 1.0 FTE for the Colorado Commission of Indian Affairs (CCIA) within the Lt. Governor's Office. New funding will allow the CCIA to hire an Assistant Director and support a small operating budget.

- An ongoing increase of $100,000 General Fund for Serve Colorado, the entity responsible for the AmeriCorps State program, the Colorado Reads program, and Days of Service within the Lt. Governor's Office. New funds will provide the matching funds required to receive federal grants from the Corporation for National Community Service.

- Restoration of $1.25 million General Fund for the Colorado Office of Film, Television & Media. This will allow the office to grow the emerging film industry, creating more opportunities for the expanding local workforce.

Governor's Office of Information Technology. OIT currently has an appropriation of $258.0 million total funds, $8.4 million General Fund. The request reflects a total funds increase of $5.2 million (2.0 percent), and a General Fund increase of $308,411 (3.7 percent). Requests for new funding include the following:

- $224,992 General Fund to create a permanent funding source for 2.0 FTE (already in place) to support the State's implementation of the FirstNet program.

- Spending authority of $4.9 million in reappropriated funds to partner with the Department of Health Care Policy and Financing to support increased volumes and costs for client correspondence, federal and system security requirements and to align the infrastructure budget for CBMS (Colorado Benefits Management System) with current actual costs.

- Spending authority of $5.2 million reappropriated funds to partner with state agencies to create a new common policy service that encompasses products and services under the new Microsoft Licensing Agreement.

- $4.1 million reappropriated funds to ensure that OIT has adequate spending authority to manage Voice and Data services, and to ensure that the appropriation accurately reflects current agency demand.

- $194,302 in reappropriated funds to close data security gaps within the Department of Health Care Policy and Financing. Funding will support a firewall replacement, new email encryption, two-factor authentication, add the support of a security architect, and improve provisioning and auditing within the Department.

- The Governor's Office is supporting efforts to grow broadband coverage around the State, focused on rural communities which face the largest coverage gaps, including legislation to secure the funds necessary to achieve the goal of 100 percent coverage.

Department of Labor and Employment. The Department currently has an appropriation of $248.9 million total funds, $21.4 million General Fund. The request reflects a total funds increase of $1.5 million (0.6 percent), and a General Fund decrease of -$2.9 million (-13.5 percent). Requests for new funding include the following:

- $230,900 cash funds to implement an online job search readiness system for claimants of unemployment insurance benefits as part of their required work search activities.

- $66,668 General Fund to account for a community provider rate increase of 1.0 percent.

Department of Local Affairs. The Department currently has an appropriation of $305.9 million total funds, $32.1 million General Fund. The request reflects a total funds increase of $4.2 million (1.4 percent), and a General Fund decrease of $180,801 (-0.6 percent). Requests for changes in funding include the following:

- $4.8 million for housing assistance for people transitioning from the criminal justice system. The money for the program comes from a one-time reversion of unexpended General Fund money appropriated to the Division of Criminal Justice used for community corrections programs and services.

- A reduction of $1.1 million from the Marijuana Tax Cash Fund to eliminate the Local Government Marijuana Impact Grant Program as demand for the program's grants has been only minimal. Eliminating the program requires legislation.

Department of Military and Veterans Affairs. The Department currently has an appropriation of $227.0 million total funds, $10.5 million General Fund. The request reflects a total funds increase of $357,058 (0.2 percent), and a General Fund increase of $247,652 (2.4 percent). Requests for new funding include the following:

- $156,282 General Fund and 1.3 FTE ($231,367 and 3.2 FTE in FY 2019-20 and ongoing) to staff the newly-created Veterans One Stop center in Grand Junction, which will fill a gap in services for western slope military members, veterans and their families.

- $54,585 General Fund ($24,085 in FY 2019-20 and ongoing) for safety training program for all employees, including one-time costs for safety equipment and ongoing costs for training.

Department of Natural Resources. The Department currently has an appropriation of $295.3 million total funds, $30.9 million General Fund. The request reflects a total funds decrease of $23.4 million (-7.9 percent), and a General Fund increase of $1.1 million (3.6 percent). Requests for new funding include the following:

- $384,875 cash funds from the Oil and Gas Conservation and Environmental Response Fund and 2.0 FTE to provide the Facilities Integrity Program at the Colorado Oil and Gas Conservation Commission (COGCC) with additional staff, field imaging equipment, and methane detection drone services. The goal of this request is to improve and accelerate COGCC's oversight of flowlines, particularly in the urban interface areas statewide.

- $115,445 total funds ($36,942 General Fund) to pay for an additional 1,548 hours of IT Application Development and Support from the Governor's Office of Information Technology. This request will allow the Department to address a projected shortfall in IT development hours over the next 5 years.

- $382,920 cash fund spending authority and 1.0 FTE to support expanded operations at a newly leased campground (the North Park Campground) at State Forest State Park.

Department of Personnel and Administration. The Department currently has an appropriation of $195.2 million total funds, $12.5 million General Fund. The request reflects a total funds increase of $11.8 million (6.0 percent), and a General Fund increase of $2.1 million (17.0 percent). Requests for new funding include the following:

- $303,113 total funds ($283,113 General Fund) and 2.5 FTE to help with outreach and increased operating costs for the Address Confidentiality Program.

- $375,000 reappropriated funds for a Cyber Security Liability insurance policy that will cover all state departments. This is allocated out to departments through the cybersecurity common policy.

- $414,335 total funds ($372,335 General Fund) and 3.0 FTE to help with workload and operating costs within the Colorado State Archives.

- $21,379 total funds ($3,876 General Fund) to make operating adjustments for the Colorado State Employee Assistance Program, the State Personnel Board, and Administrative Courts.

- $1.9 million reappropriated funds to replace 767 state fleet vehicles. This is allocated out to departments through the fleet common policy.

Department of Public Health and Environment. The Department currently has an appropriation of $580.0 million total funds, $48.8 million General Fund. The request reflects a total funds increase of $864,086 (0.1 percent), and a General Fund increase of $1.2 million (2.5 percent). Requests for new funding include the following:

- $318,941 General Fund for increased testing and field monitoring of critical public health threats, such as harmful algal blooms in lakes and foodborne disease outbreaks.

- $400,000 General Fund to enhance the outreach ability of the Man Therapy campaign, which aims to reduce suicide rates of men aged 25-64, the demographic group with the highest suicide rate.

- $166,268 reduction in spending authority for the Medical Marijuana Registry program, which no longer needs its current level of spending to achieve its goals.

- A $732,804 increase in Water Quality Improvement Fund spending authority, which has a higher fund balance and can spend this revenue on projects that improve water infrastructure around the state, such as stormwater and wastewater projects.

- A $1.2 million increase in Recycling Resources Economic Opportunity Fund spending authority, which also has a higher fund balance than its current spending authority and can give out more grant funding for local recycling projects around the state.

- $387,516 General Fund to connect 150 more non-Medicaid health providers to the Health Information Exchange, which allows providers to seamlessly share health data of various kinds.

- $4,291,432 reduction in Cancer, Cardiovascular, and Chronic Disease Prevention (CCPD) Grants spending authority, as the projected fund balance will be far lower than the Grants' spending authority.

- $92,787 increase (including $67,653 General Fund) for Local Public Health Agencies as part of the 1 percent provider rate increase.

Department of Regulatory Agencies. The Department currently has an appropriation of $99.2 million total funds, $1.8 million General Fund. The request reflects a total funds increase of $1.9 million (1.9 percent), and a General Fund increase of $103,475 (5.6 percent). Requests are as follows:

- An ongoing increase of $3,207 General Fund to support the addition of two new vehicles for the Public Utilities Commission's Enhanced State Safety Oversight Program.

- A base reduction of $483,885 cash funds in the personal services line items of the Division of Professions and Occupations and the Public Utilities Commission.

Department of Revenue. The Department currently has an appropriation of $356.4 million total funds, $107.6 million General Fund. The request reflects a total funds increase of $10.3 million (2.9 percent), and a General Fund increase of $4.1 million (3.8 percent). Requests for new funding include the following:

- $2.6 million cash funds from the Licensing Services Cash Fund (annualizing to $6.3 million) for the hosting, maintenance, and support services for the Driver License, Record, Identification, and Vehicle Enterprise Solution (DRIVES) system. DRIVES is a new technology system in the Division of Motor Vehicles to replace the Driver License System (DLS), CSTARS, and other supporting systems.

- An increase of $63,551 total funds related to an increase in armored car rates for transporting cash for deposit.

- $43,734 cash funds from the State Licensing Authority Cash Fund to improve liquor compliance and enforcement operations statewide, especially in remote areas.

- An increase of $4.0 million cash funds to ensure adequate spending authority exists to pay retailer compensation and vendor fees on lottery sales.

- A reduction of $600,000 General Fund that was appropriated for the GenTax Dex Fraud Manager program, an add-on to the GenTax system.The Department and vendor were unable to reach agreement during the negotiations so the service was not implemented.

- A reduction of $1.2 million General Fund that was originally appropriated through H.B. 11-1300 for consultant work related to Gross Conservation Easement. Since then, the majority of the workload related to Gross Conservation Easement has been completed and this appropriation for consultant work is no longer used.

Department of Transportation. The Department currently has an appropriation of $1,578.5 million total funds, with no General Fund. The request reflects a total funds increase of $175.0 million (11 percent). The Department of Transportation does not have any decision items for the FY 2018-19 budget cycle.

Transportation needs in Colorado are largely funded by motor fuel taxes (both state and federal) and registration fees. Only a small portion of the Department of Transportation's budget, about 2.2 percent, is legislatively appropriated. Due to the fact that the large majority of the Department's budget is allocated by the 11-member Transportation Commission, the remainder of the Department's budget is included in the Long Bill for informational purposes only.

In FY 2018-19, revenue to the Department of Transportation is expected to increase by $175.0 million. This increase represents the net impact of multiple factors. First, the Department is projecting relatively small increases to the High Performance Transportation Enterprise ($8.0 million) and the Statewide Bridge Enterprise ($4.0 million). More significantly, there are three main factors impacting the revenue growth: an increase of $380.0 million from the COP proceeds pursuant to the passage of S.B. 17-267; a decrease of $109.0 million in expected S.B. 09-228 transfers, which were eliminated for FY 2018-19 and FY 2019-20 by S.B. 17-267; and finally, a decrease of $106.2 million in federal funds, of which the majority is a reduction in flood recovery funds.

Under S.B. 17-267, the state will issue up to $2.0 billion in COPs between FY 2018-19 and FY 2021-22, with up to $1.88 billion of this total allocated the Department of Transportation for strategic transportation projects. Based on S.B. 17-267, CDOT will receive up to $380.0 million in FY 2018-19, and up to $500.0 million in each fiscal year from FY 2019-20 to FY 2021-22. Of the sum that the Department of Transportation will receive, 25 percent is to be spent on projects in rural counties, while another 10 percent is to be spent on transit projects. When fully issued, the annual commitment for debt servicing on these COPs will be $100.0 million from the General Fund and an additional $50.0 million from the Department of Transportation's budget.

Elected Officials, Legislative Branch, and Judicial Branch

We have allocated sufficient General Fund to accommodate anticipated growth in total compensation costs, along with a 3.0 percent General Fund increase ($16.7 million) for statewide elected officials, the Legislative Branch, and the Judicial Branch.

Capital Construction

The request reflects a total capital construction budget of $312.6 million, with $117.0 million coming from the General Fund. A complete list of projects in the request can be found in our budget submission documents to the Capital Development Committee and Joint Technology Committee. In the General Fund for FY 2018-19, we are requesting a transfer of $117.0 million to the Capital Construction Fund which will support continuation projects totaling $45.5 million, and new projects of $71.4 million (including $15.1 million for Level 1 controlled maintenance). We are also requesting a set aside of $9.0 million General Fund for the first COP payment under S.B. 17-267.

Total Compensation. The request reflects sufficient resources to maintain a total compensation plan for State employees that is competitive with the marketplace. We are requesting an increase of $94.7 million total funds, $48.8 million General Fund for salary survey, health/life/dental, and short term disability insurance, shift differential and Public Employees' Retirement Association (PERA) contributions. In addition, we are integrating our request for salary survey increases with a proposal to address the solvency of the unfunded liabilities.

We propose an across the board salary survey increase of 3.0 percent for most state employees beginning July 1, 2018. With the proposed increase in employee contributions to PERA (described below) starting in January 2019, this will average to a take home pay increase of 2.0 percent for the fiscal year. This is slightly less than the increase in the consumer price index inflation. However, for health, life, and dental insurance, which contribute significantly to inflation, we are earmarking sufficient funds to cover expected premium increases.

By category the requested increases in total funds (TF) and from the General Fund (GF) are as follows:

- Salary Survey: $59.7 million TF, $33.2 million GF
- Health/Life/Dental: $23.2 million TF, $10.1 million GF
- Short-Term Disability: -$155,122 TF, -$105,057 GF
- PERA (AED): $5.3 million TF, $2.4 million GF
- PERA (SAED): $5.5 million TF, $2.6 million GF
- Shift Differential: $1.3 million TF, $635,560 GF

Reforms to PERA policies. Last month the PERA Board of Trustees adopted a proposal to restore PERA's various trust funds to full funding. We agree that changes to certain policies must occur in the near future. Our proposal follows several aspects of the Board's proposal with the following differences: We propose no change to public employer contributions, a 2.0 percentage point increase in employee contributions, and a 1.25 percent annual increase cap (from the current 2.0 percent). We note that the public employer contributions have grown substantially in recent years and would remain at 20.15 percent of payroll for most covered employees.

Based on an analysis performed by PERA, these changes would result in full funding for the State Division in 29 years and full funding for the School Division in 31 years. In our plan, the employee contribution changes become effective January 1, 2019.

We generally support the recommendation to add automatic adjustments to contributions as well as the annual increase for both cases where the investment performance exceeds expectations as well as if the model assumptions fall short. We look forward to working with the PERA Board of Trustees and the General Assembly on the timing and magnitude of such changes.

Preparing for the future. Though the economy is currently expanding, history tells us to be ready for a future recession. If we do not set aside some of the current growth in State revenue, it will be all the more painful when the downturn does occur. Our request allocates sufficient new money for the General Fund statutory reserve requirement to reach 7.0 percent of appropriations from the current 6.5 percent level. Under the request, this higher reserve amount equals $757.7 million. Though the reserve requirement has increased from a low of 2.0 percent during the Great Recession, both recent recessions resulted in revenue drops of about 16 percent in the General Fund.

Dollars Reserved for Forthcoming Requests

For FY 2017-18, we are aware of new expenses that will be forthcoming as supplemental requests. These include:

- $57.2 million for anticipated Department of Health Care Policy and Financing supplemental requests.

- $636,000 to add recreation yards at Centennial Correctional Facility South; this item has been approved by the Capital Development Committee and remains a possible necessary item to accommodate the growing population within the Department of Corrections.

- $2.9 million for the HRIS capital supplemental request.

For FY 2018-19, several requests required setting aside General Fund or other resources in advance of final necessary information that could not be known by November 1, 2017. Thus, our balancing accounts for sufficient resources to support expected budget amendments and upcoming legislative proposals.

Budget Amendments include:

- $2.1 million for the results of the Pay for Success Feasibility Study conducted by the Office of State Planning and Budgeting, including $305,000 from the General Fund and $1.8 million from the Marijuana Tax Cash Fund, to be transferred to the Office's Pay for Success Contracts Fund.

- $1.0 million for potential increases in document management volume, as well as a billing rate methodology change by the Department of Personnel and Administration, for the Department of Revenue's tax pipeline.

- $500,000 for a forthcoming request regarding resources for emergency and disaster planning in the Department of Public Safety

- $1.0 million total funds/General Fund is set-aside to support training and credential attainment for early childhood educators. H.B. 17-1003 will create a strategic plan to address teacher shortages in the state from early childhood through higher education. This plan is due December 1, 2017 and OSPB will work to align the specifics of this upcoming budget proposal to the recommendations of that plan.

- With this plan we anticipate a significant focus on the challenges rural communities face in attracting, retaining and developing the qualified teachers needed to support positive student outcomes. $10.0 million in the Marijuana Tax Cash Fund is set-aside to support policy proposals from the teacher shortage report focused on rural educators, potentially including scholarships, incentives, tuition support and other methods.

- $120,000 total funds/General Fund for the expansion and study of the Colorado Community Response program in the Department of Human Services.

- $2 million total funds/General Fund for a forthcoming request to provide additional Child Welfare resources.

- $2.2 million set aside for staffing contingency at the Colorado Department of Human Services mental health institutes.

- $250,000 for the Department of Local Affairs to assist local governments with cyber security training needs.

- $1.5 million Marijuana Tax Cash Fund is being set aside to develop a grant program to offset revenue reductions for local law enforcement agencies resulting from H.B. 17-1313. A stakeholder group is in the process of developing recommendations for how these funds should be spent to ensure local law enforcement agencies can continue necessary programs funded by civil asset forfeiture proceeds.

We are also planning for upcoming legislative proposals that will need financial resources as noted below:

Resources Needed for Expected Legislative Proposals

- We have set aside $258,000 General Fund for a new Internal Revenue Service (IRS) requirement that new and existing employees and consultants be subject to a criminal background check relying on the FBI's national, fingerprint-based system.

- Various stakeholders are exploring a proposed change in a specific type of business taxation from the cost-of-performance method to the market-based sourcing method. If adopted, we anticipate a fiscal impact of $375,000 General Fund.

- We believe the financial impact of H.B. 16-1309 should be considered by the General Assembly. We have set aside $2.0 million General Fund to assist certain municipalities with the expenses for public defenders under this law.

- We expect legislation will be introduced that would create a $200,000 General Fund pilot program for teacher training.

Law Changes Required to Facilitate the Request

The request requires several changes in the Colorado Revised Statutes. Where appropriate, the associated costs are included in our balancing plan. We respectfully leave the decision about the appropriate legislative sponsorship for these items to the Joint Budget Committee and the leadership of the General Assembly. These legislative changes are as follows:

- An increase in statutory reserve to 7.0 percent in FY 2018-19 and beyond.

- The requested changes regarding PERA contributions from state employees.

- For FY 2018-19 only, reducing the allowable growth factor for nursing facility per diem rates to a 1 percent increase instead of a 3 percent increase.

- The Colorado Commission on Criminal and Juvenile Justice (CCJJ) is set to repeal at the end of Fiscal Year 2017-18. The Department of Public Safety requests $255,443 and 2.5 FTE to continue funding the commission, contingent upon reauthorization.

- The elimination or amendment of C.R.S. 37-92-309 will facilitate the elimination of the Interruptible Water Supply Agreement line item in the Department of Natural Resource's budget.

- Senate Bill 17-261 initiated a one-time transfer in 2017-18 of $12.5 million from the General Fund to the newly created Flood Recovery Account within the Disaster Emergency Fund. Additional funds are needed in order for the State to match 12.5 percent of the total FEMA grants dedicated to recovery from the 2013 floods.

- An appropriation to the OEDIT of $175,000 that accompanies the extension of the Advanced Industry Export Acceleration program. The source of these funds is a General Fund transfer to the Cash Fund created for this program.

- A realignment with no fiscal impact to the Division of Central Services within the Department of Personnel and Administration. Statute currently refers to the Division Director, but due to the realignment, the Director's role has changed, so statute needs to be updated to accurately reflect the changes.

- Allow the Governor, with the advice of the Office of State Planning and Budgeting to designate other funds or assets, only if necessary, to satisfy the provisions of Article X, Section 20(5) of the State Constitution regarding the three percent emergency reserve. This authority would only apply during the period after the end of each legislative session and through the end of the same fiscal year.

- A bill to transfer $2.1 million from the Marijuana Tax Cash Fund to the General Fund. Because of some errors in accounting for the sales taxes on certain products, $2.1 million was mistakenly transferred to the Marijuana Tax Cash Fund. The money should have been placed in the General Fund. We have accounted for this transfer to occur in our balancing.

Other Items

In the course of its statutory duties, the Office of State Planning and Budgeting complied with the provisions of S.B. 17-267. A provision of the bill required OSPB's consideration of proposed two percent reductions for certain principal department budgets. OSPB found the process to be useful. Throughout the request there are proposed reductions to line items. In recommending the budget request, especially in the General Fund, we also took into account the various pressures on spending and needs throughout the state. Additionally, S.B. 17-267's provisions informed decision making in the request, in particular the recommendation for a decrease in the Budget Stabilization factor in the School Finance Act as well as the recommendation to increase the statutory reserve in the General Fund. With respect to the two percent target of General Fund spending as defined in the bill, these two items exceeded the suggested target.

Detailed Request Overview

The following tables show our Total Funds and General Fund request for the current year, FY 2017-18, and the request year, FY 2018-19.

Table 1. Total Funds (by major category)

	FY 2017-18	FY 2018-19	Change	% Change
Health Care Policy and Financing	$9,955,202,680	$10,283,219,332	328,016,652	3.3%
K-12 Education	$5,595,884,992	$5,863,161,602	267,276,610	4.8%
Higher Education	$4,301,613,531	$4,528,718,777	227,105,246	5.3%
Public Safety/Courts	$1,996,518,504	$2,109,438,354	112,919,850	5.7%
Human Services	$2,035,604,120	$2,114,584,574	78,980,454	3.9%
Transportation	$1,578,506,823	$1,753,538,838	175,032,015	11.1%
All Other Departments	$3,371,735,185	$3,425,183,214	53,448,029	1.6%
Total Departments	$28,835,065,835	$30,077,844,691	1,242,778,856	4.3%
GF Transfer to Capital Construction	$109,195,961	$116,975,442	7,779,481	7.1%
Old Age Pension/Older Coloradans	$103,693,136	$108,622,282	4,929,146	4.8%
Treasurer's School Loan Program	$3,900,000	$4,400,000	500,000	12.8%
Rebates/Expenditures Adj.	$6,426,337	$0	(6,426,337)	-100.0%
GF Transfer to HUTF	$79,000,000	$0	(79,000,000)	-100.0%
GF Transfers to Funds	$211,216,483	$189,063,448	(22,153,035)	-10.5%
Other Adjustments	$80,202,099	$18,671,688	(61,530,411)	-76.7%
Total	$29,428,699,851	$30,515,577,551	1,086,877,700	3.7%

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

Table 2. General Fund (by major category)

	FY 2017-18	FY 2018-19	Change	% Change
K-12 Education	$4,102,171,554	$4,186,793,637	$84,622,083	2.1%
Health Care Policy and Financing	2,822,800,583	2,921,024,097	98,223,514	3.5%
Public Safety/Courts	1,405,642,587	1,492,986,885	87,344,298	6.2%
Higher Education	894,907,900	981,841,295	86,933,395	9.7%
Human Services	866,955,020	927,140,485	60,185,465	6.9%
Treasury	151,447,545	166,365,577	14,918,032	9.9%
All Other Departments	375,924,431	391,683,967	15,759,536	4.2%
Total Departments	10,619,849,620	11,067,835,943	447,986,323	4.2%
GF Transfer to Capital Construction	109,195,961	116,975,442	7,779,481	7.1%
Old Age Pension/Older Coloradans	103,693,136	108,622,282	4,929,146	4.8%
Treasurer's School Loan Program	3,900,000	4,400,000	500,000	12.8%
Rebates/Expenditures Adj.	6,426,337	-	(6,426,337)	-100.0%
GF Transfer to HUTF	79,000,000	-	(79,000,000)	-100.0%
GF Transfers to Funds	211,216,483	189,063,448	(22,153,035)	-10.5%
Other Adjustments	80,202,099	18,671,688	(61,530,411)	-76.7%
Total	11,213,483,636	11,505,568,803	292,085,167	2.6%

Note: for Tables 1 and 2, the category of Public Safety/Courts is comprised of the Departments of Corrections, Public Safety, and Judicial.

Table 3 below highlights the structure of the General Fund request:

Table 3. General Fund Overview

OSPB Forecast	FY 2017-18 General Fund	FY 2018-19 General Fund	Change over FY 2017-18	FY 2018-19 % Change
General Fund Available	11,816,596,739	12,263,265,561	446,668,822	3.8%
General Fund Expenditures	11,213,483,636	11,505,568,804	292,085,166	2.6%
Ending General Fund	603,113,102	757,696,757	154,583,655	25.6%
General Fund Reserve Requirement	680,339,183	757,696,757	77,357,574	11.4%
GF Above (Below) Reserve Level	(77,226,080)	(0)	77,226,081	N/A

Any small dollar differences are due to rounding.

FY 2017-18 Current Year General Fund Overview

FY 2017-18 General Fund Revenue Available ($11,816.6 million)

Our budget uses the September 2017 revenue estimates from the Office of State Planning and Budgeting. Our FY 2017-18 budget begins with a $613.0 million beginning balance. We project revenue of $11,111.5 million plus revenue adjustments of $90.0 million as projected in the September OSPB revenue forecast. In addition, our budget balancing plan reflects the transfer of $2.1 million cash funds from the Marijuana Tax Cash Fund to the General Fund. This transfer pays back the General Fund for an error in collecting the sales tax on marijuana. The sales tax on tangible personal property (products not containing marijuana) sold in licensed marijuana retail stores was incorrectly sent to the Marijuana Tax Cash Fund through June 30, 2017, when it should have been deposited in the General Fund. This error has now been corrected for FY 2017-18 tax collections and ongoing. In total, the beginning balance, revenues, and adjustments total to $11,816.6 million General Fund available.

FY 2017-18 General Fund Expenditures ($11,213.5 million)

General Fund expenditures total $11,213.5 million, including $10,466.8 million which is subject to the General Fund reserve requirement and $746.7 million which is not subject to the General

Fund reserve requirement. The $10,466.8 million which is subject to the limit includes $10,390.1 million which was appropriated in the 2017 session plus other adjustments. These other adjustments include the following: JBC approved H.B. 98-1331 supplementals totaling $19.5 million General Fund for Corrections, Health Care Policy and Financing, and Human Services combined and a placeholder of $57.2 million for anticipated Department of Health Care Policy and Financing supplemental requests.

The $746.7 million which is not subject to the statutory reserve requirement includes $48.1 million for Certificates of Participation (COP) payments and a $636,000 placeholder for a requested capital supplemental for the Department of Corrections (CSP II) and $2.9 million set aside for an additional forthcoming capital supplemental. The COPs payments 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 remainder of the General Fund not subject to the reserve requirement reflects the expenditures projected in the September OSPB forecast ($695.1 million).

FY 2017-18 General Fund Ending Balance ($603.1 million)

The ending FY 2017-18 balance of $603.1 million falls below the 6.5 percent General Fund reserve requirement of $680.3 million by $77.2 million for FY 2017-18, equating to a reserve of 5.8 percent. This partial reserve shortfall is temporary for FY 2017-18 and is fully replenished – and more – with our FY 2018-19 budget plan, discussed next.

FY 2018-19 Request Year General Fund Overview

FY 2018-19 General Fund Revenue Available ($12,263.3 million)

Our FY 2018-19 General Fund budget assumes a beginning fund balance of $603.1 million which is the ending FY 2017-18 balance indicated earlier. Added to this sum are General Fund revenue estimates of $11,654.3 million and adjustments of $19.1 million per the OSPB September 2017 forecast. To this total are added four requested General Fund transfers that reduce a combined $13.2 million General Fund. These General Fund transfers include the following: a reduction of $12.5 million for a General Fund transfer into the Disaster Emergency Fund, a transfer of $305,000 General Fund to the Pay for Success Contract Fund created in HB15-1317, a transfer of $250,000 General Fund for Cyber Security Grants, and a transfer of $175,000 General Fund to the OEDIT Advanced Industries Export Acceleration Cash Fund. (Note the remainder of the $2.09 million for the Pay for Success Contract Fund, the funding level necessary for Fiscal Year 2018-19 to launch three Pay for Success projects for Colorado youth with funding tied to measurable positive outcomes, is requested to come from a transfer of $1.786 million Marijuana Tax Cash Fund dollars.)

FY 2018-19 General Fund Expenditures ($11,505.6 million)

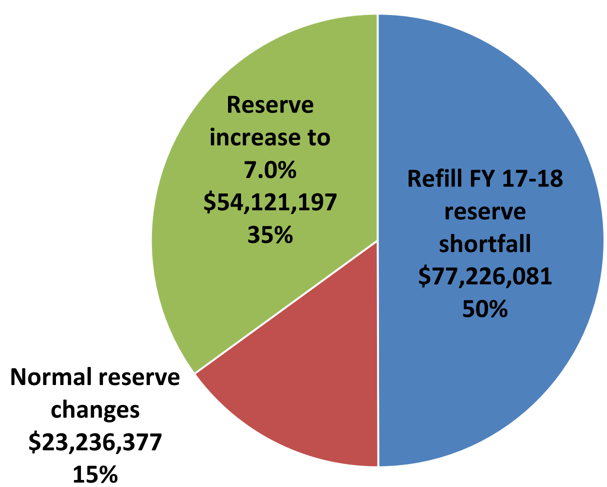
Our FY 2018-19 General Fund expenditure request includes $10,824.2 million subject to the statutory General Fund reserve requirement and $681.3 million General Fund which is exempt from the reserve requirement. The FY 2018-19 General Fund amount subject to the reserve requirement of $10,824.2 million includes $10,814.6 million contained within department budget requests and $9.7 million requested as set-asides. These General Fund set-asides are for anticipated budget amendments and legislation and are detailed separately.

Within the $681.3 million amount exempt from the reserve requirement, $564.1 million is associated with the OSPB September forecast, $57.0 million is associated with capital increases requested above the September OSPB forecasted capital estimate of $60.0 million (relative to the capital request of $117.0 million General Fund), and $60.3 million for COPs. The $60.3 million for Certificates of Participation (COPs) are subject to the statutory General Fund appropriations limit but are exempt from the associated General Fund reserve requirement. Of this $60.3 million sum, $51.3 million is for programs which are currently funded in the budget and $9.0 million is set-aside for a COP payment associated with SB17-267 that is anticipated to be forthcoming.

FY 2018-19 General Fund Ending Balance ($757.7 million)

In addition to the budgeted new spending discussed above, the request grows the State's General Fund reserve requirement to 7.0 percent starting in FY 2018-19. This 7.0 percent reserve, totaling $757.7 million, is $154.6 million or 25.6 percent higher than our ending FY 2017-18 General Fund reserve and ending balance of $603.1 million.

Changes to the FY 2018-19 General Fund Reserve



Of this $154.6 million increase in the ending reserve, $77.2 million is associated with shoring up the FY 2017-18 ending balance, $23.2 million is associated with reserve requirements from the $357.5 million of new General Fund spending in FY 2018-19 that is subject to the reserve requirement, and $54.1 million is associated with the increase in the General Fund reserve from 6.5 percent to 7.0 percent. The 7.0 percent General Fund reserve is calculated on a base of $10,824.2 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:

Representative Millie Hamner, Joint Budget Committee Vice-Chair
Senator Kevin Lundberg, Joint Budget Committee
Senator Dominick Moreno, Joint Budget Committee
Representative Dave Young, Joint Budget Committee
Representative Bob Rankin, Joint Budget Committee
Senate President Kevin Grantham
Speaker of the House of Representatives Crisanta Duran
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 Lambert, Senior Deputy Director of Legislative Affairs, Governor John W. Hickenlooper
Ms. Christina Rosendahl, Deputy Director of Legislative Affairs, Governor John W. Hickenlooper
Mr. Henry Sobanet, Director, Governor's Office of State Planning and Budgeting
Mr. Jason Schrock, Deputy Director, Governor's Office of State Planning and Budgeting
Ms. Alice Wheet, Assistant Director for Budget, Governor's Office of State Planning and Budgeting
Ms. Alexis Senger, Chief Analyst, Governor's Office of State Planning and Budgeting
Ms. Melodie Beck, Senior Management and Budget Analyst, Governor's Office of State Planning and Budgeting

Appendix A
Marijuana Revenue and Expenditures

Total state marijuana tax revenue continues to grow and is expected to reach $281.1 million in FY 2017-18. Marijuana revenue makes up less than one percent of the total state budget and significant portions of the revenue are dedicated to specific purposes like school capital construction. Most state marijuana sales taxes are placed in the Marijuana Tax Cash Fund, with the remainder of the state share directed to the General Fund beginning in FY 2017-18.

Marijuana Tax Revenue by Fiscal Year
(Dollar Amounts in Millions)

	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Actual	FY 2017-18 *Projected*	FY 2018-19 *Projected*
Medical 2.9% Sales Tax	$10.4	$12.2	$12.4	$12.5	$12.6
Retail 15% Excise Tax	$24.0	$42.6	$71.4	$88.2	$98.6
Retail 2.9% State Sales Tax	$11.8	$19.4	$28.1	$2.6*	-
Retail 10% / 15% Special Sales Tax	$41.9	$67.1	$98.4	$177.8	$203.4
Total	$88.1	$141.3	$210.4	$281.1	$314.6
Portion of Total to Marijuana Tax Cash Fund	$57.8	$88.6	$124.2	$130.1	$144.1

*This is July 2017 revenue based on June 2017 sales at which time the 2.9% was still in place. New tax rates became effective July 1, 2017.

Senate Bill 17-267 made changes to how marijuana tax is collected and distributed. Beginning in FY 2017-18, the regular 2.9 percent state sales tax will no longer be applied to retail marijuana, but will remain applied to medical marijuana. The existing 10 percent special sales tax on retail marijuana is raised to 15 percent, the maximum rate allowed in law. This results in a net tax rate increase of 2.1 percent, as shown in the table on the next page. Because the special sales tax approved by voters in Proposition AA is exempt from TABOR revenue limits, revenue collected from the increase in this tax rate is now also exempt.

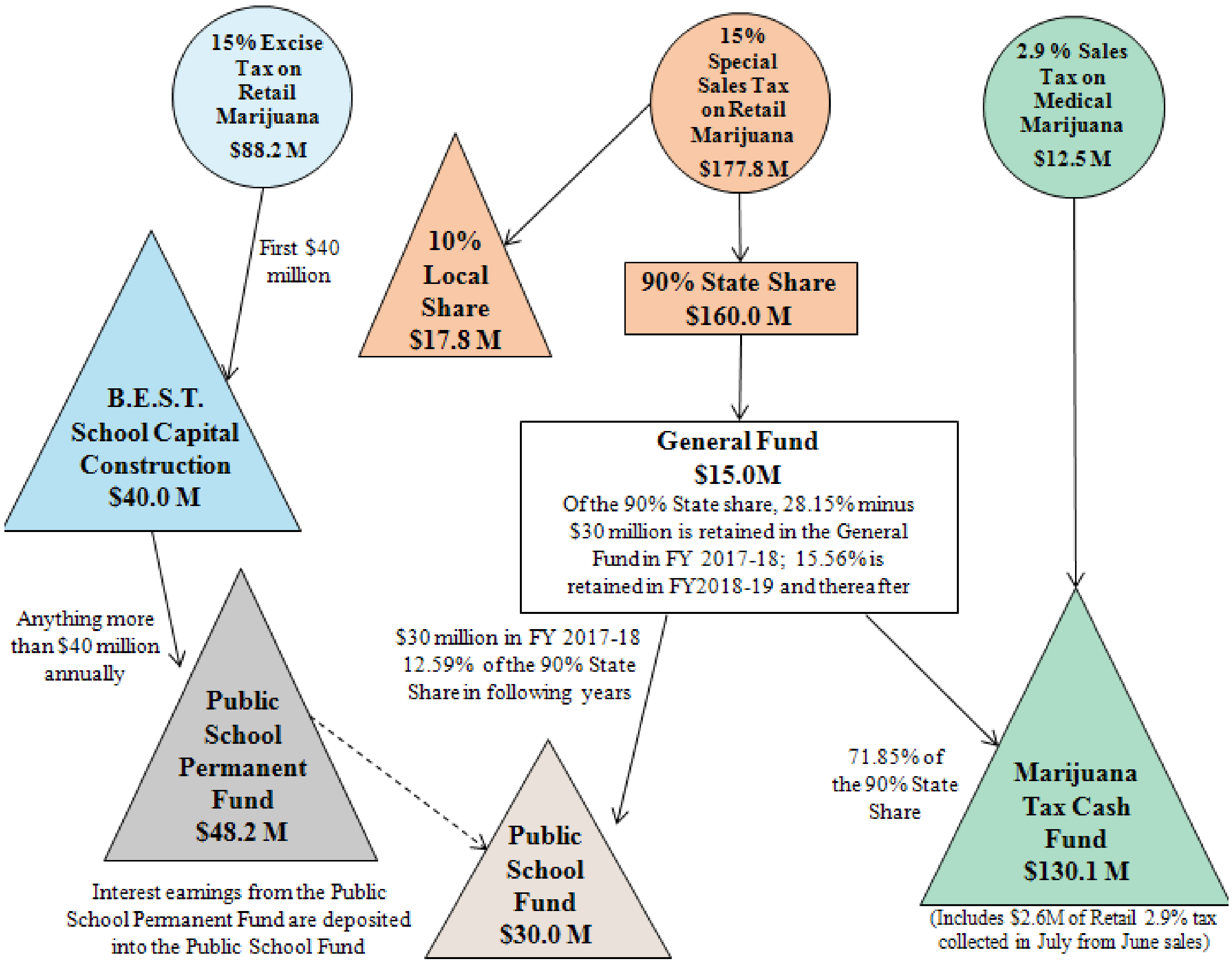
Marijuana Tax Rate Changes Under S.B. 17-267

Product	Tax Type		
	FY 2016-17	FY 2017-18	Change
Retail Marijuana	15% Excise	15% Excise	0.0%
Retail Marijuana	10% Special	15% Special	5.0%
Retail Marijuana	2.9% Regular	0% Regular	-2.9%
Medical Marijuana	2.9% Regular	2.9% Regular	0.0%
Effective Total Tax Increase			**2.1%**

Though there will be more revenue collected overall, there will not be a large increase in revenue to the Marijuana Tax Cash Fund. In previous years, 85 percent of the state special sales tax was allocated to the state (to the Marijuana Tax Cash Fund) and 15 percent to local governments. Beginning in FY 2017-18, 90 percent of the state special sales tax will go to the state, and 10 percent to local governments. But of the 90 percent state share, only 71.85 percent is directed to the Marijuana Tax Cash Fund.

In FY 2017-18 only, the other 28.15 percent is split between the Public School Fund for rural schools ($30 million) and the General Fund (the remaining amount of $15.0 million), which is intended to offset the business personal property tax credit from S.B. 17-267. Beginning in FY 2018-19, the other 28.15 percent will again be distributed to the Public School Fund (12.59 percent) and to the General Fund (15.56 percent). The distribution of the 15 percent excise tax is unchanged; the first $40 million annually goes to the Building Excellent Schools Today (BEST) school capital construction fund, and anything more than $40 million annually is directed to the Public School Permanent Fund (trust fund), the interest of which is deposited into the Public School Fund to pay for maintenance and operations of schools.

Marijuana Revenue Distributions Beginning in FY 2017-18
(Total FY 2017-18 Projected Revenue: $281.1 million)



Marijuana Tax Cash Fund Revenue

In 2014, the General Assembly enacted S.B. 14-215, which states that marijuana tax revenue can be spent only in the fiscal year following the fiscal year in which it is collected, or in arrears. With the exception of funding for the Department of Revenue, marijuana tax revenue available to spend in FY 2018-19 is limited to collections received in FY 2017-18. This fund is also required to maintain a reserve of 6.5 percent of its available revenue.

The Department of Revenue projects marijuana tax revenue to total $281.1 million in FY 2017-18, with $130.1 million being deposited into the Marijuana Tax Cash Fund. In FY 2016-17, the actual revenue to the Fund was $124.2 million, so this year we are expecting an increase in Marijuana Tax Cash Fund revenue of only $5.9 million from the previous year. However, the budgeted available revenue for spending in FY 2017-18 was $115.9 million, slightly lower than actual FY 2016-17 revenue. When the lower budgeted revenue is combined with underspent appropriations from FY 2016-17 and the budgeted reserve, $20.4 million went unallocated. With this balance carrying forward, the total estimated to be available for appropriation or transfer for FY 2018-19 is $140.7 million, after a required reserve of $9.8 million.

Funds Available for Appropriation from the Marijuana Tax Cash Fund for FY 2018-19	
Description	**Amount**
Beginning fund balance as of July 1, 2017	$140,034,705
LESS: FY 2017-18 Appropriations for various departments from prior year revenues	(115,935,945)
Transfers (to)/from the General Fund booked and requested in FY 2017-18	(2,137,500)
PLUS: Total projected revenue to be collected in FY 2017-18 per DOR (September 2017 forecast)	130,148,977
State share (MTCF portion) of special (15%) sales tax on retail marijuana	*114,976,538*
*Regular (2.9%) sales tax on retail marijuana**	*2,679,177*
Regular (2.9%) sales tax on medical marijuana	*12,493,262*
Interest and accounting adjustments	*0*
LESS: FY 2017-18 Appropriation for Department of Revenue for regulatory enforcement	(1,591,805)
EQUALS: Total funds available in the fund for FY 2018-19	**150,518,432**
LESS: Statutorily required reserve (6.5 percent)	(9,783,698)
EQUALS: Funds Available for Appropriation or Transfer for FY 2018-19	**$140,734,734**
LESS: Total Governor's FY 2018-19 Request	**($131,310,218)**
LESS: Transfers (to)/from the General Fund booked or requested in FY 2018-19	0
LESS: FY 2018-19 Request from the Department of Revenue for Enforcement	(1,532,087)
LESS: FY 2018-19 Request from All Other Departments	(116,498,131)
LESS: Budget Amendment Placeholders	(13,280,000)
EQUALS: Funds Remaining Available Above Statutorily Required Reserve	**$9,424,516**

*This is July 2017 revenue based on June 2017 sales at which time the 2.9% was still in place. New tax rates became effective July 1, 2017.

FY 2018-19 Requests from Marijuana Tax Cash Fund

The FY 2018-19 November 1 request from the Marijuana Tax Cash Fund totals $131.3 million, a net increase of $13.7 million from the FY 2017-18 appropriations of $117.6 million. New decision items total a net increase of $1.8 million:

- $1.2 million to assemble a special unit within the Colorado Bureau of Investigation to investigate black market marijuana operations across Colorado. Black market marijuana cultivation, distribution and exportation continue to increase in prevalence, especially in rural communities where local law enforcement agencies lack the resources necessary to coordinate an effective response. The unit will help reduce the number of black market grow operations and the nexus to organized crime.
- $590,936 to implement a pilot program intended to improve medication consistency and health record exchange among behavioral health service providers and jails. This policy change was enacted by S.B. 17-019, which passed without funding in the 2017 Legislative Session. The program aims to improve coordination of treatment services between jails, the Department of Corrections, and other community treatment providers.
- $624,612 and 1.1 FTE to fund The Incredible Years, an evidence-based mental health program. This request will expand prevention and intervention services to an additional 100 children and their families throughout the state.
- A reduction of $1.1 million to eliminate the Local Government Marijuana Impact Grant Program as demand for the program's grants has been only minimal.
- Marijuana funding would also be affected by a request to shift $2.2 million in spending authority for the Circle Program from the Mental Health Institute at Pueblo line items to community providers in order to reopen the program. This results in an increase of $213,320 from the Marijuana Tax Cash Fund
- Several of the marijuana-funded line items are affected by the requested 1 percent provider rate increase. Other small changes are related to common policies and department indirect costs.

Placeholders for Budget Amendments include a total of $13.3 million for the following:

- $1.5 million Marijuana Tax Cash Fund is being set aside to develop a grant program to offset revenue reductions for local law enforcement agencies resulting from H.B. 17-1313. A stakeholder group is in the process of developing recommendations for how these funds should be spent to ensure local law enforcement agencies can continue necessary programs funded by civil asset forfeiture proceeds.
- $1.8 million from the Marijuana Tax Cash Fund (along with $305,000 from the General Fund, totaling $2.09 million) for the results of the Pay for Success Feasibility Study conducted by the Office of State Planning and Budgeting.

- On December 1, the teacher shortage study put forward by HB17-1003 will be released. We anticipate a significant focus on the challenges rural communities face in attracting, retaining and developing the qualified teachers needed to support positive student outcomes. $10.0 million in the Marijuana Tax Cash Fund is set-aside to support policy proposals from the teacher shortage report focused on rural educators, potentially including scholarships, incentives, tuition support and other methods.

We are also requesting a transfer of $2.1 million from the Marijuana Tax Cash Fund to the General Fund in FY 2017-18 to offset an error in collecting the sales tax from marijuana businesses.

Appendix B
Perspective on Transportation Finance and the General Fund

For the last few decades, there have been a variety of laws that have supplemented the Colorado Department of Transportation's budget with money from the General Fund. From FY 1999-00 through FY 2017-18, $2.1 billion was transferred from the General Fund for transportation. A frequent question about the General Fund budget is: Why is there not more allocated on an annual basis for transportation? The answer is found on both the revenue and expenditure sides of the ledger, the impact of the economy on each, and the various rules that govern each.

Recent growth in the General Fund has been significant. However, in the context of the performance of the economy over many years, General Fund revenue collections have lagged below the combined increases in inflation and population growth. Two major recessions (2001-02 and 2008-09) adversely impacted available revenue. From calendar year 2000 through 2016 the combination of inflation and population growth totaled 70.5 percent, compared with General Fund revenue growth (converted to calendar year) of 58.2 percent, a 12.3 percentage point gap. Thus, if revenue available to the General Fund had kept pace with population and inflation growth over that period, there would have been $1.2 billion more available than actual collections in 2016.

Over the last 20 years, overall legislative tax policy in the General Fund has been to reduce available revenue. In 1999 and 2000, during a period where TABOR rebates were consistently projected, the state income tax rate was reduced to the current 4.63 percent from 5.0 percent and the state sales tax rate was reduced to 2.9 percent from 3.0 percent. In 2000, the voters adopted a property tax rebate program called the Senior Homestead Exemption. In 2016, the State Earned Income Tax credit converted from a Taxpayer's Bill of Rights (TABOR) rebate mechanism to a standing credit. There have been other tax credits and exemptions adopted over the years.

Most legal interpretations are that TABOR does not allow the income or sales tax rates to be raised without a vote of the people. The voters allowed the General Assembly to reduce the value of the Senior Homestead Exemption to zero (which occurred during both recent downturns), and state tax credits and exemptions can be modified as long as the overall TABOR limit is not breached. In FY 2017-18 we estimate the State to be approximately $396 million below the TABOR limit.

The annual values of these four tax policy changes in FY 2016-17 were as follows:

Income Tax Rate at 5.0 percent:	$610 million
Sales Tax Rate at 3.0 percent:	$106 million
Senior Homestead Exemption:	$133 million
Earned Income Tax Credit:	$ 82 million
Total Annual Value:	$931 million

Other items that relate to available revenue include:

- Since 2000, the State exceeded its TABOR revenue limit by a total of $2.1 billion, which was refunded to taxpayers.
- Voters approved Referendum C in 2005, without which State would have been obligated to rebate approximately $2.1 billion in FY 2016-17.
- The State raised revenue during the 2009-10 period by repealing several tax credits and exemptions. Most of these changes were temporarily adopted to assist the State budget during the downturn at that time.

On the expenditure side, other State Constitutional rules have increased obligations and reduced local property taxes that would have otherwise been available to fund K-12 education.

In 1982, the voters adopted a provision known as the "Gallagher Amendment." Simplified, its provisions fixed the share of property tax valuation at 55 percent for non-residential property and 45 percent on residential property. The mechanism to keep this ratio consistent was to adjust the residential assessment rate, which is the percentage of a residential property's value that is subject to local mill levies. When Gallagher passed, the residential assessment rate was 21 percent of value, the most recent change dropped it to 7.2 percent from 7.96 percent. The annual value of the most recent drop in the School Finance Act was approximately $115 million.

The State's General Fund is required to make up what is not generated by local property taxes for the School Finance Act. This overall reduction in property taxes that would otherwise have been collected has shifted the burden for K-12 education to the State and away from local school district taxpayers. The State share of the School Finance Act is now about 64 percent while the local share is 36 percent. By way of example, in 1985, the State share was 44 percent and the local share was 56 percent.

In 2000, the voters adopted Amendment 23, which created a constitutional formula for K-12 school funding requirements but without the needed additional resources. The first ten years of the law required school funding to increase by inflation, student growth, plus one percent. After that, inflation and student growth is the required increase in base per pupil funding.

While the Great Recession reduced revenue, it also caused spending obligations to grow. A major example of this is the growth in the people who qualified for traditional Medicaid, which is supported by the State's General Fund and federal matching funds. The federal government fully funded the first three years of the Medicaid expansion under the Affordable Care Act (ACA). The required State match that grows to ten percent of the cost for the expansion populations is covered by the Health Care Affordability and Sustainability Fee, not General Fund dollars. The impact of the ACA on the General Fund was the result of more people enrolling in traditional Medicaid (estimated at about 40,000 people) after being found eligible but not enrolled. Other factors, including health care utilization, inflation, and increases in provider rates all have contributed to growth in this program.

Though Medicaid enrollment is finally slowing in some categories related to economic growth, the expected large growth in the over 65 population in the coming years will increase expenditure pressure in this program. Separately, the federal match rate the State receives to support Medicaid expenditures is one of the lowest in the country. Each state gets a match rate based on the strength of its economy relative to others.

In addition to the issues in the General Fund on both sides of the ledger, transportation funding policies have not kept pace to maintain or grow the system. The biggest source of state transportation funding, the motor fuel tax, has been losing purchasing power to inflation costs and fuel efficiency since the tax rates for unleaded gas (22 cents/gallon) and diesel fuel (20.5 cents/gallon) were set in 1992. Indeed, from 2000 to 2016, the CDOT construction cost index grew 96 percent. In 2009 with S.B. 09-108, commonly referred to as "FASTER" the State raised registration and other fees for road maintenance and bridge repairs. In FY 2016-17, the bill generated almost $295 million, of which $74 million was shared with local governments and transit agencies.

In the coming years, the State's General Fund commitment to transportation will increase to $100 million annually for the COP repayments and supplemented by $50 million from CDOT's budget. However, it will not be sufficient, nor was it designed to be, to close the projected gap in maintenance needs or capacity and transit needs that have been documented by CDOT and local governments around the State. Moreover, given current tax policy and constitutional rules, it is highly unlikely that the General Fund will be able to provide meaningful additional support to transportation in the years ahead.

Total Funds

	FY 2017-18 Initial Appropriation	FY 2018-19 Nov 1 Governor's Request	$ Change	% Change
Department of Agriculture	$50,246,919	$51,623,506	$1,376,587	2.74%
Department of Corrections	$864,740,250	$922,014,329	$57,274,079	6.62%
Department of Education	$5,595,884,992	$5,863,161,602	$267,276,610	4.78%
Governor - Lt. Governor - State Planning and Budgeting	$335,658,778	$347,217,165	$11,558,387	3.44%
Department of Health Care Policy and Financing	$9,955,202,680	$10,283,219,332	$328,016,652	3.29%
Department of Higher Education	$4,301,613,531	$4,528,718,777	$227,105,246	5.28%
Department of Human Services	$2,035,604,120	$2,114,584,574	$78,980,454	3.88%
Judicial Department	$710,383,981	$737,717,271	$27,333,290	3.85%
Department of Labor and Employment	$248,861,234	$250,356,361	$1,495,127	0.60%
Department of Law	$81,077,081	$83,464,902	$2,387,821	2.95%
Legislative Department	$49,928,386	$52,398,260	$2,469,874	4.95%
Department of Local Affairs	$305,932,325	$310,161,927	$4,229,602	1.38%
Department of Military and Veterans Affairs	$226,968,060	$227,325,118	$357,058	0.16%
Department of Natural Resources	$295,292,465	$271,904,139	($23,388,326)	(7.92%)
Department of Personnel	$195,217,235	$206,980,696	$11,763,461	6.03%
Department of Public Health and Environment	$580,007,988	$580,872,074	$864,086	0.15%
Department of Public Safety	$421,394,273	$449,706,754	$28,312,481	6.72%
Department of Regulatory Agencies	$99,198,237	$101,160,516	$1,962,279	1.98%
Department of Revenue	$356,374,947	$366,628,638	$10,253,691	2.88%
Department of State	$22,903,775	$23,464,417	$560,642	2.45%
Department of Transportation	$1,578,506,823	$1,753,538,838	$175,032,015	11.09%
Department of the Treasury	$524,067,755	$551,625,495	$27,557,740	5.26%
Subtotal Cabinet Operating Requests	**$28,835,065,835**	**$30,077,844,691**	**$1,242,778,856**	**4.31%**
Transfer to Capital Construction Fund	**$109,195,961**	**$116,975,442**	**$7,779,481**	**7.12%**
Cigarette Rebate	($2,419,515)	$0	$2,419,515	(100.00%)
Marijuana Rebate to Local Governments	$5,280,335	$0	($5,280,335)	(100.00%)

Total Funds

	FY 2017-18 Initial Appropriation	FY 2018-19 Nov 1 Governor's Request	$ Change	% Change
Old Age Pension Fund / Older Coloradans Fund	$103,693,136	$108,622,282	$4,929,146	4.75%
Aged Property Tax and Heating Credit	$434,000	$0	($434,000)	(100.00%)
Homestead Exemption	$3,140,027	$0	($3,140,027)	(100.00%)
Interest on School Loans	$3,900,000	$4,400,000	$500,000	12.82%
Volunteer FPPA	$20,000	$0	($20,000)	(100.00%)
Amendment 35 General Fund	($28,510)	$0	$28,510	(100.00%)
Transfers to Highway Users Tax Fund	$79,000,000	$0	($79,000,000)	(100.00%)
Transfers to State Education Fund (SB 13-234)	$25,321,079	$24,991,739	($329,340)	(1.30%)
Transfers to Other Funds	$185,895,404	$164,071,709	($21,823,695)	(11.74%)
Total Other Obligations	**$404,235,956**	**$302,085,730**	**($102,150,226)**	**(25.27%)**

Estimated HCPF Supplemental	$57,185,415	$0	($57,185,415)	(100.00%)
Set Aside Placeholders Legislation and Budget Adjustments	$3,524,529	$9,671,688	$6,147,159	174.41%
COP Adjustments	$0	$9,000,000	$9,000,000	0.0%
1331 Approved Supplementals	$19,492,155	$0	($19,492,155)	(100.00%)
Other Adjustments	**$80,202,099**	**$18,671,688**	**($61,530,411)**	**(76.72%)**

TOTAL FUNDS Requests	**$29,428,699,851**	**$30,515,577,551**	**$1,086,877,700**	**3.69%**

Total General Fund

	FY 2017-18 Current Appropriation	FY 2018-19 Nov 1 Governor's Request	$ Change	% Change
Department of Agriculture	$10,506,004	$11,068,632	$562,628	5.36%
Department of Corrections	$769,192,172	$826,995,444	$57,803,272	7.51%
Department of Education	$4,102,171,554	$4,186,793,637	$84,622,083	2.06%
Governor - Lt. Governor - State Planning and Budgeting	$35,324,665	$41,138,275	$5,813,610	16.46%
Department of Health Care Policy and Financing	$2,822,800,583	$2,921,024,097	$98,223,514	3.48%
Department of Higher Education	$894,907,900	$981,841,295	$86,933,395	9.71%
Department of Human Services	$866,955,020	$927,140,485	$60,185,465	6.94%
Judicial Department	$513,002,350	$539,650,528	$26,648,178	5.19%
Department of Labor and Employment	$21,380,958	$18,502,128	($2,878,830)	(13.46%)
Department of Law	$16,214,183	$17,301,236	$1,087,053	6.70%
Legislative Department	$48,280,517	$50,750,391	$2,469,874	5.12%
Department of Local Affairs	$32,086,084	$31,905,283	($180,801)	(0.56%)
Department of Military and Veterans Affairs	$10,530,168	$10,777,820	$247,652	2.35%
Department of Natural Resources	$30,864,532	$31,975,510	$1,110,978	3.60%
Department of Personnel	$12,499,410	$14,619,227	$2,119,817	16.96%
Department of Public Health and Environment	$48,798,277	$50,026,609	$1,228,332	2.52%
Department of Public Safety	$123,448,065	$126,340,913	$2,892,848	2.34%
Department of Regulatory Agencies	$1,844,627	$1,948,102	$103,475	5.61%
Department of Revenue	$107,595,006	$111,670,754	$4,075,748	3.79%
Department of the Treasury	$151,447,545	$166,365,577	$14,918,032	9.85%
Subtotal Cabinet Operating Requests	**$10,619,849,620**	**$11,067,835,943**	**$447,986,323**	**4.22%**

Transfer to Capital Construction Fund	**$109,195,961**	**$116,975,442**	**$7,779,481**	**7.12%**

Cigarette Rebate	($2,419,515)	$0	$2,419,515	(100.00%)
Marijuana Rebate to Local Governments	$5,280,335	$0	($5,280,335)	(100.00%)
Old Age Pension Fund / Older Coloradans Fund	$103,693,136	$108,622,282	$4,929,146	4.75%
Aged Property Tax and Heating Credit	$434,000	$0	($434,000)	(100.00%)
Homestead Exemption	$3,140,027	$0	($3,140,027)	(100.00%)

Total General Fund

	FY 2017-18 Current Appropriation	FY 2018-19 Nov 1 Governor's Request	$ Change	% Change
Interest on School Loans	$3,900,000	$4,400,000	$500,000	12.82%
Volunteer FPPA	$20,000	$0	($20,000)	(100.00%)
Amendment 35 General Fund	($28,510)	$0	$28,510	(100.00%)
Transfers to Highway Users Tax Fund	$79,000,000	$0	($79,000,000)	(100.00%)
Transfers to State Education Fund (SB 13-234)	$25,321,079	$24,991,739	($329,340)	(1.30%)
Transfers to Other Funds	$185,895,404	$164,071,709	($21,823,695)	(11.74%)
Total Other Obligations	**$404,235,956**	**$302,085,730**	**($102,150,226)**	**(25.27%)**

Estimated HCPF Supplemental	$57,185,415	$0	($57,185,415)	(100.00%)
Set Aside Placeholders Legislation and Budget Adjustments	$3,524,529	$9,671,688	$6,147,159	174.41%
COP Adjustments	$0	$9,000,000	$9,000,000	0.0%
1331 Approved Supplementals	$19,492,155	$0	($19,492,155)	(100.00%)
Other Adjustments	**$80,202,099**	**$18,671,688**	**($61,530,411)**	**(76.72%)**

TOTAL General Fund Requests	**$11,213,483,636**	**$11,505,568,803**	**$292,085,167**	**2.60%**

Total General Fund Subject to the SB 09-228 Limit

	FY 2017-18 Current Appropriation	FY 2018-19 Governor's Request	$ Change	% Change
Department of Agriculture	$10,506,004	$11,068,632	$562,628	5.36%
Department of Corrections	$769,192,172	$826,995,444	$57,803,272	7.51%
Department of Education	$4,102,171,554	$4,186,793,637	$84,622,083	2.06%
Governor - Lt. Governor - State Planning and Budgeting	$35,324,665	$41,138,275	$5,813,610	16.46%
Department of Health Care Policy and Financing	$2,822,360,243	$2,920,603,499	$98,243,256	3.48%
Department of Higher Education	$894,907,900	$981,841,295	$86,933,395	9.71%
Department of Human Services	$866,955,020	$927,140,485	$60,185,465	6.94%
Judicial Department	$513,002,350	$539,650,528	$26,648,178	5.19%
Department of Labor and Employment	$21,380,958	$18,502,128	($2,878,830)	(13.46%)
Department of Law	$16,214,183	$17,301,236	$1,087,053	6.70%
Legislative Department	$48,280,517	$50,750,391	$2,469,874	5.12%
Department of Local Affairs	$27,856,084	$27,655,283	($200,801)	(0.72%)
Department of Military and Veterans Affairs	$10,530,168	$10,777,820	$247,652	2.35%
Department of Natural Resources	$30,864,532	$31,975,510	$1,110,978	3.60%
Department of Personnel	$12,499,410	$14,619,227	$2,119,817	16.96%
Department of Public Health and Environment	$48,357,937	$49,606,011	$1,248,074	2.58%
Department of Public Safety	$123,448,065	$126,340,913	$2,892,848	2.34%
Department of Regulatory Agencies	$1,844,627	$1,948,102	$103,475	5.61%
Department of Revenue	$78,995,006	$77,558,098	($1,436,908)	(1.82%)
Department of the Treasury	$3,447,545	$3,559,116	$111,571	3.24%
Subtotal Cabinet Operating Requests	**$10,438,138,940**	**$10,865,825,630**	**$427,686,690**	**4.10%**
Transfer to Capital Construction Fund	**$0**	**$0**	**$0**	**N/A**
Cigarette Rebate	$0	$0	$0	0.0%
Marijuana Rebate to Local Governments	$0	$0	$0	0.0%
Old Age Pension Fund / Older Coloradans Fund	$0	$0	$0	0.0%
Aged Property Tax and Heating Credit	$0	$0	$0	0.0%
Homestead Exemption	$0	$0	$0	0.0%
Interest on School Loans	$0	$0	$0	0.0%

Total General Fund Subject to the SB 09-228 Limit

	FY 2017-18 Current Appropriation	FY 2018-19 Governor's Request	$ Change	% Change
Volunteer FPPA	$0	$0	$0	0.0%
Amendment 35 General Fund	$0	$0	$0	0.0%
Transfers to Highway Users Tax Fund	$0	$0	$0	0.0%
Transfers to State Education Fund (SB 13-234)	$0	$0	$0	0.0%
Transfers to Other Funds	$0	$0	$0	0.0%
Total Other Obligations	**$0**	**$0**	**$0**	**0.0%**
Estimated HCPF Supplemental	$57,185,415	$0	($57,185,415)	(100.00%)
Set Aside Placeholders Legislation and Budget Adjustments	$0	$9,671,688	$9,671,688	0.0%
COP Adjustments	$0	$9,000,000	$9,000,000	0.0%
1331 Approved Supplementals	$19,492,155	$0	($19,492,155)	(100.00%)
Other Adjustments	**$76,677,570**	**$18,671,688**	**($58,005,882)**	**(75.65%)**
TOTAL	**$10,514,816,510**	**$10,884,497,318**	**$369,680,808**	**3.52%**

Total General Fund Exempt from the SB 09-228 Limit

	FY 2017-18 Current Appropriation	FY 2018-19 Nov 1 Governor's Request	$ Change	% Change
Department of Health Care Policy and Financing	$440,340	$420,598	($19,742)	(4.48%)
Department of Local Affairs	$4,230,000	$4,250,000	$20,000	0.47%
Department of Public Health and Environment	$440,340	$420,598	($19,742)	(4.48%)
Department of Revenue	$28,600,000	$34,112,656	$5,512,656	19.28%
Department of the Treasury	$148,000,000	$162,806,461	$14,806,461	10.00%
Subtotal Cabinet Operating Requests	**$181,710,680**	**$202,010,313**	**$20,299,633**	**11.17%**
Transfer to Capital Construction Fund	**$109,195,961**	**$116,975,442**	**$7,779,481**	**7.12%**
Cigarette Rebate	($2,419,515)	$0	$2,419,515	(100.00%)
Marijuana Rebate to Local Governments	$5,280,335	$0	($5,280,335)	(100.00%)
Old Age Pension Fund / Older Coloradans Fund	$103,693,136	$108,622,282	$4,929,146	4.75%
Aged Property Tax and Heating Credit	$434,000	$0	($434,000)	(100.00%)
Homestead Exemption	$3,140,027	$0	($3,140,027)	(100.00%)
Interest on School Loans	$3,900,000	$4,400,000	$500,000	12.82%
Volunteer FPPA	$20,000	$0	($20,000)	(100.00%)
Amendment 35 General Fund	($28,510)	$0	$28,510	(100.00%)
Transfers to Highway Users Tax Fund	$79,000,000	$0	($79,000,000)	(100.00%)
Transfers to State Education Fund (SB 13-234)	$25,321,079	$24,991,739	($329,340)	(1.30%)
Transfers to Other Funds	$185,895,404	$164,071,709	($21,823,695)	(11.74%)
Total Other Obligations	**$404,235,956**	**$302,085,730**	**($102,150,226)**	**(25.27%)**
Set Aside Placeholders Legislation and Budget Adjustments	$3,524,529	$0	($3,524,529)	(100.00%)
1331 Approved Supplementals	$0	$0	$0	#DIV/0
Other Adjustments	**$3,524,529**	**$0**	**($3,524,529)**	**(100.00%)**
TOTAL	**$698,667,126**	**$621,071,485**	**($77,595,641)**	**(11.11%)**

Total Cash Funds

	FY 2017-18 Current Appropriation	FY 2018-19 Nov 1 Governor's Request	$ Change	% Change
Department of Agriculture	$33,408,408	$34,153,100	$744,692	2.23%
Department of Corrections	$39,760,660	$40,426,978	$666,318	1.68%
Department of Education	$810,907,493	$987,305,861	$176,398,368	21.75%
Governor - Lt. Governor - State Planning and Budgeting	$47,400,500	$47,346,431	($54,069)	(0.11%)
Department of Health Care Policy and Financing	$1,217,646,986	$1,275,831,686	$58,184,700	4.78%
Department of Higher Education	$2,645,689,267	$2,727,135,172	$81,445,905	3.08%
Department of Human Services	$415,732,200	$420,625,555	$4,893,355	1.18%
Judicial Department	$157,894,176	$158,303,758	$409,582	0.26%
Department of Labor and Employment	$72,525,276	$74,935,905	$2,410,629	3.32%
Department of Law	$17,314,175	$17,604,083	$289,908	1.67%
Legislative Department	$470,869	$470,869	$0	0.0%
Department of Local Affairs	$181,821,729	$186,009,984	$4,188,255	2.30%
Department of Military and Veterans Affairs	$1,135,343	$1,149,636	$14,293	1.26%
Department of Natural Resources	$230,795,872	$205,448,707	($25,347,165)	(10.98%)
Department of Personnel	$13,927,636	$15,089,309	$1,161,673	8.34%
Department of Public Health and Environment	$188,457,556	$184,837,476	($3,620,080)	(1.92%)
Department of Public Safety	$200,251,200	$222,583,611	$22,332,411	11.15%
Department of Regulatory Agencies	$91,024,582	$92,762,994	$1,738,412	1.91%
Department of Revenue	$241,710,307	$247,814,586	$6,104,279	2.53%
Department of State	$22,903,775	$23,464,417	$560,642	2.45%
Department of Transportation	$851,844,882	$1,134,947,507	$283,102,625	33.23%
Department of the Treasury	$354,847,185	$367,574,655	$12,727,470	3.59%
Subtotal Cabinet Operating Requests	**$7,837,470,077**	**$8,465,822,280**	**$628,352,203**	**8.02%**

TOTAL Cash Funds	**$7,837,470,077**	**$8,465,822,280**	**$628,352,203**	**8.02%**

Total Reappropriated Funds

	FY 2017-18 Current Appropriation	FY 2018-19 Nov 1 Governor's Request	$ Change	% Change
Department of Agriculture	$2,371,548	$2,492,912	$121,364	5.12%
Department of Corrections	$51,620,128	$51,075,840	($544,288)	(1.05%)
Department of Education	$34,572,434	$40,226,000	$5,653,566	16.35%
Governor - Lt. Governor - State Planning and Budgeting	$246,477,893	$251,965,184	$5,487,291	2.23%
Department of Health Care Policy and Financing	$77,268,980	$77,446,493	$177,513	0.23%
Department of Higher Education	$738,374,874	$796,929,848	$58,554,974	7.93%
Department of Human Services	$174,562,607	$173,978,327	($584,280)	(0.33%)
Judicial Department	$35,062,455	$35,337,985	$275,530	0.79%
Department of Labor and Employment	$9,515,450	$9,556,835	$41,385	0.43%
Department of Law	$45,720,252	$46,634,094	$913,842	2.00%
Legislative Department	$1,177,000	$1,177,000	$0	0.0%
Department of Local Affairs	$11,319,391	$11,363,249	$43,858	0.39%
Department of Natural Resources	$6,932,593	$7,922,848	$990,255	14.28%
Department of Personnel	$168,790,189	$177,272,160	$8,481,971	5.03%
Department of Public Health and Environment	$45,239,889	$46,977,824	$1,737,935	3.84%
Department of Public Safety	$40,958,581	$43,200,083	$2,241,502	5.47%
Department of Regulatory Agencies	$5,060,383	$5,208,784	$148,401	2.93%
Department of Revenue	$6,245,246	$6,318,910	$73,664	1.18%
Department of Transportation	$8,552,189	$6,672,627	($1,879,562)	(21.98%)
Department of the Treasury	$17,773,025	$17,685,263	($87,762)	(0.49%)
Subtotal Cabinet Operating Requests	**$1,727,595,107**	**$1,809,442,266**	**$81,847,159**	**4.74%**

TOTAL Reappropriated Funds	**$1,727,595,107**	**$1,809,442,266**	**$81,847,159**	**4.74%**

Total Federal Funds

	FY 2017-18 Current Appropriation	FY 2018-19 Nov 1 Governor's Request	$ Change	% Change
Department of Agriculture	$3,960,959	$3,908,862	($52,097)	(1.32%)
Department of Corrections	$4,167,290	$3,516,067	($651,223)	(15.63%)
Department of Education	$648,233,511	$648,836,104	$602,593	0.09%
Governor - Lt. Governor - State Planning and Budgeting	$6,455,720	$6,767,275	$311,555	4.83%
Department of Health Care Policy and Financing	$5,837,486,131	$6,008,917,056	$171,430,925	2.94%
Department of Higher Education	$22,641,490	$22,812,462	$170,972	0.76%
Department of Human Services	$578,354,293	$592,840,207	$14,485,914	2.50%
Judicial Department	$4,425,000	$4,425,000	$0	0.0%
Department of Labor and Employment	$145,439,550	$147,361,493	$1,921,943	1.32%
Department of Law	$1,828,471	$1,925,489	$97,018	5.31%
Department of Local Affairs	$80,705,121	$80,883,411	$178,290	0.22%
Department of Military and Veterans Affairs	$215,302,549	$215,397,662	$95,113	0.04%
Department of Natural Resources	$26,699,468	$26,557,074	($142,394)	(0.53%)
Department of Personnel	$0	$0	$0	0.0%
Department of Public Health and Environment	$297,512,266	$299,030,165	$1,517,899	0.51%
Department of Public Safety	$56,736,427	$57,582,147	$845,720	1.49%
Department of Regulatory Agencies	$1,268,645	$1,240,636	($28,009)	(2.21%)
Department of Revenue	$824,388	$824,388	$0	0.0%
Department of Transportation	$718,109,752	$611,918,704	($106,191,048)	(14.79%)
Subtotal Cabinet Operating Requests	**$8,650,151,031**	**$8,734,744,202**	**$84,593,171**	**0.98%**

TOTAL Federal Funds	**$8,650,151,031**	**$8,734,744,202**	**$84,593,171**	**0.98%**

Total FTE

	FY 2017-18 Current Appropriation	FY 2018-19 Nov 1 Governor's Request	$ Change	% Change
Department of Agriculture	291.4	292.4	1.0	0.0%
Department of Corrections	6,247.0	6,228.5	(18.5)	0.0%
Department of Education	599.2	602.2	3.0	0.0%
Governor - Lt. Governor - State Planning and Budgeting	1,091.2	1,109.7	18.5	0.0%
Department of Health Care Policy and Financing	458.5	495.2	36.7	0.0%
Department of Higher Education	25,087.2	25,087.2	0.0	0.0%
Department of Human Services	4,937.6	5,044.2	106.6	0.0%
Judicial Department	4,648.3	4,648.5	0.2	0.0%
Department of Labor and Employment	1,279.8	1,279.8	0.0	0.0%
Department of Law	473.4	473.4	0.0	0.0%
Legislative Department	287.7	287.7	0.0	0.0%
Department of Local Affairs	179.2	178.6	(0.6)	0.0%
Department of Military and Veterans Affairs	1,393.3	1,394.7	1.4	0.0%
Department of Natural Resources	1,458.6	1,459.5	0.9	0.0%
Department of Personnel	422.1	425.4	3.3	0.0%
Department of Public Health and Environment	1,336.0	1,341.8	5.8	0.0%
Department of Public Safety	1,802.0	1,835.8	33.8	0.0%
Department of Regulatory Agencies	573.1	573.1	0.0	0.0%
Department of Revenue	1,437.2	1,438.8	1.6	0.0%
Department of State	137.4	137.9	0.5	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%
Subtotal Cabinet Operating Requests	**57,499.9**	**57,694.1**	**194.2**	**0.34%**

Economic Conditions and General Fund and State Education Fund Revenue

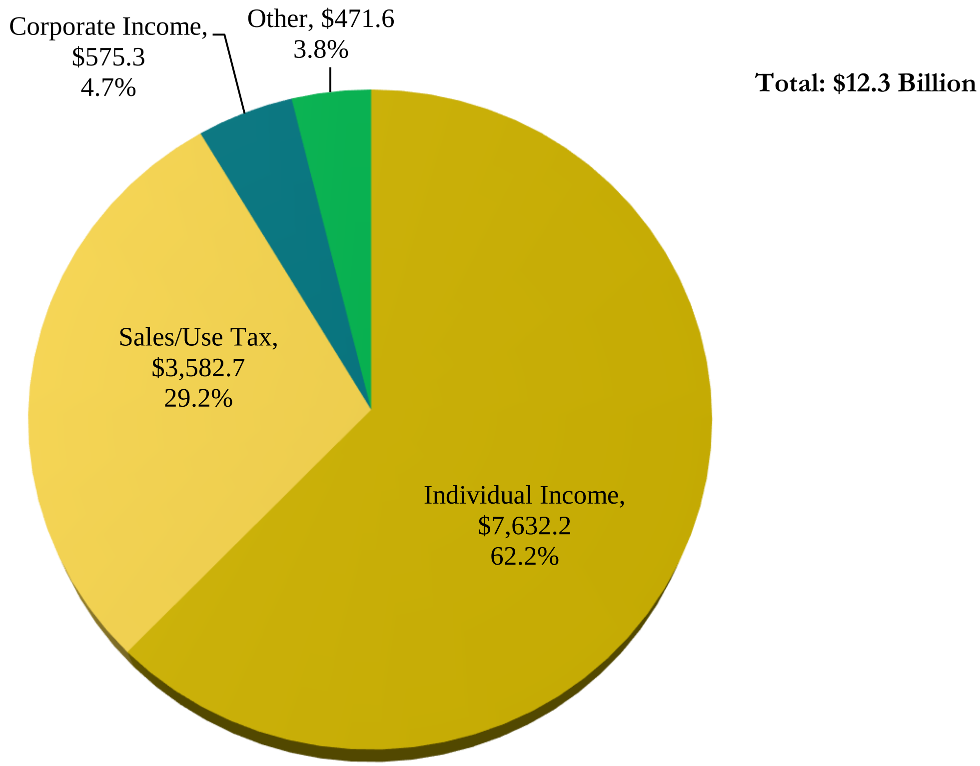
The following section discusses economic conditions for Colorado as well as General Fund and State Education Fund revenue received by the State using the OSPB September 2017 forecast. The General Fund is the State's main account for funding its core programs and services, such as education, health and 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.

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. Therefore, 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 2018-19 based on the OSPB September forecast. Income, sales, and use taxes make up 96 percent of the total.

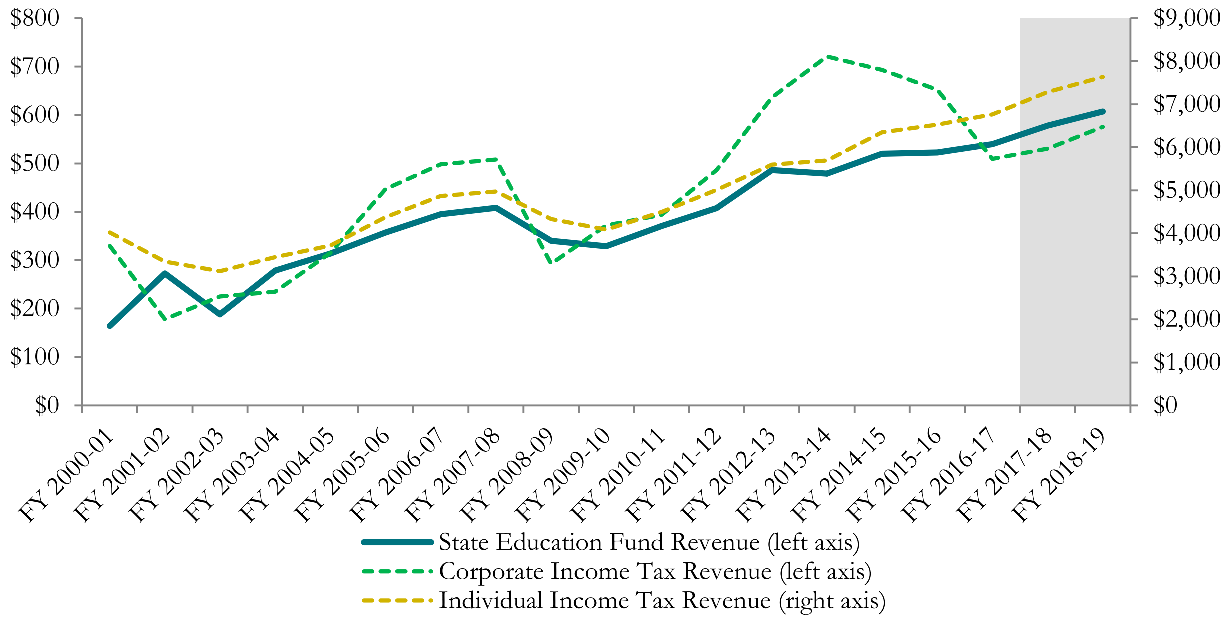
Figure 1. General Fund and State Education Fund Revenue in FY 2018-19, $s in Millions



Source: OSPB September 2017 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 $607.4 million in FY 2018-19, an expected increase of 5.0 percent from FY 2017-18. 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.

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



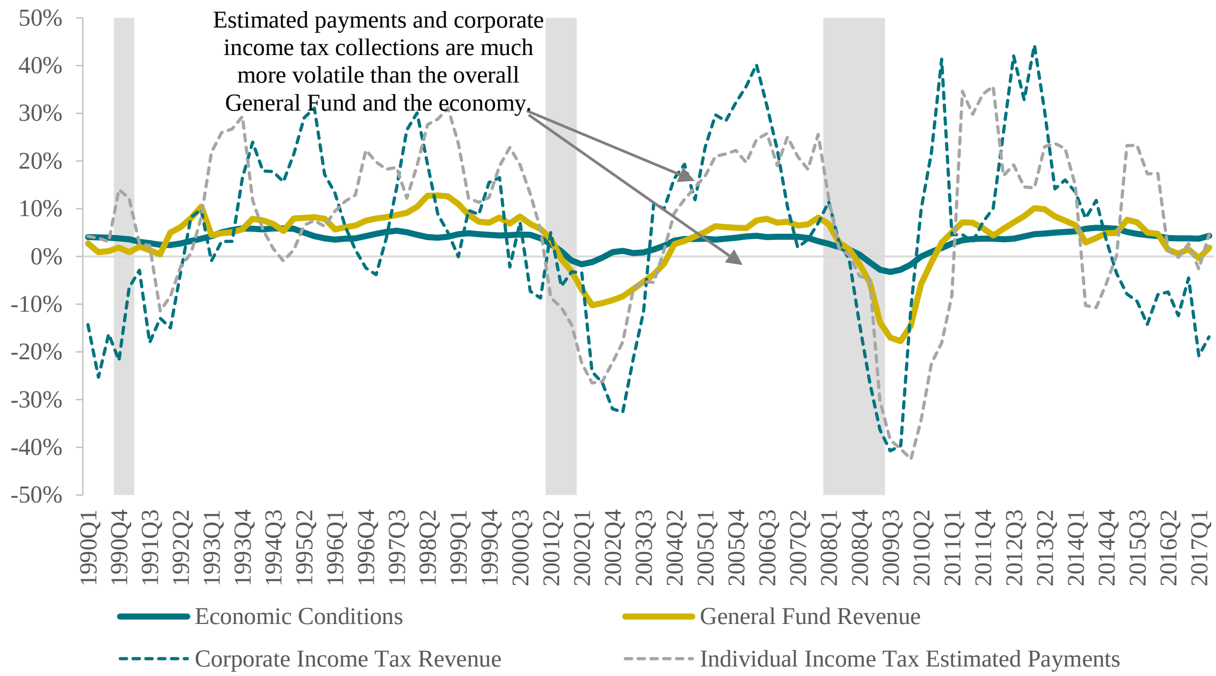
Source: Office of the State Controller and OSPB September 2017 forecast

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.

[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.

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.

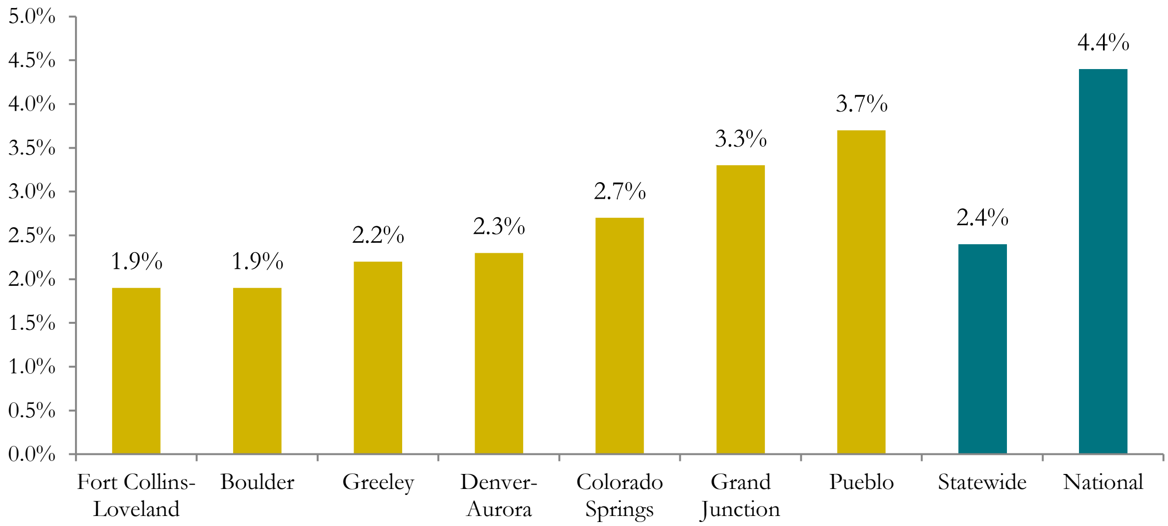
Source: Federal Reserve Bank of Philadelphia, Office of the State Controller, and OSPB calculations

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 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 marked decline in the stock market and corporate profits during those periods that caused a drop in individual income tax estimated payments and corporate income tax collections.

Current economic conditions ─ Colorado's economic growth has exhibited increased momentum in 2017, led by the state's technology-related sectors, new business formation, and growth in its skilled workforce. Economic growth is expected to continue at a moderate pace through the forecast period. The state's solid expansion continues to result in some of the lowest unemployment rates in the nation. However, tight labor and housing market conditions are raising costs for individuals and businesses. Further, less populated areas continue to experience lower job and income growth than along the Front Range. This is especially the case in regions of the state that are dependent on agriculture as they struggle with subdued farm income and low commodity prices.

As seen in Figure 4, every metro area in Colorado has an unemployment rate below the national average, with only Grand Junction and Pueblo above 3 percent. Colorado's statewide unemployment rate was the second-lowest in the country in August.

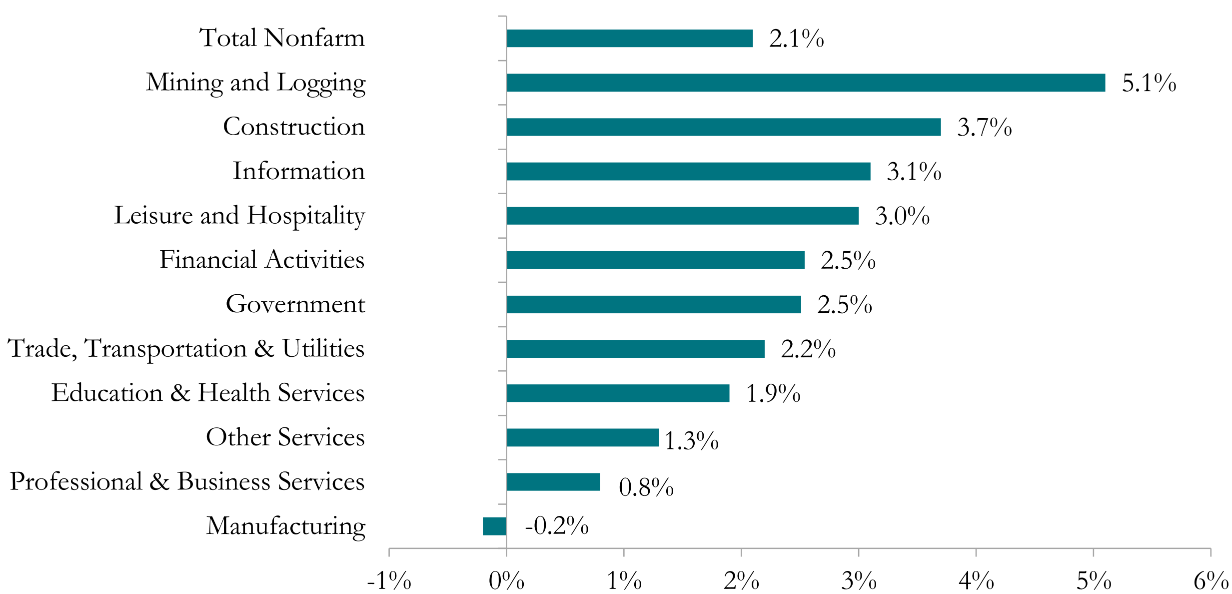
Figure 4. Unemployment Rate by Metro Area, August 2017



Source: U.S. Bureau of Labor Statistics

Figure 5 shows Colorado's job growth in each industry over the period between July 2016 and July 2017. Overall job growth remains solid at 2.1 percent, led by the mining and logging industry as it recovers from the sharp drop in oil prices which began in late 2014. Manufacturing was the only industry to lose jobs over this period.

Figure 5. Colorado Year-over-Year Job Growth by Industry, July 2017

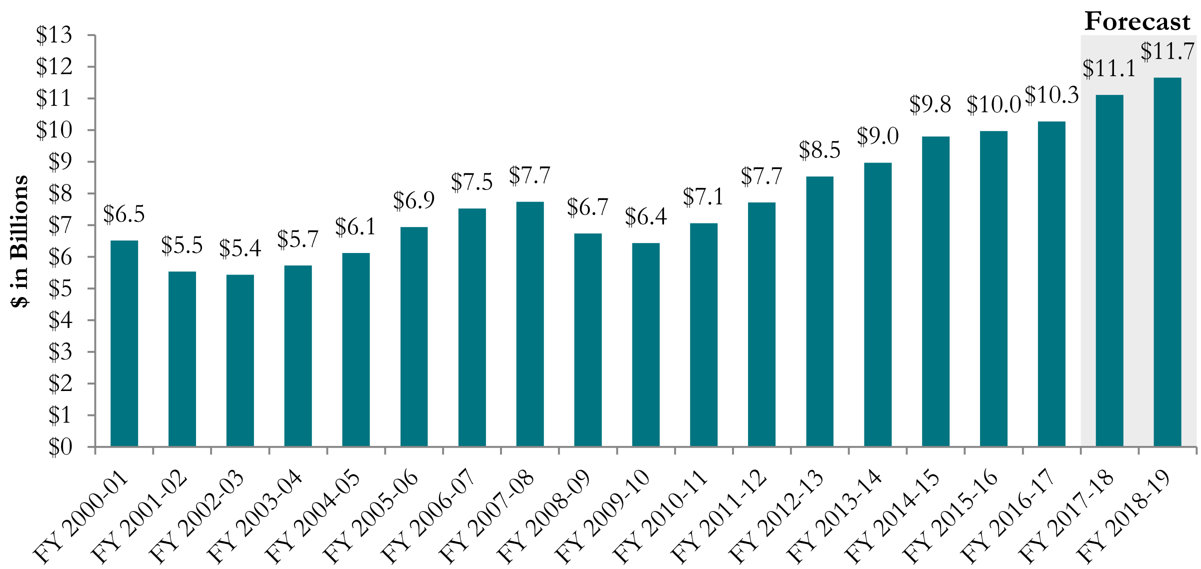


Source: Colorado Department of Labor and Employment

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.

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 6 illustrates revenue to the General Fund by fiscal year, including the OSPB September 2017 forecast for General Fund revenue in FY 2017-18 and FY 2018-19. After increasing 1.7 percent and 3.0 percent in FY 2015-16 and 2016-17, respectively, General Fund revenue is projected to increase 8.1 percent in FY 2017-18 and 4.9 percent in FY 2018-19.

Figure 6. General Fund Revenue, Actual and Forecast, $s in Billions



Source: Office of the State Controller and OSPB September 2017 forecast

Individual Income Tax ─ Income tax paid by individuals is by far the largest source of tax revenue to the State. In FY 2018-19, income tax revenue is projected to total $7.6 billion, representing 65 percent of total General Fund revenue. Individual income tax revenue is forecast to increase in FY 2017-18 and FY 2018-19 by 7.8 percent and 4.8 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 equities 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 7 shows the trend in individual income tax revenue since FY 2000-01 and includes the OSPB September 2017 forecast through FY 2018-19. Although the stock market rebounded in 2016, it appears some of the weakness in income tax revenue that occurred in FY 2016-17 is a result of investors delaying the realization of gains in anticipation of federal income tax reductions. This forecast assumes that some of the deferred gains will be realized in tax year 2017, which, along with continued solid stock market performance this year, will boost collections for FY 2017-18.

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 increase 4.2 percent in FY 2017-18, the first increase since FY 2013-14. Corporate income taxes are projected to grow at a higher rate in FY 2018-19 with an 8.4 percent increase to total $575.3 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 7, 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 earnings weakened starting in 2015 after jumping to high levels earlier in the economic expansion. Sluggish global economic conditions, the decline in commodity prices, and the strong appreciation in the dollar weighed on the profits of multinational corporations. However, earnings have improved since the last half of 2016 with stronger growth internationally, a softening in the value of the dollar, and the stabilization of oil prices. Expectations are for continued earnings growth with the ongoing economic expansion.

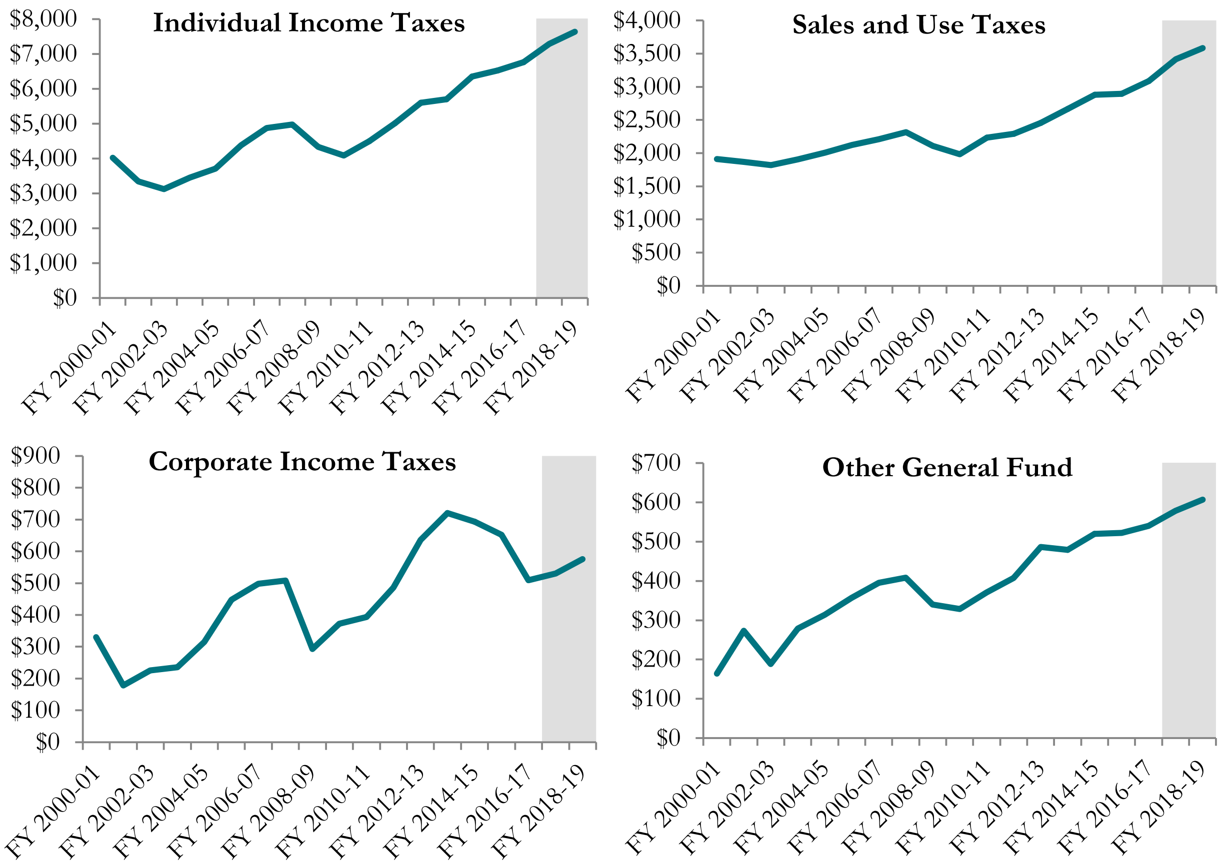
Although renewed growth in corporate income tax collections is forecast, future increases are expected to be constrained by higher business costs, especially for employee compensation and debt payments, which will reduce profit margins and result in larger tax deductions and lower tax liabilities.

Sales and Use Taxes ─ The State's sales and use tax collections makes up about 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 2018-19 when collections are expected to increase 4.8 percent and total $3.6 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. Sales tax revenue is accelerating at an increasing rate as Colorado's strong economy provides consumers with more disposable income and business spending has picked up. Colorado auto sales, a major source of sales tax revenue, are up by 13 percent through July, driven by the strong economy, population growth, and widely available credit.

***Other General Fund Revenue* —** 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 7, revenue from these sources is expected to grow modestly during the forecast period, and is projected to total $471.6 million in FY 2018-19.

Figure 7. General Fund Revenue Sources, $s in Billions



Source: Office of the State Controller and OSPB September 2017 forecast

COLORADO

Gov. John Hickenlooper

FY 2018-19 Governor's Request

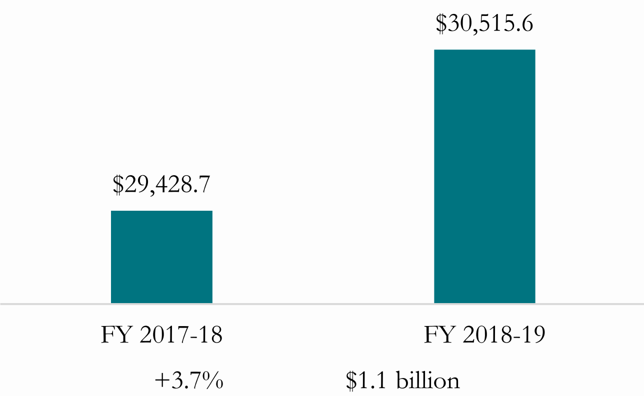
$11.5 billion General Fund

$30.5 billion Total Funds

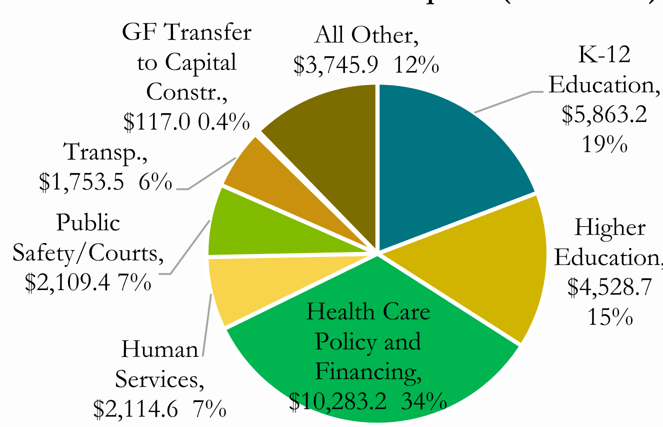
"Significant progress was made last year to address critical needs in Colorado. This new budget supports education and public safety needs across the state. But history tells us to be ready for when times are not as good. By building up reserves and shoring our pension plan, this proposal meets the needs of today and provides a buffer for tomorrow."

-Governor John Hickenlooper

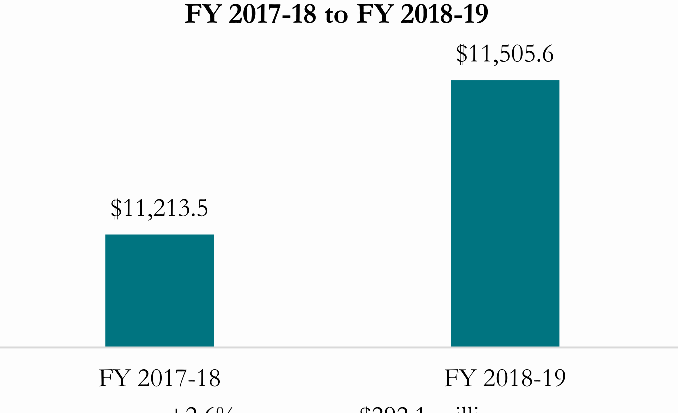
Total Funds, $s in Millions, FY 2017-18 to FY 2018-19



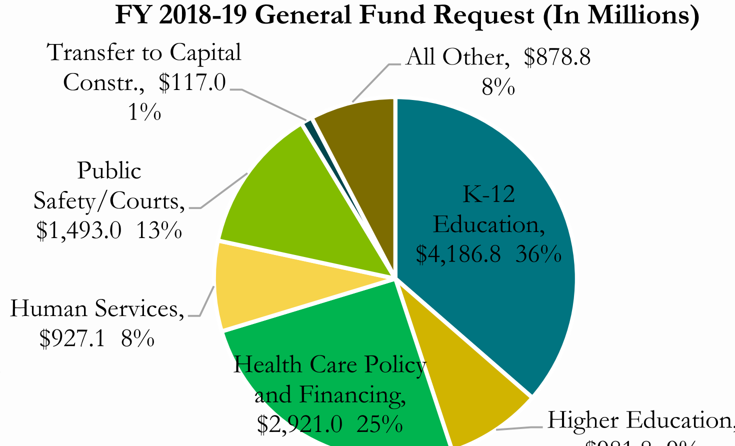
FY 2018-19 Total Funds Request (In Millions)



General Fund, $s in Millions, FY 2017-18 to FY 2018-19



FY 2018-19 General Fund Request (In Millions)



John W. Hickenlooper
Governor

Henry Sobanet
Director, OSPB

EXECUTIVE BUDGET REQUEST

Statewide Budget Overview
FY 2018-19

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

Issue	Major General Fund Issues FY 2017-18	FY 2018-19
Statutory Reserve (includes an increase to 7.0% in FY 2018-19)	$603.10	$757.70
Transfer from General Fund to Disaster Recovery Fund		$12.5

FY 2018-19 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 Total Program	$76.90	$243.40	0.0	Technical / Common Policy Issues	$26.99	$146.28	80.7
Higher Education Affordability	73.10	129.90	0.0	State Employee / Provider Rate Increases	65.27	121.91	0.0
Medicaid Caseload Growth	89.40	305.70	0.0	Mandatory Funding and Caseload Issues	177.83	560.59	(0.1)
Total Compensation for Employees	48.00	83.30	0.0	Other Request Items	177.90	414.00	113.6
Provider Rate Increase	17.20	38.60	0.0	**Total Department Operating Change**	**$447.99**	**$1,242.78**	**194.2**

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

FY 2018-19 Department Budgets Request -- November 1, 2017
(in Millions)

General Fund				Total Funds			
Department	**FY 2017-18 Approp**	**FY 2018-19 Request**	**$ Change**	**Department**	**FY 2017-18 Approp**	**FY 2018-19 Request**	**$ Change**
Agriculture	$10.51	$11.07	$0.56	Agriculture	$50.25	$51.62	$1.38
Corrections	$769.19	$827.00	57.80	Corrections	$864.74	$922.01	57.27
Education	$4,102.17	$4,186.79	84.62	Education	$5,595.88	$5,863.16	267.28
Governor	$35.32	$41.14	5.81	Governor	$335.66	$347.22	11.56
Health Care Policy and Financing	$2,822.80	$2,921.02	98.22	Health Care Policy and Financing	$9,955.20	$10,283.22	328.02
Higher Education	$894.91	$981.84	86.93	Higher Education	$4,301.61	$4,528.72	227.11
Human Services	$866.96	$927.14	60.19	Human Services	$2,035.60	$2,114.58	78.98
Judicial	$513.00	$539.65	26.65	Judicial	$710.38	$737.72	27.33
Labor and Employment	$21.38	$18.50	(2.88)	Labor and Employment	$248.86	$250.36	1.50
Law	$16.21	$17.30	1.09	Law	$81.08	$83.46	2.39
Legislature	$48.28	$50.75	2.47	Legislature	$49.93	$52.40	2.47
Local Affairs	$32.09	$31.91	(0.18)	Local Affairs	$305.93	$310.16	4.23
Military and Veterans Affairs	$10.53	$10.78	0.25	Military and Veterans Affairs	$226.97	$227.33	0.36
Natural Resources	$30.86	$31.98	1.11	Natural Resources	$295.29	$271.90	(23.39)
Personnel and Administration	$12.50	$14.62	2.12	Personnel and Administration	$195.22	$206.98	11.76
Public Health and Environment	$48.80	$50.03	1.23	Public Health and Environment	$580.01	$580.87	0.86
Public Safety	$123.45	$126.34	2.89	Public Safety	$421.39	$449.71	28.31
Regulatory Agencies	$1.84	$1.95	0.10	Regulatory Agencies	$99.20	$101.16	1.96
Revenue	$107.60	$111.67	4.08	Revenue	$356.37	$366.63	10.25
State	$151.45	$166.37	14.92	State	$22.90	$23.46	0.56
Transportation	$0.00	$0.00	0.00	Transportation	$1,578.51	$1,753.54	175.03
Treasury	$151.45	$166.37	14.92	Treasury	$524.07	$551.63	27.56
TOTAL /2	**$10,619.85**	**$11,067.84**	**$447.99**	**TOTAL /2**	**$28,835.07**	**$30,077.84**	**$1,242.78**

/2 May not add due to rounding errors.

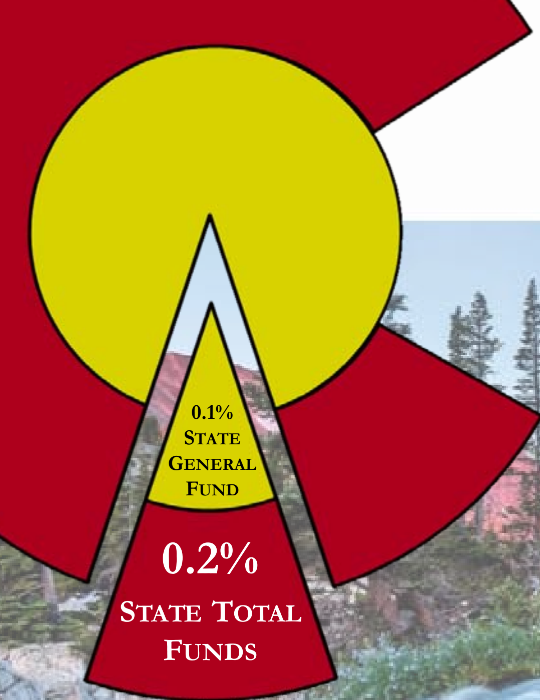
Other General Fund Issues -- Currently Outside of Operating and Revenue Requests
(in Millions)

Issue	Approp	Request	$ Change
Other General Fund Adjustments Outside Operating Budgets	$484.44	$320.76	($163.68)
General Fund Transfers for Capital Construction	109.20	116.98	7.78
TOTAL	**$593.63**	**$437.73**	**($155.90)**
Total FY 2018-19 General Fund Request (operating request plus items outside of operating request)	**$11,213.48**	**$11,505.57**	**$292.09**

Major Changes in FY 2018-19 Department Operating Budgets

Reflects changes to Current FY 2017-18 Appropriations

Issue	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds	FTE
Department of Corrections						
Base Budget Changes	($313,073)	$104,890	$0	$0	($208,183)	0.9
Total Compensation Increases for State Employees	$11,694,341	$481,396	$0	$0	$12,175,737	0.0
Other Non-Prioritized Requests (Common Policy & Other)	$6,398,765	$75,667	($618,313)	($651,223)	$5,204,896	0.0
Caseload Increases	($413,774)	$0	$0	$0	($413,774)	(17.4)
Decision Items	$39,341,429	$4,365	$38,968	$0	$39,384,762	(2.0)
Provider Rate Increases	$1,095,584	$0	$35,057	$0	$1,130,641	0.0
Total Changes Requested for Corrections	**$57,803,272**	**$666,318**	**($544,288)**	**($651,223)**	**$57,274,079**	**(18.5)**
Department of Education						
Base Budget Changes	$7,999	$757,857	$5,857	$0	$771,713	0.0
Total Compensation Increases for State Employees	$549,074	$365,690	$174,914	$625,921	$1,715,599	0.0
Other Non-Prioritized Requests (Common Policy & Other)	($84,381)	($81,414)	($51,067)	($23,328)	($240,190)	0.0
Total Program Increase (School Finance Formula), Includes $70 million to buy-down Budget Stabilization Factor	$76,934,590	$166,427,567	$0	$0	$243,362,157	0.0
Other Decision Items	$7,214,801	$8,928,668	$5,523,862	$0	$21,667,331	3.0
Total Changes Requested for K-12 Education	**$84,622,083**	**$176,398,368**	**$5,653,566**	**$602,593**	**$267,276,610**	**3.0**
Department of Health Care Policy and Financing						
Base Budget Changes	($2,783,094)	$401,944	($19,010)	($35,533,056)	($37,933,216)	27.3
Total Compensation Increases for State Employees	$1,015,371	($41,662)	$75,956	$1,633,085	$2,682,750	0.0
Other Non-Prioritized Requests (Common Policy & Other)	$4,577,627	$318,044	$196,043	$7,970,407	$13,062,121	9.4
Caseload Increases	$89,408,225	$42,574,757	($79,627)	$173,842,244	$305,745,599	0.0
Decision Items	($4,392,635)	$13,942,023	$4,151	$6,833,391	$16,386,930	0.0
Provider Rate Increases	$10,398,020	$989,594	$0	$16,684,854	$28,072,468	0.0
Total Changes Requested for HCPF	**$98,223,514**	**$58,184,700**	**$177,513**	**$171,430,925**	**$328,016,652**	**36.7**
Department of Higher Education						
Base Budget Changes	$3,419,020	($4,767,485)	$563,868	($69,008)	($853,605)	0.0
Total Compensation Increases for State Employees	$209,534	$460,854	$81,859	$239,980	$992,227	0.0
Other Non-Prioritized Requests (Common Policy & Other)	$0	($168,354)	$1,065,530	$0	$897,176	0.0
Improving College Affordability and Outcomes	$73,065,843	$0	$56,843,717	$0	$129,909,560	0.0
Tuition Spending Authority	$0	$86,033,097	$0	$0	$0	0.0
Other Decision Items	$10,238,998	($112,207)	$0	$0	$10,126,791	0.0
Total Changes Requested for Higher Education	**$86,933,395**	**$81,445,905**	**$58,554,974**	**$170,972**	**$141,072,149**	**0.0**
Department of Human Services						
Base Budget Changes	($1,361,054)	($5,505,830)	($45,463)	$973	($6,911,374)	38.5
Total Compensation Increases for State Employees	$11,234,599	$4,904,619	($6,910,640)	$5,845,659	$15,074,237	0.0
Other Non-Prioritized Requests (Common Policy & Other)	($573,334)	$56,236	($637,613)	$123,487	($1,031,224)	(1.0)
Caseload Increases	$11,896,485	$0	$0	$0	$11,896,485	17.3
Decision Items	$34,192,268	$4,131,681	$6,618,653	$6,788,800	$51,731,402	51.8
Provider Rate Increases	$4,796,501	$1,306,649	$390,783	$1,726,995	$8,220,928	0.0
Total Changes Requsted for Human Services	**$60,185,465**	**$4,893,355**	**($584,280)**	**$14,485,914**	**$78,980,454**	**106.6**
All Other Departments						
Base Budget Changes	$13,053,271	$255,997,584	($4,951,002)	($106,126,656)	$157,973,197	4.6
Total Compensation Increases for State Employees	$23,355,621	$17,756,922	$6,193,291	$3,353,724	$50,659,558	0.0
Other Non-Prioritized Requests (Common Policy & Other)	$4,651,467	$7,389,497	$2,034,415	$1,474,159	$15,549,538	1.0
Decision Items	$18,238,885	$25,585,913	$15,083,206	($147,237)	$58,760,767	60.8
Provider Rate Increases	$919,350	$33,641	$229,764	$0	$1,182,755	0.0
Total All Other Department Changes	**$60,218,594**	**$306,763,557**	**$18,589,674**	**($101,446,010)**	**$284,125,815**	**66.4**
Total Statewide Operating Budget Request						
Base Budget Changes	$12,023,069	$246,988,960	($4,445,750)	($141,727,747)	$112,838,532	71.3
Total Compensation Increases for State Employees	$48,058,540	$23,927,819	($384,620)	$11,698,369	$83,300,108	0.0
Other Non-Prioritized Requests (Common Policy & Other)	$14,970,144	$7,589,676	$1,988,995	$8,893,502	$33,442,317	9.4
Caseload Increases	$177,825,526	$209,002,324	($79,627)	$173,842,244	$560,590,467	(0.1)
Decision Items	$177,899,589	$138,513,540	$84,112,557	$13,474,954	$414,000,640	113.6
Provider Rate Increases	$17,209,455	$2,329,884	$655,604	$18,411,849	$38,606,792	0.0
Total Statewide Changes	**$447,986,323**	**$628,352,203**	**$81,847,159**	**$84,593,171**	**$1,242,778,856**	**194.2**
Outside the Operating Request (change amount only)						
Transfers to Other Funds Decrease	($101,153,035)	$0	$0	$0	($101,153,035)	0.0
Capital Construction Increase	7,779,481	0	0	0	$7,779,481	0.0
General Fund Forecasted expenditures outside operating budgets (i.e. OAP, cigarette and marijuana rebates, interest on school loans, etc.)	(997,191)	0	0	0	($997,191)	0.0
Other and Placeholder Adjustments	(61,530,411)	0	0	0	($61,530,411)	0.0
Total Outside the Operating Request	**($155,901,156)**	**$0**	**$0**	**$0**	**($155,901,156)**	**0.0**
TOTAL FY 2018-19 Funding Request Change from the current FY 2017-18 Appropriation	**$292,085,167**	**$628,352,203**	**$81,847,159**	**$84,593,171**	**$1,086,877,700**	**194.2**



Colorado Department of Agriculture

FY 2018-19 Governor's Request

$11.1 million General Fund

Share of Statewide General Fund: 0.1%

$51.6 million Total Funds

Share of Statewide Total Funds: 0.2%

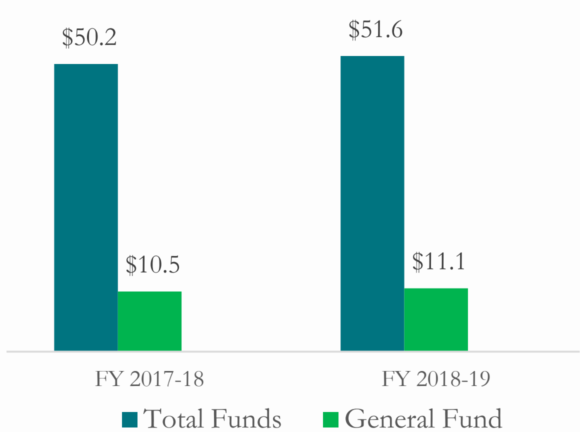
Mission Statement

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

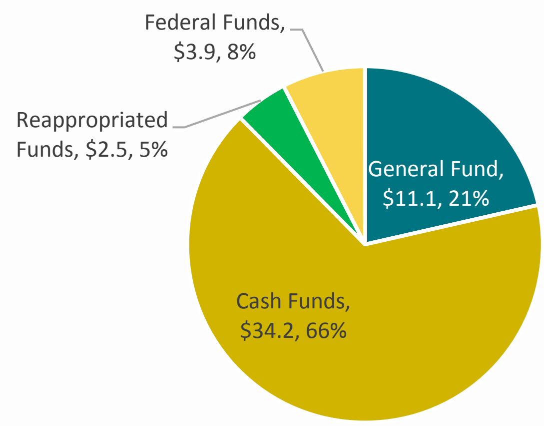
Colorado's agriculture industry contributes significantly to the state's overall economy, creates employment for more than 173,000 Coloradans, and generates an estimated $40 billion in economic activity annually. The Colorado Department of Agriculture (CDA) supports the industry and all of Colorado's 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.

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+2.7% ($1.4M) +5.4% ($0.6M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



Strategic Policy Initiatives

COLORADO Department of Agriculture

1 Enhance Coloradans' Understanding of 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 3,953 (2016) to 5,106 (2017), surpassing the 2017 goal of 4,326 followers. Similarly, the Department's outreach efforts are resulting in increased website page views and media impressions.
- The Department also tracks the percentage of consumers aware of the Colorado Proud logo, and percentage of Coloradans who report purchasing Colorado food and agricultural products. These percentages hover around the 83-86% range.

2 Improve the Customer Service Experience for 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 from 15 (2016) to 19 (2017).
- Another strategy to create efficiencies at the Department is through performing LEAN process improvement analyses. The number of LEAN analyses increased from 4 (2016) to 11 (2017) at the Department, surpassing the goal of 6 LEAN analyses.

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, which have been roughly \$7.4 billion.

- 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. In 2017, the Department once again achieved disease-free status.
- Trade development and export promotion, another key strategy, focuses on connecting Colorado food and agricultural suppliers with international buyers. The Department reports that 80% of suppliers report an increase in existing business as a result of participating in promotion(s).

COLORADO
Department of Agriculture

R-01 Federal Lands Management Resources	
	$85,528 Total Funds, $85,528 General Fund
2 Improve Customer Service	• The Department of Agriculture (CDA) requests $85,528 General Fund to add 1.0 FTE to aid in coordinating federal lands planning with federal agencies such as the Bureau of Land Management (BLM) and U.S. Forest Service (USFS). • 36% of Colorado is federal land (nearly all land in the western part of the state). • BLM and USFS have annual processes of determining uses for that federal land. Currently, the Department has only about half of one staff person dedicated to aiding ranchers in communicating with those federal agencies. Adding this 1.0 FTE will ensure that land management decisions are made based on best available evidence, and decisions most benefit Colorado ranchers.

COLORADO
Department of Agriculture

Priority: R-01
Federal Lands Management Resources
FY 2018-19 Request

Cost and FTE

- The Department of Agriculture requests an ongoing appropriation of $85,528 General Fund and 1.0 FTE to provide resources for management of federal lands throughout the State of Colorado; currently this program has one FTE partially dedicated to these issues.

Current Program

- Pursuant to Section 24-20-113, C.R.S. the Department of Agriculture (CDA) provides technical assistance, information, and expertise to improve coordination, cooperation, and collaboration with local governments, land managers and permit holders in the federal land planning processes.
- Program inputs include staff time and operating expenses. Outcomes will be measured by participation in federal lands planning, engagement with stakeholders, and the effort to eliminate future reduction in federal lands grazing permits.

Problem or Opportunity

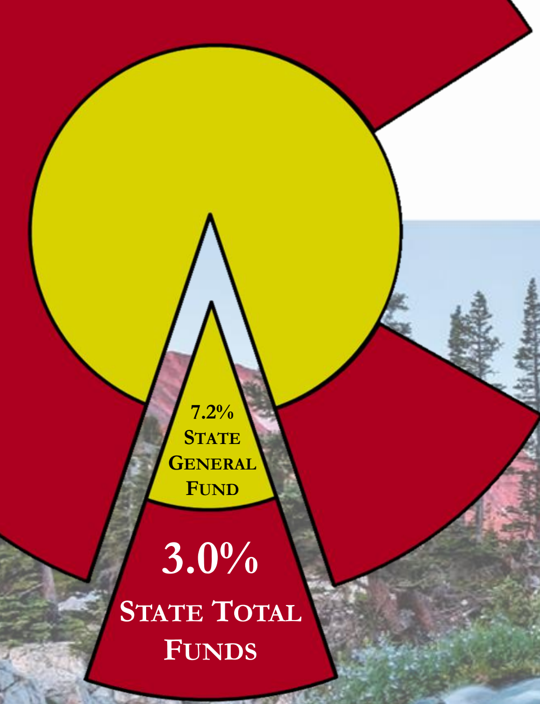
- Current engagement in federal land and regulatory issues must be prioritized because CDA does not have the capacity to engage in federal lands issues as an advocate for the livestock industry in Colorado. Current demand for assistance greatly outweighs CDA's capacity to assist stakeholders.
- The additional capacity would benefit agricultural producers and local partners by enabling CDA to provide technical assistance, information, and expertise on more land management and regulatory issues of concern to stakeholders.
- Prompt response to stakeholder requests relates to Strategic Policy Initiative 2, *Improve the Customer Service Experience for Department Stakeholders*, in the Department's Performance Plan

Consequences of Problem

- If additional resources are not secured, the lack of participation in the federal lands planning process could result in a continued loss of federal grazing permits.
- Colorado's permit loss can be quantified at $19.4 million in agricultural revenues since 2000.

Proposed Solution

- Approval of this proposal will result in CDA's ability to address federal lands issues and meet requests of stakeholders more efficiently, aiding the Department in reaching its Performance Plan goal of 88% customer satisfaction by 2019.
- This proposal supports the Governor's 2018 Goal – Environmental sustainability and balanced energy development by advocating for science-based natural resource management on federal lands.



COLORADO Department of Corrections

FY 2018-19 Governor's Request

$827.0 million General Fund

Share of Statewide General Fund: 7.2%

$922.0 million Total Funds

Share of Statewide Total Funds: 3.0%

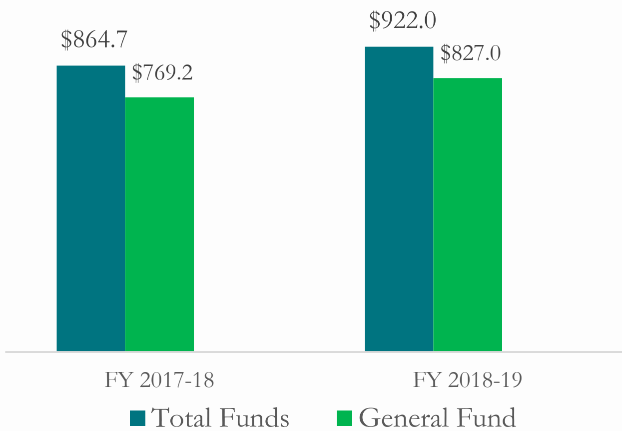
Mission Statement

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

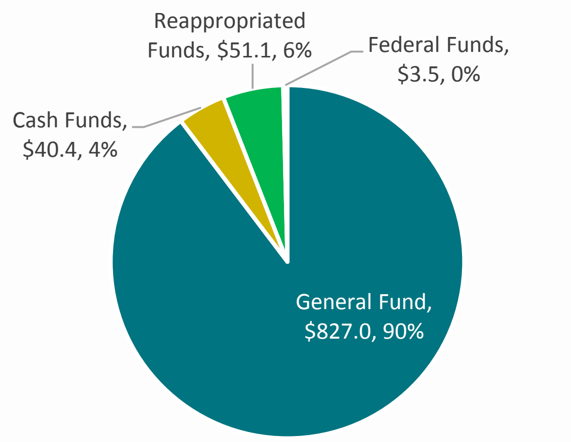
The Colorado Department of Corrections (DOC) manages, supervises and operates 19 state-owned correctional facilities and contracts with private providers for additional bed space at four correctional facilities. As of September 30, 2017, the DOC is responsible for housing and supervising a total of 19,803 offenders in both state and private facilities and for supervising 8,929 parolees. The DOC staff includes 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.

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+6.6% ($57.3M) +7.5% ($57.8M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



Strategic Policy Initiatives

COLORADO
Department of Corrections

1 Enhance Services and Programming Opportunities

Re-entry living units address needs of offenders before they are released from prison so that they have the opportunity to prosper in a community setting. The Department will enhance services and programming opportunities within the facility-based re-entry living units/pods by populating 85% of the living units/pods with high risk offenders and increasing in-reach opportunities by June 30, 2018.

- One strategy to achieve this is to increase the number of in-reach functions (critical basics such as housing, job skill sets, employment, and treatment programs) to 575 per year, and offender contacts through in-reach services to 4,5000 per year. The DOC also aims to increase business and industry partnerships for offender employment opportunities to 25 by July 1, 2018 and to 100 by July 1, 2020.
- The Department had created a specific curriculum for the re-entry program to develop offenders into responsible and law-abiding citizens. The DOC will adjust relevant programming to cater to the high risk population, which has many specific needs. The DOC's goal is to increase the total number of classes/services delivered in re-entry living units to 1,500 per year, and the number of facilitated family contact events to 200 per year.

2 Decrease the Recidivism Rate

Recidivism is defined as returning to prison or inmate status for new crimes or technical violations within three years of release. The DOC aims to reduce the rate of recidivism from 50% to 45% by June 30, 2018, thereby reducing the number of offenders who engage in future criminal activity and subsequently supporting the DOC's vision of building a safer Colorado.

- One strategy that the DOC is employing is security threat group disengagement. This strategy focuses on offenders making better choices and strengthening family ties. Parents on a Mission (POM) is a key component to this system, and is used as parent leadership development with the goal of developing influential parents who will guide their own children away from gangs and other destructive ways of life. The DOC's goal is for 20% of offenders to complete POM by July 1, 2018.
- The DOC will increase parole employment opportunities for parolees released from prison through the Re-Entry Employment Navigator strategies, which promote workforce development, employer engagement, and capacity-building that focuses on hiring individuals with criminal records. Success will be measured by the parolees who are employed per month, with a goal of 81% for FY18.
- Identification is a key part of acquiring necessary resources in society. The DOC is committed to getting IDs for offenders before being released from prison. This will be measured by the percent of offenders releasing with IDs, with a goal of 87% for FY18 and 90% by FY20.

3 Reduce Technical Parole Violation Revocations

The DOC aims to reduce technical parole violation (TPV) revocations from 2.1% to 1.8% by June 30, 2018. If a parolee commits an infraction, the DOC provides the parolee an opportunity to address his/her criminogenic needs without going back to prison. The DOC also uses parolee positive reinforcement.

- In FY 2016-17, the Department revised its tracking of TPV revocations. In the past, TPV revocations were only based on the parole population who exited parole. Now they are calculated based on the entire parole population.
- Intermediate interventions are actions taken to address non-compliant behavior without a formal revocation hearing, and the DOC will appropriately match intermediate interventions to the level of the violation and the risk of the offender. One measure of success will be the percent of parolees who received an intermediate intervention, with a goal of 20% for FY18, increasing to 22% by FY20.
- Success will also be measured by the monthly average of positive incentives per parolee, with a goal of 4.5 for FY18, increasing to 6 by FY20, and percent of all parolees who receive at least one positive incentive per month, with a goal of 60% for FY18 and 70% for FY20.

4 Decrease the Percent of Parolees Who Have a Homeless Designation

The DOC will decrease the percent of parolees who, within the first year following release from prison, have a homeless housing designation from 3.54% to 3.25% by June 30, 2018. The DOC also aims to reduce the average number of days on homeless designation within the first year of release from 105 in FY 2017-18 to 95 in FY 2019-20.

- In last year's plan, the DOC tracked the percentage of parolees in stable housing. This year, the Department edited this initiative to track the percentage of parolees with a homeless designation, as decreasing homelessness is the focal point of this initiative.
- The Denver metro area has the largest number of parolees designated as homeless. Because of this, the DOC has assigned community parole officers (CPO) specifically to this population. While still in prison, parolees will be contacted by these CPOs to start the housing process.
- The DOC will continue to work closely with the Department of Local Affairs/Division of Housing to provide supportive housing to offenders who have a mental or behavioral health disorder and are releasing from prison. The DOC will also engage with and support community-based and other organizations in their efforts to expand housing for the parole population.

FY 2018-19 Change Requests

COLORADO
Department of Corrections

R-01 Staff Retention

$3.34 million Total Funds, $3.29 million General Fund

- The Department of Corrections (DOC) requests an increase of $3,336,294 total funds ($3,292,961 General Fund) in FY 2018-19 to provide salary progression for six key job classes that are experiencing high turnover.
- The Correctional Officer I, Correctional Officer II, CSTS I, Nurse I, Nurse III, and Mid-Level Provider (MLP) classifications comprised 59.4% of DOC's work force in FY 2016-17; however, these same classifications contributed to 69.6% of the Department's total turnover.
- The lack of salary progression combined with a competitive job market and high cost of living are directly influencing the Department's ability to retain quality staff.
- The Department proposes targeted 5% salary increases for the six classifications in FY 2018-19. The increases will be directed at those staff with 2 to 7 years of service with DOC in July 2018.

R-02 Prison Capacity

$19.36 million Total Funds, $19.36 million General Fund

1
Enhance Services and Programming Opportunities

- The Department of Corrections (DOC) is requesting a placeholder for a General Fund (GF) increase of $19,364,000 in FY 2018-19 in order to address recent prison population trends.
- The population projection from the July 2017 Colorado Division of Criminal Justice interim forecast indicates the prison population is increasing through 2023, with significant increases occurring after FY 2017-18.
- The Department's current operational capacity includes temporary/emergency beds that were brought online during the latter part of FY 2016-17, as well as beds approved in a September 2017 1331 emergency supplemental funding request.
- An updated version of this request will be provided by the January 15, 2017 due date for caseload budget amendments.

R-03 Hepatitis C Treatment

$16.5 million Total Funds, $16.5 million General Fund

1
Enhance Services and Programming Opportunities

- The Department requests an additional $16,514,144 in General Fund to treat offenders currently diagnosed with chronic Hepatitis C based on their Aspartate aminotransferase (AST) to Platelet Ration Index (APRI) score.
- With an estimated cost per offender of $26,166, the increased funding will potentially treat a total of 784 offenders in FY 2018-19.
- The Department of Corrections (DOC) started Hepatitis C treatment in FY 2014-15 to treat a limited number of offenders with the Hepatitis C treatment drug Sovaldi.® The treatment program has achieved great success with the majority of those treated testing negative for Hepatitis C Virus (HCV) after receiving the 12-week treatment.
- Currently, there are 2,242 offenders identified as diagnosed with HCV infection. To date, 77 offenders have been treated, with 76 showing treatment success using Sovaldi® medications.

FY 2018-19 Change Requests

COLORADO
Department of Corrections

R-04 Medical Caseload

$1.65 million Total Funds, $1.65 million General Fund

1
Enhance Services and Programming Opportunities

- The Department requests a net General Fund increase of $1,647,588 in FY 2018-19 in the Medical Services Subprogram appropriations, representing a 2 percent increase from the FY 2017-18 funding level.
- The Department is statutorily mandated to provide medical care for offenders. For FY 2018-19, the Department projects an eligible population of 18,327 offenders for purchased medical services and 14,389 for pharmaceuticals.
- 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.

R-05 Food Service for La Vista Population

$0.17 million Total Funds, $0.17 million General Fund

- The Department of Corrections (DOC) is requesting a $172,514 General Fund increase in FY 2018-19 in the Food Service subprogram.
- The request increases the Food Service Pueblo Campus appropriation by $172,514 to offset the increase of the female population at the LaVista Correctional Facility. The Department has added 112 temporary beds at this facility due to the increase in the female population.
- 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 Food Service Pueblo Campus line in the Food Service subprogram and the Maintenance and Food Service line in the YOS subprogram.

R-09 Community Supervision Caseload

($2.1) million Total Funds, ($2.1) million General Fund

- The Department of Corrections is requesting a decrease of $2,061,362 General Fund (GF) and 17.4 FTE in FY 2018-19 in the Community Supervision program. This represents a 19.5 percent decrease from current FY 2017-18 funded levels.
- The Community Supervision program is dependent upon the population of offenders, and caseload is adjusted based upon projected offender population.
- The Department requests the appropriate funding based upon the population projections of offenders in the program.
- The change of funding for services, programs, and staffing will reflect the appropriate need based upon staffing of officers to the change of offenders projected for the successful reentry of offenders into society.

COLORADO
Department of Corrections

Priority: R-01
Staff Retention
FY 2018-19 Change Request

Cost and FTE

- The Department of Corrections (DOC) requests a funding increase of $3,336,294 in FY 2018-19 in order to provide salary progression for six key job classes that are experiencing high turnover. The requested increase is comprised of $3,292,961 General Fund, $4,365 Cash Funds spending authority, and $38,968 Reappropriated Funds spending authority.

Current Program

- DOC protects the citizens of Colorado by holding offenders accountable and engaging them in opportunities to make positive behavioral changes and become law-abiding, productive citizens.
- Correctional Officers (CO) are among the front line staff that interact with offenders and parolees on a daily basis and have the highest opportunity to assist these populations to successfully reintegrate into society. The Correctional Support Trades Supervisor (CSTS) class provides critical support for day-to-day prison operations. The Nurses and Mid-Level Provider classifications provide direct offender medical care in DOC facilities.

Problem or Opportunity

- The CO I, CO II, CSTS I, Nurse I, Nurse III, and Mid-Level Provider classifications comprised 59.4% of DOC's work force in FY 2016-17; however, these same classifications contributed to 69.6% of the Department's total turnover.
- The vast majority of DOC's workforce is in the first quartile of the compensation plan. With the elimination of step increases, there is little or no movement through the pay ranges.
- The State of Colorado Annual Compensation Report for FY 2018-19 found that median base salaries of state employees are approximately 6.3% below market median.
- Without sufficient pay, DOC staff are not always able to secure affordable housing within commuting distance of the job location.

Consequences of Problem

- The lack of salary progression combined with a competitive job market and high cost of living are directly influencing the Department's ability to retain staff.
- Those individuals that have a long commute to a job location, driven by the need to live in affordable housing, often find the commute is not feasible for an extended period and leave the Department at a higher rate.

Proposed Solution

- The Department proposes targeted 5% salary increases for the six classifications in FY 2018-19. The increases will be directed at those staff with 2 to 7 years of service with DOC in July 2018.

COLORADO
Department of Corrections

Priority: R-02
Prison Capacity
FY 2018-19 Change Request

Cost and FTE

- The Department of Corrections (DOC) is requesting a placeholder for a General Fund (GF) increase of $19,364,000 in FY 2018-19 in order to address recent prison population trends. Since it is likely that any solution to the rising prison population trends will involve some mix of external capacity (private prisons and jails) and internal capacity (state-owned facilities), this sum will be broken out between the Superintendents subprogram and the External Capacity subprogram. This request represents a 19.0 percent increase in FY 2018-19 from the current FY 2017-18 funding level.

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.
- The Department's budget supports an operational capacity of 14,742 state prison beds, 3,362 private prison beds, and 758 jail beds.

Problem or Opportunity

- The population projection from the July 2017 Colorado Division of Criminal Justice interim forecast indicates the prison population is increasing through 2023, with significant increases occurring after FY 2017-18.
- The Department's current operational capacity includes temporary/emergency beds that were brought online during the latter part of FY 2016-17, as well as beds approved in a September 2017 1331 emergency supplemental funding request. The Department has not yet requested continuation funding for the 250 beds that were approved in that request.
- The Department has been approved for a controlled maintenance project at Buena Vista Correctional Facility that will require 18 beds being taken offline through February 2019, resulting in private beds needed beyond those calculated from the most recent forecast.

Consequences of Problem

- The Department has less external capacity beds than needed for housing male and female offenders based on the most recent population forecast for FY 2018-19.
- Housing offenders in overcrowded units or at inappropriate custody levels decreases safety levels for both offenders and staff.

Proposed Solution

- If approved, DOC will have increased funding to house the projected offender population in FY 2018-19s.

COLORADO
Department of Corrections

Priority: R-03
Hepatitis C Treatment
FY 2018-19 Change Request

Cost and FTE

- The Department of Corrections (DOC) requests an increase in General Fund in the amount of $16,514,144 for expanded treatment of offenders diagnosed with the Hepatitis C Virus (HCV).

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 75 of 76 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 approximately 152 offenders per year.
- The American Civil Liberties Union (ACLU) has named the Colorado Department of Corrections in a class-action lawsuit stating the number of offenders receiving treatment for HCV annually is insufficient and labels the methodology for determining who receives treatment as "cruel and arbitrary".

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

- Increasing the number of offenders treated will reduce the percentage of the offender population with the potential to spread an infectious disease.

Cost and FTE

- The Department requests a net General Fund increase of $1,647,588 in FY 2018-19 in the Medical Services Subprogram appropriations, representing an approximate 4.0 percent increase from the FY 2017-18 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 2018-19, the Department projects an eligible population of 18,327 offenders for purchased medical services and 14,634 for pharmaceuticals.

Problem or Opportunity

- Compared to the current funded levels, the proposed methodology would result in an increase in POPM of $2.15 in the Purchase of Medical Services rate for FY 2018-19.
- Due to a rise in prescription drug inflation and additional funding for Hepatitis C treatment, the Purchase of Pharmaceuticals rate is projected to increase from $105.74 POPM to $107.09 POPM.

Consequences of Problem

- If the requested funding changes are not implemented, the Department will be underfunded in both the Purchase of Medical Services and 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.

COLORADO
Department of Corrections

Priority: R-05
Food Service for La Vista Population
FY 2018-19 Change Request

Cost and FTE

- The Department of Corrections (DOC) is requesting a $172,514 General Fund increase in FY 2018-19 in the Food Service subprogram.
- The request increases the Food Service Pueblo Campus appropriation by $172,514 to offset the increase of the female population at the LaVista Correctional Facility. The Department has added 112 temporary beds at this facility due to the increase in the female population.

Current Program

- The Food Service subprogram provides quality, nutritious meals to over 14,252 offenders, 3 meals per day, and 365 days per year. This equates to approximately 15.6 million 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 Food Service Pueblo Campus line in the Food Service subprogram and the Maintenance and Food Service line in the YOS subprogram.

Problem or Opportunity

- The request will increase the funding to CMHIP for meals provided at the Pueblo facilities to keep pace with the increased offender population at LVCF.

Consequences of Problem

- The absence of additional funding to feed the increased population at LVCF will force the Department take funding away from other food service priorities such as equipment replacement.

Proposed Solution

- DOC is requesting an increase of $172,514 to offset the increase in food service costs due to the increase of the female population at LVCF on the CMHIP campus..

Cost and FTE

- The Department of Corrections (DOC) requests a $90,723 General Fund increase in FY 2018-19 in the Payments to Office of Information Technology (OIT) operating common policy appropriation. This increase represents less than 0.01 percent of FY 2017-18 funded levels.

Current Program

- DOC was appropriated $19,620,169 for Payments to OIT in FY 2017-18 for current operating expenses related to information technology systems.
- Current operating costs for the DOC Offender Records Management (DeCORuM) offender management system are included in the Capital Construction ~ Information Technology funding.
- FY 2018-19 represents the first year that operating costs for DeCORuM are transitioning from IT capital construction funding to an operating appropriation. Ongoing system support, including licensing and maintenance expenses, will transition in future years as this multi-phase system is fielded.

Problem or Opportunity

- Funding for the DeCORuM offender management system's operating expenses are not currently included in the Payments to OIT common policy funding line.
- OIT does not have the reappropriated funds (RF) spending authority to include any operating expenses for the DeCORuM system.

Consequences of Problem

- The Department will experience a shortfall in funds for the maintenance expenses for the DeCORuM system as OIT does not have the RF spending authority to absorb this new expense.

Proposed Solution

- This request provides OIT with the RF spending authority in order to increase DOC's Payments to OIT appropriation to include the annual maintenance costs for the V-Block infrastructure system.

Cost and FTE

- The Department of Corrections (DOC) is requesting to transfer FTE authority of (2.0) FTE and personal services costs of ($92,913) General Fund, from the Parole subprogram to the Colorado Judicial Department, Division of Probation Services.

Current Program

- Currently there are two Deputy Compact Administrators (DCA) who are Division of Probation Services employees, one of which is assigned to the DOC Parole Division. The DOC has 2.0 FTE Administrative Assistants III who work with the Interstate Compact Office and are overseen by the DCA.

Problem or Opportunity

- There are challenges for the DOC staff to provide quality assurance of incoming and outgoing information within the transfer request process. The DOC staff do not have access to the Probation databases necessary to verify information.
- The Probation Services internal rules and procedures are different than those of the Department of Corrections.
- The DCA has indirect oversight of the DOC staff who lack probation experience, knowledge, and training with Probation Services.

Consequences of Problem

- The Division of Probation Services has expressed an interest in managing these positions, which will lead to an increase in the level of service, quality assurance, and training.
- If the request is not funded, the workload and positions will continue to be assigned to the DOC Parole Division without the on-site expertise and oversight of the Division of Probation Services.

Proposed Solution

- The Department is requesting to transfer (2.0) FTE and ($92,913) General Fund, to the Colorado Judicial Department, Division of Probation Services, effective June 1, 2018.

COLORADO
Department of Corrections

Priority: R-08
Parole Caseload
FY 2018-19 Change Request

Cost and FTE

- The Department of Corrections is requesting no changes to the funding in FY 2018-19 in the Parole program. The request for no change is based upon the Division of Criminal Justice (DCJ) Summer 2017 parole population projections for FY 2018-19.

Current Program

- For FY 2017-18 the Parole program is budgeted $32,743,494 and 293.2 FTE to supervise 8,280 parolees.
- The purpose of the program is to provide for public safety through the structured supervision and accountability of parolees released to the community.
- The program has five contract lines. The request is asking to consolidate two of them into the Contract Services line which will provide increased efficiencies and reflect actual operating expenses that meet the needs of parolees. The multiple lines were created over 20 years ago and the programs and administration of each line has changed.
- The services for drug screen, antabuse monitoring, medication management and in-home electronic monitoring are currently being paid under those contract lines, but historically there are additional funds required for those services and they are being paid under the Contract Services appropriation.

Problem or Opportunity

- The Parole program is dependent upon the population of parolees, and caseload is adjusted based upon projected parolee population.
- The Department requests the appropriate funding based upon the population projections of offenders in the program.
- Consolidating the contract lines will provide increased efficiencies and reflect actual operations that meet the parolees' needs.

Consequences of Problem

- Public safety risks remain if this population is not adequately supervised and addressed.

Proposed Solution

- The current level of funding provides for services, programs, and staffing and reflects the appropriate need based upon staffing of officers to the parolees projected for the successful reentry of offenders into society.
- The consolidation of contract lines results in $0 change in funding.
- This request is ongoing and does not require a statutory change.

COLORADO
Department of Corrections

Priority: R-09
Community Supervision Caseload
FY 2018-19 Change Request

Cost and FTE

- The Department of Corrections is requesting a decrease of $2,061,362 General Fund (GF) and 17.4 FTE in FY 2018-19 in the Community Supervision program. This represents a 19.5 percent decrease from current FY 2017-18 funded levels.

Current Program

- For FY 2017-18 the Community Supervision program was budgeted $10,613,556 and 83.8 FTE to supervise approximately 2,300 offenders.
- The program has five contract lines. The request is asking to consolidate four of them into the Contract Services line which will provide increased efficiencies and reflect actual operating expenses that meet the offenders' needs. The multiple lines were created over 20 years ago and programs and administration of each contract has changed.
- The services for mental health treatment, global positioning satellite devices, electronic paging devices, and services to return fugitives to custody are currently being paid under those lines but historically there are additional funds required for those services and they are being paid under the Contract Service appropriation.

Problem or Opportunity

- The Community Supervision program is dependent upon the population of offenders, and caseload is adjusted based upon projected offender population.
- The Department requests the appropriate funding based upon the population projections of offenders in the program.
- Consolidating the contract lines will provide increased efficiencies and reflect actual operations that meet the offenders' needs.

Consequences of Problem

- The Department will have more resources than necessary to supervise offenders released to the community.

Proposed Solution

- The change of funding for services, programs, and staffing will reflect the appropriate need based upon staffing of officers to the change of offenders projected for the successful reentry of offenders into society.
- The consolidation request results in $0 change in funding.

COLORADO
Department of Corrections

Priority: R-10
Provider Rate Increase
FY 2018-19 Change Request

Cost and FTE

- The Department of Corrections (DOC) is requesting $1,130,641: $1,095,584 General Fund (GF) and $35,057 Reappropriated Funds (RF) in FY 2018-19 to support a 1 percent provider rate increase. This ongoing request will support external providers that house offenders, provide clinical treatment, and conduct parole community service programs.

Current Program

- The Department receives funding in the Payments to House State Prisoners Subprogram to pay for the costs of housing offenders externally. The types of beds provided in this program include those found at county jails, private prison facilities, and community corrections facilities.
- Contract services in the Clinical subprograms (Medical, Mental Health, and Drug and Alcohol) provide various types of staff who deliver treatment to offenders, including physician and nursing care, mental health assessments and treatment, and substance abuse treatment.
- Parole and Community Supervision currently have contracts with service providers that provide various services including, but not limited to, mental health treatment and drug and alcohol services.

Problem or Opportunity

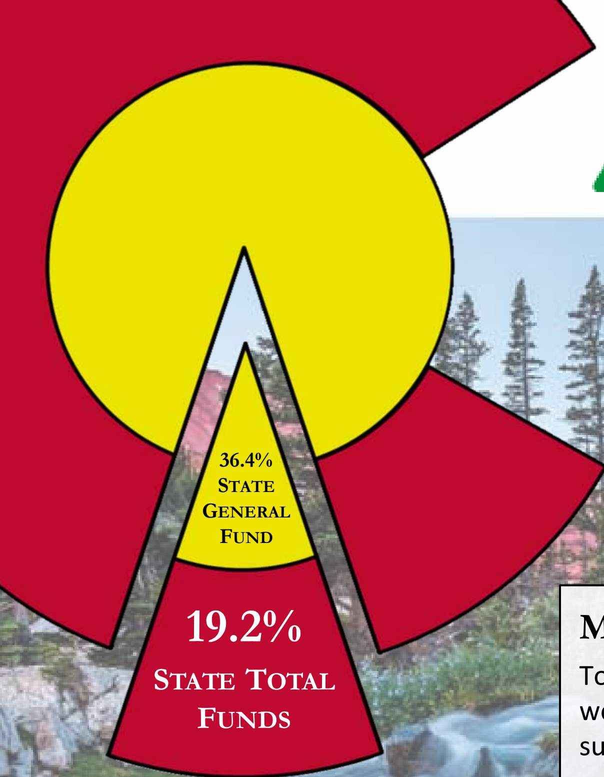
- A 1 percent provider rate increase is requested for FY 2018-19 in order to keep pace with inflationary increases.
- Recent increases of 2 percent in FY 2013-14 for external capacity providers, 2.5 percent in FY 2014-15, 1.7 percent in FY 2015-16, and 1.4 percent in FY 2017-18 for external capacity, clinical treatment, and parole community service providers are the first sustained increases for external providers since FY 2007-08.

Consequences of Problem

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

Proposed Solution

- Increase various appropriations that support external providers by $1,130,641 to support a 1 percent increase in per diem rates for external capacity facilities as well as contracts that support clinical providers and parole community service programs.



COLORADO Department of Education

FY 2018-19 Governor's Request

$4.19 billion General Fund

Share of Statewide General Fund: 36.4%

$5.86 billion Total Funds

Share of Statewide Total Funds: 19.2%

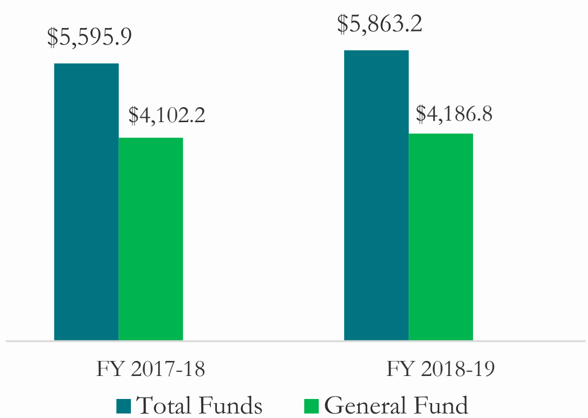
Mission Statement

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

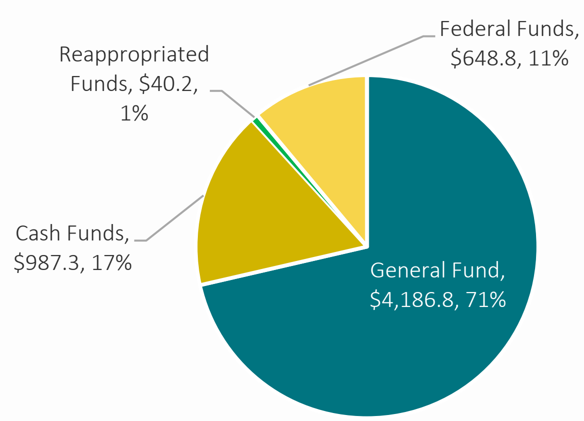
The Colorado Department of Education (CDE) is the administrative arm of the Colorado State Board of Education. CDE provides leadership, resources, support, and monitoring for the state's 178 school districts, 1,824 schools, and over 62,039 educators to meet the needs of the state's 889,006 public school 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.

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+4.8% ($267.3 M) +2.1% ($84.6 M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



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 Preschool Program meeting age expectations in literacy and math by 2 percent in 2018 and by 4 percent in 2020.

- To help accomplish this, the Department is encouraging professional development and parent engagement. Literacy and Math levels were at 79.9% and 65.4% respectively in 2016.

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.
- The goal is 80% of all students achieve this standard in 2016 with a goal of nearly 85% by 2018.

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 2016, 40.1% of all students were at the benchmark for English language Arts, 32.7% of all students were at the benchmark for Math, 30.3% of all students were at the benchmark for Science.

4 Every Student Graduates Ready for College and Careers

Ensure every student graduates college and career ready by increasing the graduation rate to 87.3% in 2018, with the goal of 90.3% by 2020.

- In the 2015-16 school year, the graduation rate for all students was 84.3%, an improvement over the previous year's 82.5%.
- The Department is focusing on increasing early warning intervention tools as a way to increase the graduation rate, among other policies.

FY 2018-19 Change Requests

COLORADO
Department of Education

R-01 Total Program Forecast

$243.4 million Total Funds, $76.9 million General Fund

All Strategic Initiatives

- The Department requests $243.0 million total funds ($76.9 million General Fund) in FY 2018-19 for the state share portion of the Public School Finance Act and $0.4 million cash funds for the Hold Harmless Full-Day Kindergarten Program. The request is a 5.75% increase to state share payments from current FY 2017-18 appropriations.
- The request will fund a forecasted increase of 5,759 pupils (.67% increase) and an inflation rate of 3.0%. The request also reduces the Budget Stabilization Factor (formerly called the Negative Factor) by $70.0 million and maintains a $106 million fund balance in the State Education Fund. The average per pupil funding amount will increase by $343.38 (4.5%) to a total of $8,005.56 in FY 2018-19.

R-02 Categorical Program Inflation Funding

$8.9 million State Education Fund

All Strategic Initiatives

- The Department requests a 3.0% inflationary increase of $8.9 million from the State Education Fund in FY 2018-19 for categorical programs. Specifically, the Department requests the following : (1) $3.9 million for special education for children with disabilities, (2) $2.0 million for expelled and at-risk student services; (3) $1.1 million for English language proficiency programs; (3) $1.2 million for public school transportation; (4) $1.1 million for English language proficiency programs; (5) $434,726 for career and technical education; (6) $146,916 for special education for gifted and talented students; and (7) $126,000 for comprehensive health education.

R-03 Staffing Information Management System

$462,865 Total Funds, $462,865 General Fund

All Strategic Initiatives

- The Department requests $462,865 General Fund and 3.0 FTE to provide additional staff and operating support to the Department's existing information management systems. This budget request includes the operating funding associated with the capital IT request that was submitted to the Joint Technology Committee (JTC) on October 2, 2017 for $2.3 million General Fund. The total cost (capital and operating) for this request is $2.8 million General Fund.

R-04 State Board Meeting Transcription

$140,408 Total Funds, $140,408 General Fund

All Strategic Initiatives

- The Department requests $140,408 General Fund in FY 2018-19 to transcribe Colorado State Board of Education meetings to comply with recommendations from the U.S. Department of Education Office of Civil Rights regarding improving the accessibility of the Department's website for individuals with disabilities.

FY 2018-19 Change Requests

COLORADO Department of Education

R-05 CSDB Teacher Salary Increases

$87,666 Total Funds, $87,666 General Fund

- The Colorado School for the Deaf and the Blind (CSDB) requests an increase of $87,666 General Fund in FY 2018-19 for salary experience step increases and a one percent (1%) one-time, non-recurring across the board compensation for the teachers employed at the school. The request complies with statutory requirements that CSDB teachers are compensated based on the salary schedule for El Paso District 11.

R-06 Charter School Institute Mill Levy Equalization

$11.0 million Total Funds, $5.5 million General Fund

All Strategic Initiatives

- The Charter School Institute (CSI) Board requests a $5.5 million General Fund appropriation into the Mill Levy Equalization Fund for distribution to Colorado Charter School Institute schools in FY 2018-19. The total fund request is $11.0 million ($5.5 million General Fund and $5.5 million reappropriated funds from the Mill Levy Equalization Fund).
- HB 17-1375 provides, subject to appropriation, a mechanism to equalize funding for Institute Charter Schools that do not receive local mill override revenues from the local school districts where their schools are located. Specifically, this request provide funding to the 30 CSI sponsored charter schools that are located in school districts already sharing mill override revenues with district sponsored charter schools.

R-07 Career Development Success Pilot Program

$1.0 million Total Funds, $1.0 million General Fund

4

Every Student Graduates Ready for College and Career

- The Governor's Office requests $1.0 million General Fund to increase the funding available for the Career Development Success Pilot Program administered by the Department of Education.
- HB 16-1289 established the Career Development Success Pilot Program. This program provides financial incentives for participating school districts and charter schools that encourage high school students (grades 9-12) to complete a qualified workforce program. These programs include qualified industry credential programs, internships, residencies, construction pre-apprenticeship or apprenticeship programs, or qualified Advanced Placement courses.
- Data on the first year of the pilot shows initial success and interest in the program. Approximately 1,800 credentials were funded, but 1,300 were not due to lack of adequate funding. This request will allow the Department to provide additional incentive payments to offset the costs school districts experience from offering these qualified workforce programs.

COLORADO
Department of Education

Priority: R-01
Total Program Forecast
FY 2018-19 Change Request

Cost and FTE

- The Department requests an increase of $243.0 million total funds in FY 2018-19 for the ***state share*** portion of the Public School Finance Act and $0.4 million for the Hold Harmless Full-Day Kindergarten Program. The request is a 5.8 percent increase to state share payments from current FY 2017-18 appropriations.

Current Program

- Currently, Colorado's 178 school districts are funded for 865,935 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 $273.4 million. This increase includes a $100.5 million increase in local share and a $243.0 million increase in state share.

Problem or Opportunity

- In FY 2018-19, the Department projects that total student enrollment will increase by 5,759 pupils (0.7 percent). The Department also projects at-risk students will increase by 1,626 pupils (0.5 percent). The FY 2018-19 inflationary factor is 3.0 percent based on the Office of State Planning and Budgeting (OSPB's) September 2017 Forecast.
- 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 calculated at $173.0 million. However, the Governor's Office proposes changing the budget stabilization factor from $828.3 million to $758.3 million, thereby increasing funding for K-12 education by an additional $70 million. With the reduction to the budget stabilization factor included, the total increase to the state share for Total Program is $243.0 million.
- The request maintains a $106 million projected FY 2018-19 ending fund balance in the State Education Fund.

Consequences of Problem

- The $243 million state share increase for public schools is financed as follows: (1) an increase of $76.9 million from the General Fund, (2) an increase of $15.3 million from the State Public School Fund, and (3) an increase of $150.8 million from the State Education Fund.

Proposed Solution

- The request increases base funding for public schools by $196.39 per pupil based on the Office of State Planning and Budgeting September 2017 inflation forecast of 3.0 percent. However, after all other adjustments from the Public School Finance Act and the Governor's proposal to reduce the budget stabilization factor by $70 million are included, per pupil funding will actually increase by $343.38 (4.48%). The additional funding proposed by the Governor will allow local districts and charter schools to decide how to best improve the education opportunities of their students.

COLORADO
Department of Education

Priority: R-02
Categorical Programs Inflation Funding
FY 2018-19 Change Request

Cost and FTE

- The Department requests an inflationary increase of $8.9 million from the State Education Fund in FY 2018-19 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 2017-18 is $464.9 million. Of this amount, $141.8 million is General Fund, $156.3 million is cash funds ($155.8 million from the State Education Fund and $450,000 from Public School Transportation Fund), $191,090 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 2017 Economic Forecast indicates a 3.0% inflationary rate for FY 2018-19.

Consequences of Problem

- A 3.0 percent inflationary rate results in an $8.9 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 $8.9 million funding increase in FY 2018-19 be allocated to the categorical programs with the greatest needs and programs that have not received increases in recent years. Specifically the Department requests $3.9 million for special education for children with disabilities, $2.0 million for expelled and at-risk student services, $1.1 million for English language proficiency programs, $1.2 million for public school transportation, $434,726 for career and technical education, $146,916 for special education for gifted and talented students, and $126,000 for comprehensive health education.

Cost and FTE

- The Department requests $462,865 General Fund and 3.0 FTE to provide additional staff and operating support to the Department's existing information management systems. This budget request includes the operating funding associated with the capital IT request that was submitted to the Joint Technology Committee (JTC) on October 2, 2017 for $2.3 million General Fund. The total cost (capital and operating) for this request is $2.8 million General Fund.

Current Program

- The Information Management Systems Unit (IMS) at the Department provides support to 400 state employees and 178 school districts across the state.
- Student data submissions for assessments, annual October 1 student count, and all other reporting are supported by IMS systems and staff. The unit also provides all networking, security, and IT support to Department staff.

Problem or Opportunity

- Significant upgrades to Department legacy systems, hardware and software are needed. The majority of the Department's applications and systems are over 6 years old with some legacy systems being as much as 15 years old.
- As threats to privacy and system security become more sophisticated, so too must the Department's systems and response to those threats.
- District data reporting and other system upgrades are needed to provide districts, parents, and other stakeholders with user-friendly reporting and tools.

Consequences of Problem

- With the age of CDE systems being between 6 to 15 years old, there is a significant need to upgrade and maintain them. The level of service to Department employees and school districts around the state will suffer without the upgrades and enhancements requested.

Proposed Solution

- The Department submitted an October 2, 2017 request to the JTC requesting $2.3 million General Fund to upgrade the Department's information infrastructure. This request for $462,865 and 3.0 FTE provides the operating funding and FTE positions to successfully implement the capital request. The FTE are on-going operating costs and therefore are requested separate from the one-time costs that were included in the capital request.

COLORADO
Department of Education

Priority: R-04
State Board Meeting Transcription
FY 2018-19 Change Request

Cost and FTE

- The Department requests $140,408 General Fund in FY 2018-19 and $25,580 in ongoing costs to transcribe Colorado State Board of Education meetings. There is no FTE associated with this request.

Current Program

- The State Board of Education is scheduled to meet at least once a month to review and vote on various aspects of Department of Education business.
- During the meetings, audio is broadcast live on the internet, and audio recordings of the meetings are posted to the Colorado Department of Education's website.
- Currently, audio recordings for meetings from FY 2013-14 to present are posted on the Department's website.

Problem or Opportunity

- During the summer of 2016, the U.S. Department of Education's Office of Civil Rights (OCR) reviewed CDE's website for compliance with accessibility requirements for individuals with disabilities.
- As a result of the review, the OCR found State Board meetings must be transcribed to provide access to the meetings for individuals who are deaf or hard of hearing.
- The Department has entered into an agreement with the OCR to transcribe the board meetings currently posted to its website, and all meetings going forward.

Consequences of Problem

- The Department must correct the issue to improve accessibility of its website to individuals with disabilities.
- Failure to comply with OCR agreements can result in enforcement actions such as withholding federal financial support for grant programs and other sanctions.

Proposed Solution

- The Department will secure services to transcribe State Board of Education meetings posted to the website, and all meetings prospectively.
- Based on research, the estimated cost is $140,408 one-time to transcribe meeting from FY 2012-13 through FY 2018-19. Ongoing costs are anticipated to be $25,580 for FY 2019-20 and beyond.

Cost and FTE

- The Colorado School for the Deaf and the Blind (CSDB) requests an increase of $87,666 General Fund in FY 2018-19 for salary experience step increases and a one percent (1%) one-time, non-recurring across the board compensation 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. Rather, CSDB teachers 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 and a 1% one-time, non-recurring across the board compensation for teachers for school calendar year 2017-18.

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.

Proposed Solution

- CSDB proposes funding the experience step increase and the 1% one-time, non-recurring across the board compensation as adopted by the El Paso District 11 pay schedule.

Cost and FTE

- The Department requests a $5.5 million General Fund appropriation to the Mill Levy Equalization Fund for distribution to Colorado Charter School Institute schools in FY 2018-19. The total fund request is $11.0 million ($5.5 million General Fund and $5.5 million reappropriated funds).

Current Program

- The Colorado Charter School Institute (CSI) authorizes charter schools not authorized by a local school district. Currently, CSI authorizes 41 public charter schools that serve over 17,000 PK-12 students, or just over 14% of Colorado's charter school population.

Problem or Opportunity

- Beginning in the 2019-20 school year, HB 17-1375 requires school districts to distribute funding received from mill levy overrides property tax elections on an equal per pupil basis to charter schools sponsored by the school district.
- To address the funding inequities that occur because CSI authorized charter schools have no legal access to local mill levy override revenues, HB 17-1375 created the Mill Levy Equalization Fund with the purpose of providing equal access to funding for CSI students. Subject to annual appropriation, moneys in this fund are distributed to CSI charter schools to provide access to funding for CSI students attending schools located in school districts that have passed override elections. Currently, no funding has been appropriated to the Mill Levy Equalization Fund.

Consequences of Problem

- Without equitable funding or legal mechanism to raise local funding, CSI schools continue working towards the same state academic standards as all other public schools in Colorado but do so with fewer resources.

Proposed Solution

- The Department proposes an appropriation of $5.5 million from the General Fund to the Mill Levy Equalization Fund for distribution to Colorado Charter School Institute schools on a per pupil basis, in an amount equal to the per pupil amounts of Mill Levy Override Funding currently distributed to district charter students within each CSI school's respective district.
- The Department's FY 2018-19 funding request will lead to an average investment of $430 more dollars per student at 30 CSI schools. Subject to appropriation, additional funding may be requested in FY 2019-20 to maintain funding parity with district authorized charter schools.

Cost and FTE

- The Governor's Office requests $1.0 million General Fund to increase the funding available for the Career Development Success Pilot Program.

Current Program

- HB 16-1289 established the Career Development Success Pilot Program. This program provides financial incentives for participating school districts and charter schools that encourage high school students (grades 9-12) to complete a qualified workforce program. These programs include qualified industry credential programs, internships, residencies, construction pre-apprenticeship or apprenticeship programs, or qualified Advanced Placement courses.
- Current funding for the pilot program is $1.0 million. Payments are distributed based on a priority order: certificates, internships, pre-apprenticeship programs, and advanced placement courses.

Problem or Opportunity

- Beginning in FY 2017-18, the Department of Education provided a financial incentive that averaged $553.40 for each student who successfully completed a qualified workforce program offered by a participating school district or charter school during the previous school year.
- Data on the first year of the pilot shows that is successful, and that there is room to expand due to excess demand. Approximately 1,800 credentials were funded, but 1,300 were not due to lack of adequate funding.

Consequences of Problem

- Lack of adequate incentive funding may limit the number of districts willing to participate in the program. During the first year of operation, only 27 school districts participated with 65 percent of the submissions being from the Denver metro area. Increasing the incentive funding available may encourage a larger number of districts to explore opportunities in their local communities to offer qualified workforce programs.
- The priority funding requirement resulted in only industry-recognized certificates receiving the incentive funding. Funding was not available to reimburse school districts for the internships, residency programs, or advanced placement computer courses.

Proposed Solution

- Increasing the appropriation by an additional $1.0 million will allow the Department to pay incentives based on demand for the program.

0.4% State General Fund

1.1% State Total Funds

COLORADO

Gov. John Hickenlooper

FY 2018-19 GOVERNOR'S REQUEST

$41.1 million General Fund

Share of Statewide General Fund: 0.4%

$347.2 million Total Funds

Share of Statewide Total Funds: 1.1%

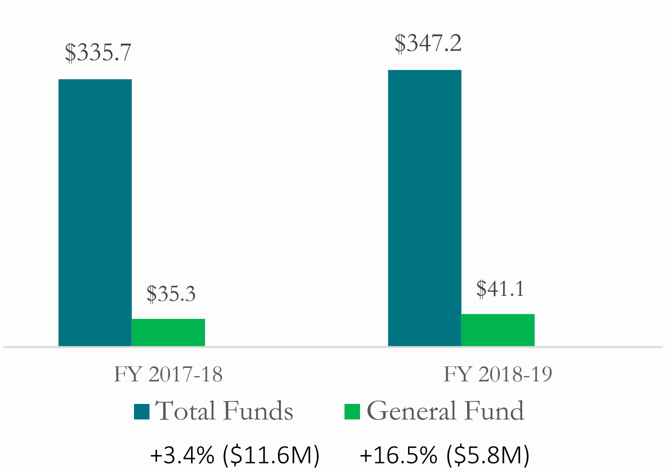
Mission Statement

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

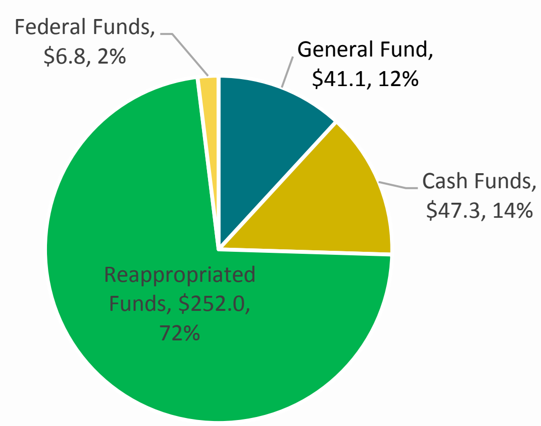
Department Description

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. 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).

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



Breakdown of Total Funds, $s in Millions, FY 2018-19



CEO Strategic Policy Initiatives

COLORADO
Energy Office

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 5,815,863 GGEs in 2015 to 8,221,186 GGEs in 2016. CNG fuel sales through the second quarter of 2017 totaled 4,811,193 GGEs (Data source: DOR). First and second quarter 2017 figures will be updated by the end of calendar year 2017.
- Colorado had an estimated 8,138 EVs in the state in 2016, increasing new light duty vehicles sold in Colorado from 0.9% in 2015 to1.2% in 2016 (Data source: DOR and Polk). First and second quarter 2017 figures will be updated by the end of calendar year 2017.

2 Increase Energy Savings Resulting from Energy Efficiency Projects

Increase energy savings resulting from CEO's direct energy efficiency projects by 14.6% from a goal of 151,265 MMBtu in FY16 to at least 173,378 MMBtu by June 30, 2018.

- Direct savings from CEO's energy efficiency programs was 78,409 MMBtus in FY 2017. The energy savings for CEO's energy efficiency projects were lower than expected due to two key factors. The EPC program provides the largest portion of potential energy savings and the EPC program did not secure large projects this fiscal year. EPC project agreements (MOUs) are typically more challenging to secure due to the large scope and complexity of the projects. Additionally, there is a lag time between energy audits and the implementation of energy savings measures. (Data source: CEO contractor attested energy audits).

3 Decrease Colorado's Average Annual Residential Energy Use

Increase average low-income household energy cost savings by 50% from $200 in 2013 to $300 by June 30, 2018.

- In partnership with the Colorado Department of Human Services and the U.S. Department of Energy, CEO contracts with local agencies to provide low-income residences access to cost-effective improvements that will reduce their energy usage and improve the comfort of their homes.
- In FY 2017, the program saved 31,828 MMBTus and achieved an 0.3% reduction of income expended on energy by low-income households; from 1.2 to 1.5%. Progress is captured on an annual basis.

CEO Strategic Policy Initiatives

4 Advancement of Emerging Energy Technologies

Assist clean technology developers to increase annual generation of emerging technologies by 100% from 130,000 MWh in 2013 to 260,000 MWh by 2018, and to increase the capacity of hydropower by 16% from 209 MW in 2010 to 242 MW by 2018.

- In 2013, electricity from emerging energy technologies totaled 135,377 MWh, which increased by 45% to 196,318 MWh in 2014. The total decreased in 2015 to 159,851 MWh due to a temporary generator outage. (Data for 2016 will be available in November 2017.)
- Hydropower capacity increased by 15% from 209 MW in 2010 to 239.5 MW in 2016. (Data for 2017 will be available in March 2018.)

CEO FY 2018-19 Change Request

R-01 Funding for the Colorado Energy Office	
	$3.1 million Total Funds, $3.1 million General Fund
1 Diversify Fuel Use	• The CEO requests an ongoing General Fund base budget appropriation of $3.1 million and 16.5 FTE to support its mandates. • Both of the primary funding sources for the CEO expired on June 30, 2017 (General Fund and Severance Tax transfers) leaving it without state funding. • If no General Fund is appropriated the CEO would need to seek alternative funding – again - to support 74% of its non-weatherization programming and 16.5 FTE.

OEDIT Strategic Policy Initiatives

Colorado Office of Economic Development & International Trade

1 Ensure Strong Rural Focus for Business Growth Initiatives

Drive/contribute to the creation of 16,353 rural jobs and 897 net rural business starts by June 2018.

- As a subset of this SPI and as part of the cross-departmental Rural Response, Recovery and Resilience (4R) effort, OEDIT will track the creation of rural jobs and net rural business starts in 6 communities (Routt, Rio Blanco, Moffat, Delta, Gunnison, and Montrose Counties) where severe economic disruptions have occurred.
- OEDIT aims to accomplish this by increasing consulting and training programs, promoting start-up business activity, administering state funding for Regional Tourism Act projects, coordinating visits by SBDC members, facilitating the certification process, capacity increase and contract pursuit between minority and women businesses, developing a survey to measure resiliency, continuing to give priority to non-profits and creative entrepreneurs through recruitment and grants, and driving traveler spending to less-traveled areas on off-peak times.

2 Define and Employ an Industry Focus

Drive/Contribute to the creation of 20,450 advanced industry jobs and 5,379 net business starts by June 2018.

- OEDIT aims to accomplish this by growing business opportunities, focusing resources on existing businesses and advanced industry businesses, promoting job growth, developing regional tech conferences, and print campaigns.

3 Apply Technology to Enhance Internal Controls

Migrate greater than 50% of vendor transactions into Salesforce by June 2018.

- OEDIT aims to accomplish this by developing a additional tracking mechanisms, increasing accountability and behavior that will reduce procurement and statutory violations, and using tools to automate the purchase and procurement process.

4 Improve Customer Service to Vendors

Enroll 100% of vendors into the Electronic Funds Transfer system by June 2018.

- OEDIT aims to accomplish this by eliminating paper checks by enrolling all existing and new vendors in the Electronic Funds Transfer system.

COLORADO
Office of Economic Development & International Trade

OEDIT FY 2018-19 CHANGE REQUESTS

R-01 Colorado Office of Film, Television & Media Funding

$1.25 million Total Funds, $1.25 million General Fund

2 Define and Employ Industry Focus	• The Colorado Office of Film, Television & Media (COFTM) requests restoration of $1.25 million General Fund to allow Colorado to grow the emerging film industry, creating more opportunities for the expanding local workforce. • The request is ongoing. Currently the Film budget is $1,250,000 – including $750,000 General Fund and $500,000 cash funds.

R-02 Advanced Industries Export Acceleration Continuation Funding

$175,000 Total Funds, $175,000 General Fund

2 Define and Employ Industry Focus	• OEDIT requests continuation funding – an annual $175,000 General Fund transfer into the Advanced Industries (AI) cash fund – to support the AI Export Acceleration Program created by H.B. 13-1193. • This program is a Colorado financial assistance program for aspiring and current exporters. The grant program supports small and medium-sized companies with funds to offset international business development and marketing costs. • This program repeals January 2019. Legislation is required to extend the repeal date until the requested date of January 1, 2024.

OIT STRATEGIC POLICY INITIATIVES

COLORADO
Governor's Office of
Information Technology

1 Delivering Smart Solutions and Reliable Customer Service

Achieve and sustain 75% customer satisfaction as measured by Customer Service Index Rating consistently through June 30, 2018.

- 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

Achieve and sustain 97.5% of the environment equipped with security tools to reduce risk through June 30, 2018.

- 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 Access to Reliable, Cost-Effective Broadband

Ensure that 85% of rural households have access to broadband by December 31, 2018.

- The Broadband Office was created to lead a statewide effort to expand broadband coverage and capacity in Colorado. Access to affordable and reliable broadband service is critical to advancing Colorado's economic growth and competitiveness.
- High-speed broadband service helps create new jobs and attract new industries, expands markets for new and existing businesses, enables Coloradans to better access educational opportunities and resources, facilitates delivery of healthcare services, and helps protect the public's safety. Greater deployment of broadband services will improve long-term quality of life for many Coloradans.

4 Strengthening Colorado's Technology Landscape

100% expansion of customer touchpoints for future digital enhancements reported to the Governor's Office by increasing from 150 touchpoints to 300 by June 30, 2018. This will provide consistency in customer user experience across all executive branch websites.

- We look at strengthening technology in the state though an advanced digital transformation program that will provide consistency in customer user experience across all executive branch online presence, which includes online services, official and affiliated websites, and social accounts.

OIT Strategic Policy Initiatives

COLORADO
Governor's Office of Information Technology

5

Advancing a Culture of Employee Support and Collaboration

Advancing employee support and collaboration - 25% increase in OIT's collaboration and engagement community by June 30, 2018.

- At OIT, we foster an environment where employees take pride in delivering critical services that impact our entire state. We believe that together we can create an Engaged, Empowered, and Energized culture where all employees feel connected to each other and to our work, leading to better outcomes for our customers.

OIT FY 2018-19 Change Requests

R-01 Broadband and FirstNet Staffing Continuation

$224,992 Total Funds, $224,992 General Fund

3

Access to Broadband

- OIT requests $224,992 General Fund in FY 2018-19 and ongoing to create a permanent funding source for 2.0 FTE - already in place - to support the state's implementation of the FirstNet program. These 2.0 FTE represent 40% of the staff in the Broadband Office.
- Now that sufficient progress has been made at the federal level, and funding has ceased, the state FirstNet effort is ready to move into the implementation phase. The primary implementation for the FirstNet program will begin in mid-2018.

R-02 CBMS/PEAK Base Adjustment

$4.9 million Total Funds, $0 General Fund

- OIT requests spending authority of $4.9 million Reappropriated Funds in FY 2018-19 (including $1,463,877 General Fund in DHS and HCPF), and $6.3 million ongoing to support increased volumes and costs for client correspondence, federal and system security requirements, and to align the infrastructure budget for CBMS, PEAK, and other related applications with current actual costs.
- This request is in support of maintaining a stable and effective delivery of financial and medical services and benefits to Colorado residents through CBMS and PEAK and supports Secure Colorado. The purpose of the request is to maintain the effective operation of CBMS and PEAK through adequate infrastructure, hardware, and software licensing, cover increased operational costs for serving clients, and remediate any gaps from complying with the new security and privacy standards within the mandated time frame by the Centers for Medicare and Medicaid Services.

OIT FY 2018-19 Change Requests

R-03 OS and Office Productivity Suite Service Offering

$5.2 million Total Funds, $0 General Fund

- OIT requests Reappropriated Funds spending authority of $5,193,938 in FY 2018-19, $5,600,354 in FY 2019-20, and $6,038,587 ongoing to create a new Common Policy service that encompasses products and services under the new Microsoft Enterprise Licensing Agreement (ELA).
- In FY 2015-16, OIT worked with state agencies to negotiate a new ELA for Operating System and Office Productivity Suite software with the goals of standardizing these assets throughout the state, obtaining some additional license functionality, and ensuring legal compliance for all licenses and users throughout the state.

R-04 Voice and Data Services Spending Authority

$4.1 million Total Funds, $0 General Fund

- This request is technical in nature. To ensure that OIT has adequate spending authority to manage Voice and Data services, and to ensure that the Long Bill accurately reflects current agency demand, OIT requests an increase in spending authority of $4,098,059 in FY 2018-19 and $4,426,445 in FY 2019-20 and ongoing.
- This increase is based on updated forecasts of voice and data services usage. The appropriation encompasses a variety of services that are billed directly to agency customers in real time based on usage each month.

R-05 HCPF Security

$194,302 Total Funds, $194,302 General Fund

2

Securing Colorado Through Innovation

- OIT requests $194,302 in Reappropriated Funds spending authority in FY 2018-19 and ongoing to fund the continuing costs to address security gaps at Health Care Policy and Financing (HCPF). The HCPF request will be for $194,302 total funds with $63,663 General Fund.
- HCPF holds large quantities of protected health information. During FY 2016-17, HCPF experienced a serious phishing incident. In response, OIT assisted HCPF in conducting a careful analysis and review of the HCPF data environment and identified several high priority areas to address: Firewall replacement; New email encryption; Begin two factor authentication; Add the support of a security architect; Improve provisioning and auditing.

R-06 HRIS Timekeeping Solution Savings

($1.6 million) Total Funds, $0 General Fund

- The Department requests a reduction of ($1,649,287) in Reappropriated Funds in FY 2018-19 and ($1,641,232) in FY 2019-20 and beyond due to estimated lower ongoing maintenance and licensing costs resulting from the anticipated system replacement of the time tracking component of the Human Resources Information System (HRIS).
- Implementing a new timekeeping solution allows the state to save operating costs over the life of the project. These cost savings will be realized by State agency customers via the FY 2018-19 OIT Base Common Policy billing.

Other FY 2018-19 Change Requests

COLORADO
Gov. John Hickenlooper

R-01 Governor's Administration Line Adjustment

$562,240 Total Funds, $562,240 General Fund

- The Governor's Office requests $562,240 General Fund in its Administration line item appropriation.
- Approval of this request would create a sustainable funding source for operations and leave the Office's fiscal operations in good stead for the next Governor.

R-02 Colorado Commission of Indian Affairs

$90,000 Total Funds, $90,000 General Fund

- The Colorado Commission of Indian Affairs (CCIA) within the Lt. Governor's Office requests an ongoing increase of $90,000 General Fund and 1.0 FTE to hire an Assistant Director ($60,000) and establish a small operating budget ($30,000).
- This additional funding will create a sustainable, long-term budget for the CCIA.

R-03 Serve Colorado

$100,000 Total Funds, $100,000 General Fund

- Serve Colorado requests $100,000 General Fund for Serve Colorado to provide the matching funds required to receive federal grants from the Corporation for National Community Service (CNCS). Serve Colorado was created in 1993 and is the State entity responsible for the AmeriCorps State program in Colorado, the Colorado Reads program, and Days of Service.
- Serve Colorado has secured matching funds through the One Book 4 Colorado (OB4CO) program, a program that provides 4-year-old children across the state with a book. Serve Colorado and the Office of the Governor fundraise $200,000 a year to implement their program from public and private donors. The OB4CO program is scheduled to end in 2018, leaving Serve Colorado with a matching shortfall. Additional funding will preserve the funding and the program for the State of Colorado.

R-04 OSPB Reduction

($64,325) Total Funds, ($0) General Fund

- The Governor's Office of State Planning and Budgeting (OSPB) requests a one-time reduction of $64,325 cash funds (Marijuana Tax Cash Fund dollars) in its Evaluation and Support line item.
- The proposed reduction of $64,325 is 12.9 percent of the line item (represents two percent of OSPB's budget) and translates to the elimination of one grant for FY 2018-19. Remaining funds are expected to be adequate to support three grants.
- The Governor's Office will withstand this one-time reduction in grant funding for FY 2018-19 but does intend to request the full amount in FY 2019-20.

Cost and FTE

This request is for an ongoing increase of $562,240 General Fund to provide sustainability to the Office of the Governor for its operations.

Current Program

Since 2003, the Governor's Office has relied on federal funds from The Jobs and Growth Tax Relief Reconciliation Act to support key functions within the Administration line item. These funds currently support various payroll and operating expenses.

Problem or Opportunity

These federal funds, after 15 years of being drawn upon, will be exhausted in FY 2018-19.

Consequences of Problem

Without the requested infusion of General Fund, the Governor's Office will not be able to support key staffing and operational expenses.

Proposed Solution

The Governor's Office requests an ongoing General Fund increase to its Administration line item of $562,240. Approval of this request would create a sustainable funding source for operations and leave the Office's fiscal operations in good stead for the next Governor.

COLORADO
Energy Office

Priority: R-01
Funding for Energy Office
FY2018-19 Funding Request

Cost and FTE

- The CEO requests the JBC approve an ongoing General Fund base budget for the office including $2,890,669.75 (16.5 FTE) General Fund for program administration, $209,330.25 General Fund for Lease Space, and a budget neutral transfer of $3,170 from the Governor's Office's Vehicle Lease Payments line item. In aggregate, this will continue funding the office administration at $3.1 million through the annual Long Bill.

Current Program

- H.B. 12-1315 restructured the Colorado Energy Office and provided five year continuous appropriations for two state funding sources. The Office's current mission is to deliver cost effective energy services and advance innovative energy solutions for the benefit of all Coloradans.
- To achieve this mission in FY 2018-19, the CEO works in four primary areas: energy efficiency; energy financing; energy production including policy, research & initiatives; and alternative fuel transportation.

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. The CEO does not formally sunset or repeal, and as of July 1, 2017, it no longer receives state General Funds for operations. CEO is not able to meet statutory requirements or meet the full scope of the statutory mission.

Consequences of Problem

- Without state General Funds, as with FY 2017-18, the office will not be able to meet statutory requirements or fund FTE beyond those in the Weatherization Assistance Program, DOE Formula Grant programming (~$620,000), and Alt. Fuels Colorado program. If no General Funds are appropriated, CEO would reduce non-weatherization programming by 74%, lose a minimum of 16.32 FTE, and be forced to seek alternative funding sources for FY 2018-19 as it did in FY 2017-18. Either alternative will impact the scope of programming and operational outputs.

Proposed Solution

- This $3,100,000 General Fund appropriation would provide an ongoing base budget for the office instead of the multi-year continuous appropriation approach done through legislation from FY 2012-13 through FY 2016-17. It will provide the office flexibility to serve markets and customers across all of Colorado's energy sectors, and provide the JBC a greater ability to annually review expenditures and programming.
- Build a Long Bill structure more similar to other agencies by adding an Office Space Lease line item and transfer the current vehicle lease line item from the Governor's Office line to CEO.
- All of CEO's Strategic Policy Initiatives are impacted by this funding request to some degree due to office-wide shared costs, staff and administration. However, approval of this request will most significantly impact CEO's programming that supports SPI 2 and SPI 4. Approval of this funding request will also allow CEO to broaden its cross energy sector impact, and allow consideration for additional goals and activities.

COLORADO

Colorado Commission of Indian Affairs

Priority: R-02
CCIA Increase
FY 2018-19 Change Request

Cost and FTE

- This request is for $90,000 General Fund and 1.0 FTE in FY 2018-19 and ongoing for the Colorado Commission of Indian Affairs (CCIA) to hire an Assistant and to provide operational funding.

Current Program

- The Colorado Commission of Indian Affairs (CCIA) was established in 1976 as an office of one, with the Executive Director coordinating and carrying out the duties of the CCIA. Much of the current CCIA budget goes to employ the Executive Director and to cover in-state travel costs for quarterly Commission meetings.
- Little to no funding is available to expand programming and services provided to tribes or the growing American Indian population in Colorado.
- Over the last decade, CCIA has never requested or petitioned the General Assembly for additional funding.

Problem or Opportunity

- In 2014, CCIA coordinated with Spirit of the Sun, a Colorado 501c3 non-profit, to receive an AmeriCorps VISTA officer to assist with CCIA programs and research projects. This has helped CCIA fulfill its current workload, create additional opportunities between state agencies and tribes, and expand CCIA's programming.
- The AmeriCorps VISTA program was intended to assist CCIA and build the capacity of the program. However, it is not a long-term staffing solution and cannot be relied upon especially during these times of proposed federal program cuts.

Consequences of Problem

- Without adequate funding, CCIA will not be able to adequately continue providing the same level of service to tribal communities.
- Should the federal AmeriCorps VISTA program end, the CCIA would lose programming capacity and services would suffer.

Proposed Solution

- An overall budget increase to CCIA would transition the AmeriCorps VISTA program to a permanent full-time position and provide a supportive budget for existing programs and research.
- It would also create a sustainable, long-term program and budget which CCIA has not seen in over 40 years.

Cost and FTE

- The Office of the Lt. Governor requests $100,000 General Fund for Serve Colorado to provide the some of the matching funds required to receive federal grants from the Corporation for National Community Service (CNCS).

Current Program

- Serve Colorado provides grants to non-profits, faith and secular community-based organizations, public agencies, Indian tribes, and institutions of higher education.
- With a current state contribution of $100,000, Serve Colorado secures $5,000,000 from the federal government, $4,500,000 in matching dollars from sub-grantees, and millions in education awards for our members. For every $1 provided by the state, $129 are leveraged by Serve to address critical community needs across the state.
- Serve Colorado receives a number of grants from the CNCS. These grants require Serve Colorado to raise $326,031 in matching funds. Serve currently receives $100,000 from General Fund appropriations, or 30.67 of required matching funds. Nationally, the average state commission receives 96% of their required matching funds from their state legislature.

Problem or Opportunity

- Serve Colorado has secured matching funds through the One Book 4 Colorado (OB4CO) program, a program that provides 4-year-old children across the state with a book. Serve Colorado and the Office of the Governor fundraise $200,000 dollars a year to implement their program from public and private donors. The OB4CO program is scheduled to end in 2018, leaving Serve Colorado with a $200,000 matching shortfall.
- Serve Colorado's matching requirement has limited the organization's ability to apply for new grants. In June 2017, due to matching requirement financial constraints, Serve Colorado could not apply for the CNCS Volunteer Generation Fund grants. The state lost a $300,000 opportunity.

Consequences of Problem

- 2 of Serve Colorado's 5.5 FTE salaries are more than 75% on federal grants and 2.5 of the 5.5 is over 90% on federal grants. Should the administration decide to cut funding, Serve Colorado would lose 4.5 employees.
- With the loss of the One Book 4 Colorado program and continuing current state level funding, Serve Colorado estimates that it would only be able to administer one-third of the current grants we currently, resulting in a financial loss of $3.7 million federal grant dollars. This would have a multiplier effect as Serve currently brings in $12,988,550 to the state through education awards, sub-grantee match and federal grant money. With a reduced capacity and no new funding, our total benefit to the state would only be $4.2 million, resulting in an almost $9 million dollar loss to the State yearly.

Proposed Solution

- We anticipate that this $100,000 in matching funds will help stabilize the Serve Colorado program. The funding will primarily be used to shift FTE salaries from federal grant dollars to state dollars. This will stabilize the department and allow us to continue AmeriCorps State and National work and meet part of our required match amount.

Cost and FTE

- The Governor's Office of State Planning and Budgeting (OSPB) requests a one-time reduction of $64,325 cash funds (Marijuana Tax Cash Fund dollars) in its Evaluation and Support line item.

Current Program

- OSPB's Evaluation and Support grants help state programs build evidence and demonstrate measureable outcomes for Coloradans.
- Grants assist with proper program implementation including training and technical assistance.

Problem or Opportunity

- S.B. 17-267 requires that the Office of State Planning and Budgeting (OSPB) consider two percent reduction proposals for each department in the November 1 Executive budget request.

Consequences of Problem

- The proposed reduction of $64,325 is 12.9 percent of the line item (represents two percent of OSPB's budget) and translates to the elimination of one grant for FY 2018-19. Remaining funds are expected to be adequate to support three grants.

Proposed Solution

- The Governor's Office will withstand this one-time reduction in grant funding and resume FY 2019-20 with the full amount of funding - $500,000. While the Governor's Office would prefer not to take this cut, it is preferable to limiting staff resources or reducing existing staff.

Cost and FTE

- This request is for $1.25 million General Fund in FY 2018-19 and ongoing for the Colorado Office of Film, Television & Media (COFTM) to enable COFTM to continue the 20 percent rebate program for eligible film, television, and other creative productions.

Current Program

- The COFTM rebate program includes a 20 percent rebate for production-related expenses incurred in Colorado, subject to Economic Development Commission approval.
- Rebate recipients are production companies, but this program also impacts the broader community. Productions support direct and indirect jobs and boost economic and tourist activity, especially in rural Colorado.
- COFTM also provides location/permitting assistance, public relations, educational collaboration, and general support to the film industry.

Problem or Opportunity

- Additional funding would result in an increase in workforce jobs and additional expenditures across local communities in industries such as equipment and vehicle rentals, food, and hospitality.
- COFTM received $750,000 General Fund in FY 2017-18, which was significantly lower than the $3.0 million General Fund it received in each of FY 2016-17 and FY 2015-16. Providing additional funding for COFTM incentives will continue to build momentum created in previous fiscal years by further growing and strengthening the local film industry. Since FY 2012-13, COFTM has incentivized over 60 projects, eight of which are currently in production, and inquiries have increased dramatically because of available talent and incentive funds.

Consequences of Problem

- Without adequate funding, Colorado won't attract production companies or create job opportunities.
- Inconsistent funding discourages production in Colorado and adds risk to the local industry.
- Colorado will lose more productions to other states offering more incentive funding.

Proposed Solution

- The proposed solution is to increase funding for COFTM for FY 2018-19 and ongoing with an additional $1.25 million General Fund to continue incentivizing production activities in Colorado. Funding will enable program growth across the State, generating increased opportunities for the State's growing workforce.

Cost and FTE

- This request is for $175,000 General Fund through 2024 to transfer to the Advanced Industry (AI) Export Acceleration Cash Fund to support the AI Export Acceleration Program. This would continue funding the AI Export Acceleration Program on an annual basis. *This request requires legislation.*

Current Program

- Pursuant to C.R.S. 24-47-103, the AI Export Acceleration Program combines "financial resources, training, and consulting services to provide a robust and comprehensive trade export promotion service for Colorado businesses."
- Funds appropriated for this program are used to support small- and medium-sized businesses in the advanced manufacturing, aerospace, bioscience, electronics, energy & natural resources, infrastructure engineering, and information technology industries.
- Businesses may use funds for, among other things, international sales trips, translation services for contracts, intellectual property protection abroad, conducting due diligence or credit reviews on potential buyers or distributers, and production and design of international marketing materials.
- Funds also support the Global Consultant Network. This network allows companies to receive market-entry services before investing the time and resources necessary for international trade.
- This statute will repeal on January 1, 2019.

Problem or Opportunity

- C.R.S. 24-47-103 repeals effective January 1, 2019. *This request requires legislation.*

Consequences of Problem

- If the repeal date in C.R.S. 24-47-103 is not extended, OEDIT will no longer be able to provide essential export assistance to Colorado's AI companies. This will make it harder for Colorado's AI companies, particularly small and rural companies, to enter foreign markets and successfully navigate new markets, which is critical to growth and sustainability for the companies.
- If federal export programs and associated funding are eliminated, and the AI Export program is not reauthorized, the state will have no ability to support Colorado companies seeking to export.

Proposed Solution

- With legislation, extend the repeal date in C.R.S. 24-47-103 to January 1, 2024, and provide an ongoing General Fund budget of $175,000.

Cost and FTE

- This request is for $224,992 General Fund dollars in FY 2018-19 and ongoing to fund 2.0 existing FTE with their related operating budget to support the state implementation of the FirstNet program.

Current Program

- The FirstNet initiative is the statewide program committed to planning and implementing Colorado's portion of the Nationwide Public Safety Broadband Network (NPSBN), a wireless data and voice network dedicated to the nation's first responders. First responders have embraced cellular voice and data technologies as a supplement to the traditional Digital Trunked Radio System (DTRS). However the traditional commercial networks they currently use do not provide the reliability or breadth of coverage necessary for public safety. A U.S. Department of Commerce grant has funded the programmatic effort for the past five years with the focus being on education, planning and coordinating Colorado's voice. This first phase ended successfully with the selection of a vendor. The implementation of the FirstNet program is now the responsibility of the state.

Problem or Opportunity

- OIT requires new funding to maintain 2.0 FTE to ensure successful implementation of the FirstNet network. This implementation will have far reaching impacts on the overall emergency communications infrastructure, as it will interface with both the NextGen 9-1-1 network and DTRS.

Consequences of Problem

- Failure to fund this request will jeopardize the final implementation's ability to meet the needs of Colorado's first responders and cut the overall capabilities of State Broadband Office. These 2.0 FTE represent 40% of the staff assigned to the State Broadband Office. The remaining staff would be unable to properly supervise project implementation, leaving issues overlooked and increasing the risk of a troubled start for FirstNet.

Proposed Solution

- Fund the 2.0 FTE's that already exist to focus on the FirstNet implementation and support the overall State Broadband Office's efforts and objectives around expanding broadband penetration statewide. The grant funded extensive travel throughout the state and training for these employees. Maintaining the positions will allow the state to benefit from the experience and historical knowledge those two employees gained while federally funded.

Cost and FTE

- The Office of Information Technology, in conjunction with the Departments of Health Care Policy and Financing (HCPF) and Human Services (CDHS), request an incremental increase of $4,990,762 reappropriated funds ($1,463,877 General Fund, $1,248,935 HCPF and $214,942 CDHS) in FY 2018-19 and $6,297,225 in FY 2019-20 and beyond. This includes funding to support increased volumes and costs for client correspondence (printing and mailing), funding to comply with federal and system security requirements, and aligns the infrastructure budget for CBMS and PEAK with current costs.

Current Program

- Client correspondence costs for producing and distributing required client notices represent one of the largest cost components in the existing base budget for CBMS, PEAK and related applications.
- In the past two years, the State has built the necessary framework to satisfy new and evolving federal security requirements for eligibility systems. Ongoing compliance with federal standards is a necessity and is not sustainable within existing budget. Potential risks of non-compliance include federal sanctions or repercussions and potential security vulnerabilities that could result in a breach of protected data.
- The current budget for software, licensing, maintenance and support does not align with existing costs due to growth in system capacity, storage, and licensing needs over time. This dynamic has been able to be absorbed within existing budget where possible; however the actual current costs need to be re-aligned with the budget in order to prevent future system and/or service degradation.

Problem or Opportunity

- Client correspondence costs for producing and distributing required client notices have increased recently to the extent that the current budget cannot sustain the volume based increases in printing and postage.
- The current budget for CBMS, PEAK and related applications does not provide the ability to comply with new and ongoing federal system security requirements.
- The $3 million+ annual infrastructure budget for software, licensing, maintenance and support does not align with existing costs, and is no longer sufficient to pay for increased capacity and licensing driven by system and client growth. In order to continue to provide critical services to impacted citizens, a budget increase is necessary to support the existing environment and platforms on an ongoing basis.

Consequences of Problem

- Generation and distribution of client notices are required and leave limited ability for the State to constrain volumes absent changes to State rules and federal requirements. Although there is some potential to reduce costs in the future via electronic noticing, this change will take some time and continued collaboration with the General Assembly and the applicable legislative committees before the volume of client correspondence can be expected to stabilize or reduce.
- Current, new and ongoing security compliance requirements put\ the State in a position where inadequate resources on an ongoing basis could result in federal penalties and other negative repercussions.

Proposed Solution

- Specifically this funding request provides necessary resources to sustain system security compliance requirements; to address the annual costs of generating, printing and mailing required client noticing (client correspondence); and to support the infrastructure costs associated with current system platforms and technology.
- This funding request establishes the framework that will put the State in the best position to continue with the expected level of services to citizens and stakeholders, and the enhanced federal funding leveraged in the total budget allows the State to maximize State General fund while addressing the critical items contained in this request.

Cost and FTE

- The Governor's Office of Information Technology (OIT) requests reappropriated funds of $5,228,160 in FY 2018-19, $5,637,256 in FY 2019-20, and $6,078,378 ongoing to create a new Common Policy Service for the new Operating System and Office productivity software suite enterprise license agreement (ELA).

Current Program

- Prior to Fiscal Year 2016-17, each state agency negotiated individually to obtain operating system and office productivity suite products. Depending on the agency, each agreement would include different products with varying levels of functionality, different contract timelines, and varying unit costs for identical products at different agencies.
- Under this system, each agency was responsible for planning for costs and managing billing for these products. Deskside support was required for a large range of software and operating system versions depending on the products in use at each agency.

Problem or Opportunity

- This previous approach led to several issues: 1) Multiple different agreements between agencies and the vendor, 2) Different prices for identical products, 3) Inconsistent products and software versions, and 4) A Non-Consolidated approach with potential liability for use of unlicensed products.

Consequences of Problem

- If these products and services continue to be supported through individual agreements and direct purchases outside of Common Policy, there is no way to leverage buying power across the state. It also presents greater burden for agencies to manage total costs each year compared with Common Policy services, and there is less transparency and a diminished capacity to analyze statewide spending on these products.

Proposed Solution

- In Fiscal Year 2015-16, OIT took steps to proactively resolve these issues. OIT worked with state agencies and IT Directors to negotiate a new Enterprise License Agreement (ELA) for these services. The goals of this agreement were to bring the state into compliance, standardize assets throughout the state, obtain additional license functionality, and reduce per unit costs. This agreement went into effect on July 1, 2016 for a three year term through July 2019, and all new licenses were negotiated at a standard reduced price offering, plus an additional 8 percent discount
- Now that an enterprise wide solution has been established, agencies came together to request that these products be offered as a Common Policy service. It is an IT service that should be included as part of the consolidated IT offerings through OIT.
- This request is to create a new Common Policy appropriation to manage the operating system and office productivity suite service offerings. Agencies have historically utilized their operating budgets to cover the costs of these products, so a portion of the funding for this request would come from reductions to agency operating budgets based on their historical 5 year average costs.

Cost and FTE

- The Governor's Office of Information Technology (OIT) requests $4,098,059 Reappropriated Funds in FY 2018-19 and $4,426,445 in 2019-20 and beyond in order to accommodate increased costs and growth in agency consumption of Voice and Data Services.

Current Program

- The current Voice and Data Services appropriation for OIT encompasses a variety of services that are billed directly to agency customers in real time based on usage each month. These services include High Speed Internet, Long Distance, Audio Conferencing, Managed Internet Protocol Communications (MIPC) and other voice services.

Problem or Opportunity

- OIT has forecasted usage and costs for these services through the remainder of the current year and out-years based on updated contract costs, current utilization data, and agency requests for Voice and Data direct bill services. This forecast indicates that current spending authority will not be sufficient to accommodate contract price increases and increased agency demand.
- MIPC is the OIT managed cloud service that provides telephony services using a monthly operational cost model (rather than a capital outlay model), and it has been the largest contributor to growth in the Voice and Data services portfolio over the last several years due to agencies transitioning from older technology to MIPC.

Consequences of Problem

- Without additional spending authority, OIT will need to utilize continuous spending authority to manage demand in excess of its appropriation. While this solution is acceptable, it results in additional administrative work for staff that could be avoided.

Proposed Solution

- OIT is requesting $4,098,059 in additional spending authority for FY 2019 and $4,426,445 in FY 2019-20 and beyond to accommodate the increased growth in Voice and Data Services costs and usage across the State.

COLORADO
Governor's Office of Information Technology

Priority: R-05
HCPF Security
FY 2018-19 Funding Request

Cost and FTE
• The Office of Information Technology requests $194,302 in Reappropriated Funds in FY 2018-19 and ongoing to address data security issues at the Department of Health Care Policy and Financing (HCPF). HCPF is submitting a companion request for $194,302 ($63,663 General Fund.)

Current Program
• HCPF holds large quantities of protected health information. During FY 2016-17, HCPF experienced a serious phishing incident. In response, OIT assisted HCPF in conducting a careful analysis and review of the HCPF data environment.

Problem or Opportunity
• There are existing security gaps related to the technology within HCPF. • The analysis and review identified several key security areas to address: firewall replacement, new email encryption, begin two factor authentication, add the support of a security architect, and improve provisioning and auditing.

Consequences of Problem
• If no action is taken, OIT and HCPF will be unable to address known vulnerabilities within the HCPF data environment and risk a serious data security breach which could damage the reputation of the State and trigger large fines.

Proposed Solution
• This request is for $194,302 in reappropriated funds in FY 2018-19 and beyond to fund the ongoing costs of addressing security issues. OIT will request $278,356 reappropriated funds as a FY 2017-18 Supplemental Request. HCPF is submitting matching requests of $194,302 ($63,663 General Fund) and $278,356 ($86,847 General Fund) respectively. • OIT and HCPF will deploy the following security improvements: firewall migration ($136,000 in FY 2017-18, $0 in FY 2018-19 and ongoing), security architect support ($49,800 in FY 2017-18 and $129,480 in FY 2018-19 and ongoing), two factor authentication ($17,589 in FY 2017-18 and ongoing), centralized and automated provisioning and auditing ($27,734 in FY 2017-18, $0 in FY 2018-19 and ongoing), and encryption. • OIT and HCPF are requesting ongoing funding.

Cost and FTE

- This request is for a reduction of ($1,649,287) in Reappropriated Funds in Fiscal Year 2018-19 and ($1,641,232) in FY 2019-20 and beyond due to estimated lower ongoing maintenance and licensing costs resulting from the anticipated system replacement of the time tracking component of the Human Resources Information System (HRIS).

Current Program

- Currently, core human resource functions are fragmented across state agencies and are performed on paper or in a number of legacy systems. Today there are approximately 80 different applications used by Executive Branch agencies to perform the critical business functions of human resources.
- In FY 2014-15 and FY 2015-16 OIT submitted two separate capital construction requests totaling $31,288,801 to build a comprehensive Statewide Human Resources Management System for all executive branch departments. OIT and DPA are currently undertaking implementation of this solution.

Problem or Opportunity

- In January 2017, the two vendors working on integration between the timekeeping and payroll components of the HRIS solution discovered that the State's current timekeeping system configuration would not work with the payroll system's baseline integration without significant customization.

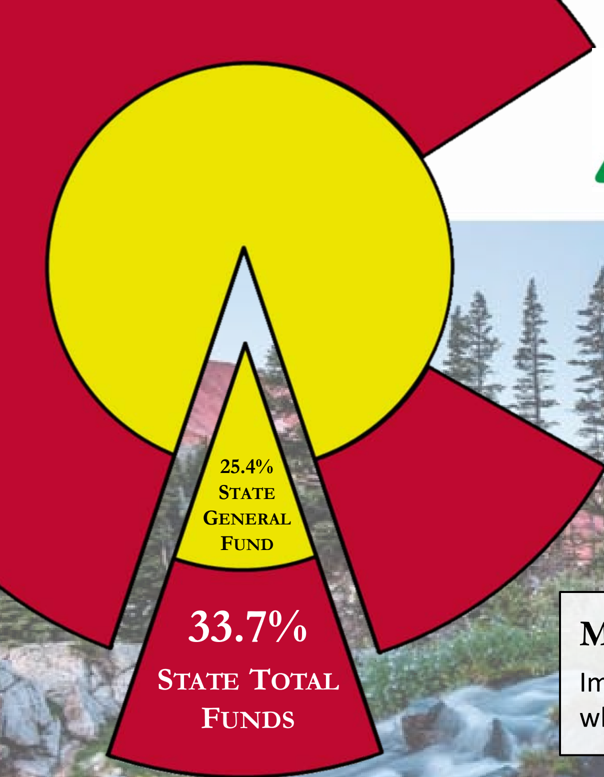
Consequences of Problem

- It is critical that the two components of the HRIS solution interface seamlessly in order for the entire solution to function appropriately. The significant customization required is extremely costly and there is insufficient capital funding available to complete the customization.
- The State identified alternative options and after thorough analysis decided to implement a different vendor's timekeeping solution to correct the issue. The implementation of this new solution presented the State the opportunity to realize significant cost savings long term because the new vendor's ongoing maintenance costs were much lower than the initial vendor.

Proposed Solution

- Implementing a new timekeeping solution allows the state to save operating costs over the life of the project.
- This request will reduce the OIT Long Bill appropriation for the ongoing maintenance and licensing costs of the HRIS system by ($1,649,287) in FY 2018-19. This cost savings will be realized by State agency customers via the FY 2018-19 OIT Base Common Policy billing.

COLORADO
Department of Health Care Policy & Financing



FY 2018-19 Governor's Request

$2.9 billion General Fund

Share of Statewide General Fund: 25.4%

$10.3 billion Total Funds

Share of Statewide Total Funds: 33.7%

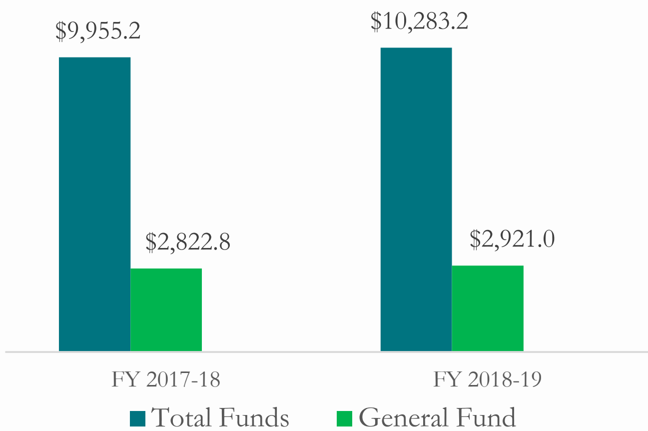
Mission Statement

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

Department Description

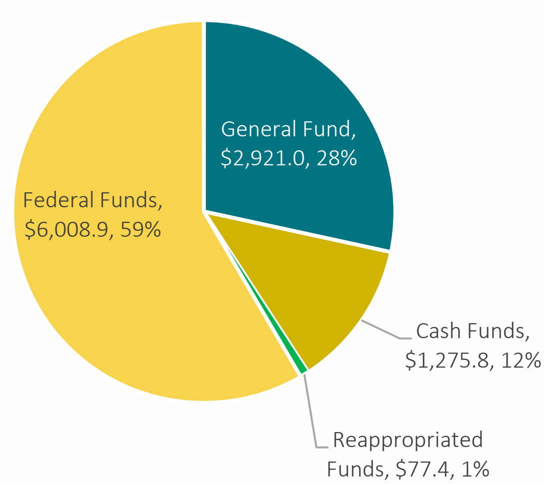
The Department of Health Care Policy and Financing (HCPF) receives federal funding as the single state agency responsible for administering the Medicaid program (Title XIX) and the State Child Health Insurance Program (Title XXI), known as the Children's Basic Health Plan. In addition to these programs,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

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+3.3% ($328.0M) +3.5% ($98.2M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



STRATEGIC POLICY INITIATIVES

COLORADO
Department of Health Care Policy & Financing

1 Delivery Systems Innovation

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

- The Department measures this through the % of Accountable Care Collaborative (ACC) members with an enhanced primary care medical provider (PCMC). The FY 2015-16 measure is 60%; the FY2016-17 target is 65%; and the FY 2018-19 target is 75%.
- The decline in ACC members attributed to a PCMP is likely due to provider revalidation and implementation of the new interChange. The Department is working with RCCOs to ensure members are appropriately attributed to a PCMP, and will continue assisting providers in becoming certified as enhanced PCMPs.

2 Tools of Transformation

Using levers in our control such as maximizing the use of value-based payment reform and emerging health technologies.

- This is measured by the amount of provider payments tied to quality or value through innovative payment methods. The FY 2014-15 actual was $275.3 million, the FY 2015-16 actual was $424.6 million, and the FY 2016-17 estimate is $447.0 million.
- Current payment reform efforts are focusing on primary care and behavioral health, which encourage emphasis on prevention.

3 Partnerships to Improve Population Health

The health of low-income and vulnerable Coloradans improves through a balance of health and social programs made possible by partnerships .

- The Department measures this through the number of members in counties with a RCCO-LPHA relationship (Regional Care Collaborative Organization-Local Public Health Agency). The FY 2015-16 measure was 814,606 members, and in FY 2016-17 it was 846,355 members.
- The Department and Regional Care Collaborative Organizations have worked collaboratively with Local Public Health Agencies to implement community projects impacting the life stage of family formation.

4 Operational Excellence

We are a model for compliant, efficient and effective business practices that are person- and family-centered.

- The Department measures this through favorable responses to employee survey "we get work done more efficiently with less waste of money or other resources." This was 47% in both FY15 and FY16, and 46% in FY17.
- Two areas undergoing process efficiency improvements are the Member Contact Center and the Staff Development Center, which delivers training to employees who interface with the public.

FY 2018-19 CHANGE REQUESTS

COLORADO
Department of Health Care Policy & Financing

R-04 Medicare Modernization Act State Contribution Payment

$4.9 Total Funds, $4.9 million General Fund

2
Tools of Transformation

- The Department requests a reduction of $2,314,420 General Fund for FY 2017-18; an increase of $4,884,395 General Fund for FY 2018-19; and an increase of $16,026,111 General Fund for FY 2019-20 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

$38.7 million Total Funds, $19.3 million General Fund

4
Operational Excellence

- In FY 2017-18, the Department requests an increase of $20,627,930 total funds, including an increase of $5,137,659 General Fund an increase of $5,237,789 Intellectual and Developmental Disabilities Cash Funds, a decrease of $162,073 Hospital Provider Fee Cash Fund, and an increase of $100,294 Healthcare Affordability and Sustainability Fee Cash Fund.
- For FY 2018-19, the Department requests an increase of $38,735,903 total funds, including an increase of $19,254,462 General Fund, a decrease of $206,609 Hospital Provider Fee Cash Fund, and an increase of $320,078 Healthcare Affordability and Sustainability Fee Cash Fund.
- For FY 2019-20, the Department requests an increase of $67,624,408 total funds, including an increase of $33,673,435 General Fund, a decrease of $206,609 Hospital Provider Fee Cash Fund, and an increase of $345,359 Healthcare Affordability and Sustainability Fee Cash Fund. These funds would be used to fund Home and Community Based Services (HCBS) waiver program costs.

R-06 Electronic Visit Verification Implementation

-$777,203 Total Funds, -$1.2 million General Fund

2
Tools of Transformation

- The Department requests funding to implement Electronic Visit Verification (EVV) for Personal Care Services by the January 1, 2019 deadline as mandated by the 21st Century Cures Act. The Department also requests to simultaneously implement EVV for Home Health Services, Homemaker services, Hospice, Private Duty Nursing, and Health Maintenance Activities.
- EVV is supported by the Department's "Tools of Transformation" strategic policy initiative by using levers in the Departments control to maximize the use of value-based payment reform and emerging health technologies.

FY 2018-19 CHANGE REQUESTS

COLORADO
Department of Health Care Policy & Financing

R-07 HCBS Transition Services Continuation and Expansion	
	-$1.1 million Total Funds, -$703,203 General Fund
1 Delivery Systems Innovation	• The Department requests a reduction in FY 2019-20 to move services currently available under the Colorado Choice Transitions (CCT) program to the Home and Community Based Services (HCBS) waivers and to the Medicaid State Plan which aids people in transitioning from institutions to the community. The funding would also be used to increase options counseling availability for the Aging and Disability Resources for Colorado (ADRC). • Transition services from this request would support choice, person-centeredness and compliance with the following two primary goals of Colorado's Community Living Plan: Proactively identifying individuals in institutional care who want to move to a community living option and ensuring successful transition through a person-centered planning approach; and supporting successful transitions to community settings, ensuring a stable and secure living experience, and preventing re-institutionalization through the provision of responsive community-based services and supports.

R-08 Medicaid Savings Initiatives	
	-$1.4 million Total Funds, -$2.2 million General Fund
2 Tools of Transformation	• The Department requests funding to implement five separate initiatives that would lead to savings in the Medicaid program, including: increased utilization management; automation of public assistance reporting information system matching; increased trust unit recoveries; increased access to public transportation benefits; and, implementation of a parental fee for eligibility in the Children's Home and Community-Based Services waiver. • This request links directly to the Department's Performance Plan strategies to 'Instill a person- and family-centered approach to strengthen employee engagement, client experience, client engagement, and culture change.' Additionally the request aligns with strategies in the Department's FY 2016-17 Performance Plan including 'Expand network of providers serving Medicaid' and 'Make Long-Term Services and Supports easier to access and navigate' among several others.

FY 2018-19 Change Requests

COLORADO
Department of Health Care Policy & Financing

R-09 Provider Rate Adjustments

$27.8 million Total Funds, $10.3 million General Fund

Delivery Systems Innovation

- The Department requests funding to adjust provider rates in three ways. First, the Department would provide an across-the-board rate increase of 0.77% to all providers not targeted by the other components. Second, the Department would implement a decrease to anesthesia rates and an increase to alternative care facility rates; and third, the Department would reduce the allowable growth factor on nursing facility per diem rates down to one percent in FY 2018-19 only. Beginning in FY 2019-20, the allowable growth factor would revert to three percent.
- Providing adequate reimbursement to providers encourages participation in Medicaid and therefore increases client access, which aligns with the Department's Strategic Plan.

R-10 Drug Cost Containment Initiatives

$132,777 Total Funds, -$24,407 General Fund

Tools of Transformation

- The Department requests funding to improve management of the pharmacy and physician administered drug benefits. This funding would be used to procure a utilization management vendor for physician administered drugs, administrative resources to set up alternative payment models for prescription drugs, and to account for anticipated savings from these initiatives.
- Funding this request would allow the Department to better manage the pharmacy and physician administered drug benefits through utilization management and alternative payment methodologies (APMs). These two new cost containment techniques represent the Department's commitment to its performance plan goals of maximizing the use of value-based payment reforms, including tying provider payments to quality and value and implementing cost containment initiatives; and operational excellence through improving the efficiency of business processes.

R-11 Administrative Contracts Adjustments

$1.7 million Total Funds, $1.3 million General Fund

Operational Excellence

- The Department requests funding to adjust asset verification cost estimates, to rebalance appropriations between fund sources in the Professional Services Contracts line item rates, and to prepare for disallowance of External Quality Review Organization claims made at an enhanced match rate.
- This request aligns with the Department's strategies to "Promote rigorous compliance with compliance with federal and state laws and regulations, fiscal rules, and internal operating procedures" and to "Support counties and medical assistance sites with technical assistance for processing eligibility applications accurately and efficiently" by assuring that assets of clients and members are adequately assessed and benefits are appropriately authorized or denied.

FY 2018-19 Change Requests

COLORADO
Department of Health Care Policy & Financing

R-12 Children's Habilitation Residential Program

$210,455 Total Funds, $105,230 General Fund

1 Delivery Systems Innovation	• The Department requests funding to transfer the Home and Community Based Services Children's Habilitation Residential Program (HCBS-CHRP) from the Department of Human Services (CDHS) to the Department of Health Care Policy and Financing (HCPF), perform stakeholder outreach, to add transition services to the program, and to account for anticipated caseload increases in the waiver. • This proposal aligns with the Department's performance plan long-range goal of enhancing the quality of life and community experience of individuals and families by delivery systems innovation. The Department's proposed solution would ensure that Medicaid members can easily access and navigate needed and appropriate services and would make long-term services and supports easier to access and navigate.

R-13 All-Payer Claims Database Funding

$2.8 million Total Funds, $1.7 million General Fund

1 Delivery Systems Innovation	• The Department requests funding and 2 FTE for Medicaid's share of claims within the All Payer Claims Database system (APCD), plus additional funding to support the end of grant funding for the APCD. • Analyses from the APCD help with determining proper rates for services, identifying potential access to care issues, and seeking efficiencies in providing health care services. These benefits directly link to the Department's strategic initiatives of developing tools of transformation and delivery systems innovation.

R-14 Safety Net Program Adjustments

$ 81,324 Total Funds, $0 General Fund

4 Operational Excellence	• The Department requests funding to allow for increased oversight of the Department's safety net programs and allow additional available funding to be directed towards these programs, instead of going unused. • As part of the Department's strategy to "Implement cost containment initiatives," the Colorado Indigent Care Program(CICP) is being modernized by improving the program's ability to mitigate uncompensated health care costs that would otherwise drive up the cost of health care borne by payers such as private health insurance.

FY 2018-19 CHANGE REQUESTS

COLORADO
Department of Health Care Policy & Financing

R-15 Colorado Healthcare Affordability and Sustainability Enterprise Administration Costs

$1.2 million Total Funds, $0 million General Fund

4
Operational Excellence

- The Department requests funding to increase the workload for the administration of the Colorado Healthcare Affordability and Sustainability Enterprise.
- This request exemplifies both the "improved efficiency of business process" strategy and the "rigorous compliance with federal and state laws and regulations, fiscal rules and internal operating procedures" strategy by facilitating accountability and transparency of Enterprise operations.

R-16 CPE for Emergency Medical Transportation Providers

$18.8 million Total Funds, -$620,560 General Fund

1
Delivery Systems Innovation

- The Department requests funding to provide supplemental payments to emergency medical transportation providers and support the Department's costs of administering the supplemental payments.
- This request aligns with the Department's Performance Plan strategies to "Ensure robust management of Medicaid benefits" and "Expand the network of providers servicing Medicaid" by providing better compensation to providers who have a limited ability to choose to stop rendering services.

R-17 Single Assessment Tool Financing

-$6.1 million Total Funds, -$3.1 million General Fund

1
Delivery Systems Innovation

- The Department requests to shift funding appropriated related to SB 16-192 "Assessment Tool Intellectual and Developmental Disabilities" between fiscal years for a net-zero General Fund impact.
- This request aligns with the Department's FY 2016-17 Performance Plan strategic policy initiative of delivery systems innovation by reducing the number of assessment tools needed to evaluate member. This would simplify the eligibility process and improve access to care, a primary focus of the Department's Performance Plan.

R-18 Cost Allocation Vendor Consolidation

$366,400 Total Funds, $120,050 General Fund

4
Operational Excellence

- The Department requests funding to procure a cost allocation vendor to assist the Department in compliance of federal cost allocation requirements and to ensure that costs are appropriately allocated between programs.
- This request aligns with strategies as outlined in the Department's FY 2016-17 Performance Plan including 'Improve efficiency of business processes,' 'Promote rigorous compliance with federal and state laws and regulations and 'Support counties and medical assistance sites with technical assistance for processing eligibility applications accurately and efficiently.'

R-19 IDD Waiver Consolidation Administrative Funding

$478,500 Total Funds, $239,250 General Fund

1
Delivery Systems Innovation

- The Department requests funding for administrative resources needed to consolidate the Home and Community Based Services (HCBS) adult waivers for persons with Intellectual and Developmental Disabilities (IDD).
- This request would also help the Department meet its performance plan goal to "Make Long-Term Services and Supports easier to access and navigate" by simplifying processes, expanding services, and reducing administrative burden for the individuals the Department serves.

Cost and FTE

- The Department requests a reduction of $2,314,420 General Fund for FY 2017-18; an increase of $4,884,395 General Fund for FY 2018-19; and an increase of $16,026,111 General Fund for FY 2019-20 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. This reimbursement to CMS is 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 2017-18, the Department requests an increase of $20,627,930 total funds, including an increase of $5,137,659 General Fund an increase of $5,237,789 Intellectual and Developmental Disabilities Cash Funds, a decrease of $162,073 Hospital Provider Fee Cash Fund, and an increase of $100,294 Healthcare Affordability and Sustainability Fee Cash Fund. For FY 2018-19, the Department requests an increase of $38,735,903 total funds, including an increase of $19,254,462 General Fund, a decrease of $206,609 Hospital Provider Fee Cash Fund, and an increase of $320,078 Healthcare Affordability and Sustainability Fee Cash Fund. For FY 2019-20, the Department requests an increase of $67,624,408 total funds, including an increase of $33,673,435 General Fund, a decrease of $206,609 Hospital Provider Fee Cash Fund, and an increase of $345,359 Healthcare Affordability and Sustainability Fee Cash Fund. 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 over-expenditure in the current year without action because the Department estimates that some services rendered in the previous fiscal year will be paid in the current year due to delayed claims as a result of interChange implementation.
- 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 over-spend its appropriation, necessitating a request to use over-expenditure authority 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.
- Over-expending funds in the current, 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 $420,959 total funds, including $42,096 General Fund and 0.8 FTE, in FY 2017-18 to hire staff to oversee systems implementation of an Electronic Visit Verification (EVV) system and to begin work with an EVV systems contractor. The Department requests rollforward authority for funds allocated to begin contractor work in the amount of $296,267 total funds.
- The Department requests a decrease of $777,203 total funds, including a decrease of $1,200,233 General Fund and an increase of 7.8 FTE, in FY 2018-19. This amount includes an increase of $2,840,792 total funds that would be used to pay for EVV system implementation and operations, and an offsetting savings estimate of $3,617,995 total funds.
- The Department requests a decrease of $6,443,371 total funds, including a decrease of $3,889,331 General Fund and an increase of 8.0 FTE, in FY 2019-20. This amount includes an increase of $2,908,387 total funds that would be used to pay for EVV system operations and an offsetting savings estimate of $9,351,758 total funds.
- Of the FTE requested, 4.0 FTE would be term-limited, with terms expiring June 30, 2021.

Current Program

- The state currently does not employ an EVV system. In FY 2015-16 the state spent $655,480,406 total funds on services that would be covered by EVV under the Department's proposed solution.

Problem or Opportunity

- The 21st Century Cures Act mandates that all states implement an EVV system for Personal Care services by January 1, 2019 and for Home Health services by January 1, 2023.
- Implementation of EVV for Personal Care and Home Health services could be expanded to additional attendant based services with minimal additional cost to the Department.
- The Department expects to see a cost savings from reduced billing, and improvements in data collection, for all services in which EVV is implemented.

Consequences of Problem

- If EVV is not implemented in Personal Care the state will see incremental reductions in federal Medicaid matching funds beginning in FY 2019-20 and compounding until EVV is implemented.
- If EVV is not implemented in other attendant based services, the Department will remain at risk of overbilling in these services.

Proposed Solution

- The Department requests funding to implement EVV for Personal Care Services by the January 1, 2019 deadline as mandated by the 21st Century Cures Act. The Department also requests to simultaneously implement EVV for Home Health Services, Homemaker services, Hospice, Private Duty Nursing, and Health Maintenance Activities. This process would involve contracting with an EVV systems vendor to create a Colorado-specific EVV system and provide provider trainings, working with current Medicaid Management Information System (MMIS) vendors to integrate EVV into the Department's collective system, and providing ongoing support to providers to facilitate EVV implementation and mitigate service and payment disruptions. The Department requests rollforward authority for funds allocated to begin contractor work in the amount of $296,267 total funds.

Cost and FTE

- The Department requests a reduction of $1,136,406 total funds, including $703,203 General Fund in FY 2018-19 and a reduction of $6,323,180 total funds, including $3,161,590 General Fund in FY 2019-20 to move services currently available under the Colorado Choice Transitions (CCT) program to the Home and Community Based Services (HCBS) waivers and to the Medicaid State Plan. In FY 2020-21 funding for 2.1 FTE would be required in addition to services funding and in FY 2021-22 and onward 5.0 FTE would be required to implement the transition services appropriately. The funding would also be used to increase options counseling availability for the Aging and Disability Resources for Colorado (ADRC).

Current Program

- The CCT grant program has been in operation since April 2013 providing services to aid clients transitioning from institutional living to living and remaining in the community where they receive the services they need more cost-effectively; these services include home delivered meals and several others.
- To determine if a Medicaid member is interested in transitioning to the community, they answer several different questions that are part of the Minimum Data Set (MDS) assessment. Depending on their answers to certain questions, these clients are then referred to the ADRC which is currently contracted at $319,302 per year to provide options counseling to discuss the clients' next steps and options for transitioning.

Problem or Opportunity

- The CCT grant expires on December 31, 2020. With the expiration of the grant, the Department has very limited resources within the HCBS waivers to assist clients interested in transitioning from institutions to the community. The Department has the opportunity to take lessons learned from CCT and develop a sustainable program to allow clients to continue to transition to the community.
- Colorado's current options counseling infrastructure cannot adequately address the high number of referrals it receives without additional supports from the State.

Consequences of Problem

`
- If the Department is unable to continue providing the services offered through the CCT grant program, clients who currently reside in Long Term Care (LTC) facilities who would prefer to move to the community would have very limited resources available to make these transitions happen, which could lead to a lower overall quality of life for these clients. Additionally, leaving clients without the ability to transition from facilities would lead to higher costs for the state over time.
- Both of these issues would be compounded if the ADRC network was unable to receive funding to increase options counseling availability as the current funding is leading to fewer transitions than expected.
- If the CCT grant program were to end without a replacement, the Department would risk being out of compliance with Olmstead requirements, which require the Department to allow individuals to receive care in the least restrictive setting possible.

Proposed Solution

- The Department requests 5.0 FTE beginning January 1, 2021 and funding to redesign and relocate some of the current CCT services into the HCBS waivers and the State Plan to make them available before the CCT grant program ends.
- Funding would be used to expand options counseling availability through the ADRC.
- Legislation would be needed to authorize services through the State Plan.

Cost and FTE
• The Department requests a reduction of $1,391,380 total funds, including a reduction of $2,187,947 General Fund and an increase of 5.8 FTE in FY 2018-19, a reduction of $4,136,489 total funds, including a reduction of $4,160,948 General Fund and an increase of 7.0 FTE in FY 2019-20, and a reduction of $4,530,726 total funds, including a reduction of $4,593,450 General Fund an increase of 7.0 FTE in FY 2020-21 and future years to implement Medicaid program savings initiatives.

Current Program
• The Department has been appropriated over $9.9 billion in FY 2017-18 to provide services to 1.4 million eligible members; this represents the largest single agency budget for the State. Given the size of the Department's budget, initiatives that lead to reductions in cost are critical to ensuring that members are receiving the services that they need and that taxpayers are getting sufficient returns on the use of these funds.

Problem or Opportunity
• As part of the Department's focus on continual improvement to provide sound financial review, the Department has identified several opportunities for savings and efficiencies to provide more cost-effective care to Medicaid members; however, the Department does not have the spending authority to successfully implement these initiatives, therefore it cannot realize the savings that would be generated in its budget.

Consequences of Problem
• Although the Department has made incremental improvements within existing resources, it is unable to implement larger scale cost reduction strategies within existing resources because of the existing workload within the Department. These projects require dedicated personnel and changes to complex IT systems and cannot be absorbed within the Department's administrative budget.

Proposed Solution
• The Department requests funding to implement five separate initiatives that would lead to savings in the Medicaid program, including: increased utilization management; automation of public assistance reporting information system matching; increased trust unit recoveries; increased access to public transportation benefits; and, implementation of a parental fee for eligibility in the Children's Home and Community-Based Services waiver.

Cost and FTE
• The Department requests $27,826,226 total funds, including $10,274,899 General Fund in FY 2018-19 and $30,391,853 total funds, including $11,103,734 General Fund in FY 2019-20.

Current Program
• Colorado's Medicaid program currently provides health care access to more than 1,346,174 individuals and provides care to more than 9,848 full time equivalent clients in class I nursing facilities. • Pursuant to SB 15-228, the Department is required to periodically perform reviews of provider rates under the Colorado Medical Assistance Act. SB 15-228 also established the Medicaid Provider Rate Review Advisory Committee to assist in the review of provider reimbursement rates. • Nursing facility per diem rates are allowed to grow as a function of nursing facility costs, pursuant to the rate methodology outlined in section 25.5-6-202, C.R.S. Rates are statutorily limited to an aggregate annual growth rate of three percent pursuant to 25.5-6-202(9)(I), C.R.S.

Problem or Opportunity
• The Department has an opportunity to address inadequate provider rates in a variety of service categories as well as address provider rates which may be currently set above reasonable levels.

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

Proposed Solution
• The Department proposes to adjust provider rates in three ways. First, the Department would provide an across-the-board rate increase of 0.77% to all providers not targeted by the other components. Second, the Department would implement a decrease to anesthesia rates and an increase to alternative care facility rates; and third, the Department would reduce the allowable growth factor on nursing facility per diem rates down to one percent in FY 2018-19 only. Beginning in FY 2019-20, the allowable growth factor would revert to three percent. • In order to implement the nursing facility per diem policy change, a change in statute would be required because current law permits a three percent annual increase to rates.

Cost and FTE

- The Department requests an increase of $132,777 total funds, including a decrease of $24,407 General Fund in FY 2018-19 and a decrease of $1,512,798 total funds, including a decrease of $390,093 General Fund in FY 2019-20 to improve management of the pharmacy and physician administered drug benefits. This funding would be used to procure a utilization management vendor for physician administered drugs, administrative resources to set up alternative payment models for prescription drugs, and to account for anticipated savings from these initiatives.

Current Program

- The total funds spent on pharmacy and physician administered drug benefits totaled $834,402,471 ($425,522,785 net of rebates) and $53,185,751 respectively in FY 2015-16.
- Pharmacy claims are paid through the Pharmacy Benefit Management System (PBMS), while physician administered drugs are considered a medical benefit and are paid through the interChange system.
- Prior authorization is required on some drugs in the pharmacy benefit, including those non-preferred agents on the preferred drug list (PDL). There are currently no prior authorization restrictions on any physician administered drugs. The Department was appropriated an FTE to manage the physician administered drug benefit through the FY 2017-18 R-7 "Oversight of State Resources."
- Oversight of these benefits come from the Drug Utilization Review (DUR) Board, the Pharmacy and Therapeutics (P&T) Committee managing Preferred Drug List, and Medical Services Board.

Problem or Opportunity

- Prescription drug expenditures have grown significantly in the last few years due to the increasing number of specialty drugs in the market and increases in drug prices.
- Utilization management of the Physician Administered Drug benefit and participating in alternative payment models (APM) are new tools the Department can use to manage benefits and lessen pressure on the State's financial resources.

Consequences of Problem

- If the request is not approved, the Department would miss two opportunities to mitigate increasing drug costs. The Department would be unable to put prior authorizations on physician administered drugs and could not guarantee that these services are provided in the most cost-effective manner.
- Drug costs would likely increase more rapidly than they would have otherwise under containment policies.

Proposed Solution

- The utilization management vendor would be responsible for working in conjunction with the benefit manager in developing clinical criteria for prior authorization for physician administered drugs and processing prior authorization requests (PARs).
- The Department is in the initial phases of developing APMs to address the rising costs of specialty drugs. The Department expects to start engaging with manufacturers to participate in these APMs in 2018.

Cost and FTE

- The Department requests $177,606 total funds, including $88,803 General Fund and $88,803 federal funds for FY 2017-18; $1,716,842 total funds, including $1,251,367 General Fund, $831,237 cash funds, and a reduction of $365,762 federal funds for FY 2018-19; and $470,651 total funds, including a reduction of $23,869 General Fund, and increase of $831,237 cash funds, and a reduction of $336,717 federal funds for FY 2019-20, and ongoing, for adjustments in administrative contract funding for compliance with federal requirements, and changes in federal financial participation rates and vendor rates.

Current Program

- Federal statute requires states to create a Medicaid Asset Verification Program (AVP) that automatically and electronically verifies the liquid assets of Medicaid applications who are aged, blind, and/or disabled, which in Colorado is scheduled to commence in January 2018.
- The Professional Services Contract line provides funding for Acute Care Utilization Review, Long Term Care Utilization Review, External Quality Review, and Drug Utilization Review.

Problem or Opportunity

- The Department underestimated the cost to perform asset verification reviews on all Medicaid applicants and members who are elderly, blind, and/or disabled. The Department originally estimated the cost based on a quote of $3.30 per review provided to another state; however, Colorado's current vendor has determined the cost will be $4.50 per review. The Department has also revised its estimate of the number of reviews needing conducted per year which resulted in a projected increase in costs.
- The funding for Professional Services Contracts line item is out of balance with the allowable federal financial participation rates, and Centers for Medicare and Medicaid Services (CMS) is seeking disallowance of claims made at enhanced match rates for the external quality review organization (EQRO) contract funded under this line.

Consequences of Problem

- Because the Department does not have enough funding for all asset verifications, the Department may not be able to fully comply with federal statute and regulations for verification of assets and could be subjected to corrective action or federal fiscal penalties.
- Without additional appropriations for the Professional Services Contracts line, the Department would be required to reduce the scope of utilization review and external quality review to compensate for shortfalls in federal financial participation and to repay the federal disallowance, leaving the Department without full and complete information necessary to assess appropriateness and quality of services.

Proposed Solution

- The Department requests funding to adjust asset verification cost estimates, to rebalance appropriations between fund sources in the Professional Services Contracts line item rates, and to prepare for disallowance of EQRO claims made at an enhanced match rate.

Cost and FTE
• The Department requests $210,455 total funds, including $105,230 General Fund and 1.8 FTE, in FY 2018-19, $535,213 total funds, including $267,607 General Fund and 2.0 FTE, in FY 2019-20, and $505,713 total funds, including $252,859 General Fund and 2.0 FTE, in FY 2020-21 to transfer the Home and Community Based Services Children's Habilitation Residential Program (HCBS-CHRP) from the Department of Human Services (CDHS) to the Department of Health Care Policy and Financing (HCPF), stakeholder outreach, to add transition services to the program, and to account for anticipated caseload increases in the waiver. Of the requested FTE, one position would be transferred from CDHS, and one position would be new.

Current Program
• HCBS-CHRP is a Medicaid-financed program that provides treatment and out of home services for foster children with intellectual and developmental disabilities (IDD).
• HCBS-CHRP is currently operated by CDHS Division of Child Welfare.

Problem or Opportunity
• Colorado needs a program/funding option to provide crisis stabilization and out of home services for children with intellectual and developmental disabilities who have complex behavioral supports needs.
• The CHRP waiver is the only out of home option for children with intellectual or developmental disabilities. For years, it has been used to try and address the need for crisis stabilization and out of home placement.
• As a component of the child welfare system, children on HCBS-CHRP must be in foster care. This precludes all children living in their family home from the waiver. When children with IDD exhibit complex and dangerous behaviors it becomes unsafe for the child to live at home, the family can either place the child in a hospital at a great cost to the state, send the child to a facility that provides residential services to children, or give up custody and place the child in foster care.
• The CHRP waiver is not fully utilized, in part because case workers do not have the specialization in intellectual and developmental disabilities (IDD) necessary to best facilitate access to HCBS-CHRP services.
• There is an opportunity to leverage HCPF's expertise in providing HCBS services to individuals with IDD to improve the structure of service delivery in HCBS-CHRP and ultimately improve client outcomes.

Consequences of Problem
• In its current form, HCBS-CHRP is not optimally serving the interests of I/DD individuals because families are required to surrender custody of their child to access HCBS-CHRP services.
• Children and youth on the waiver are paired with case workers who are not specialized in service coordination for children and youth with an IDD.

Proposed Solution
• The Department requests that the operations of the HCBS-CHRP waiver be transferred from the Department of Human Services to HCPF and to remove the foster care requirement from the waiver.
• The Department requests funding to implement transitional services as a waiver service to prevent out of home placement, where possible, and facilitate the return from out-of-home placement to the home.
• The Department requests to move HCBS-CHRP case management responsibilities from county case workers to Community Centered Boards (CCB) and Case Management Agencies (CMA).
• The Department requests funding for an additional FTE to fully develop and oversee the policy changes required to the HCBS-CHRP waiver to implement this request.

COLORADO
Department of Health Care Policy & Financing

Cost and FTE

- The Department requests $2,818,558 total funds, including $1,684,280 General Fund, $1,134,278 federal funds, and 1.8 FTE for FY 2018-19, and $2,826,570 total funds, including $1,688,287 General Fund, $1,138,283 federal funds, and 2.0 FTE for FY 2019-20 and ongoing to provide funding for the Medicaid share of claims within the All Payer Claims Database system (APCD), plus additional funding to support the end of grant funding for the APCD.
- The requested FTE would provide more Departmental oversight to the APCD contract and the advisory committee.

Current Program

- The APCD collects claims data from over 21 commercial health insurance companies and builds a more comprehensive picture of health care in Colorado. The APCD takes claims data and turns it into actionable information that provides insights about Coloradans' health, quality of care, utilization, outcomes and cost.
- The Center for Improving Value in Health Care (CIVHC) administers the APCD on behalf of the Department and works closely with an advisory committee to make sure the APCD meets statutory milestones.
- Currently the APCD is funded through grants and donations received directly by CIVHC. CIVHC received $3,800,000 in FY 2016-17 and FY 2017-18 to administer the APCD.

Problem or Opportunity

- A majority of the current grant funding received by CIVHC for the APCD is time limited and will sunset at the end of FY 2017-18, as the need for funding to maintain the APCD is increasing. The Department anticipates that it will cost $5,000,000 to maintain and administer the APCD in FY 2018-19 and ongoing. CIVHC projects to receive $2,400,000 from earned revenue through its administration of the APCD, and needs an additional $2,600,000 to continue operations.
- There is an opportunity to allocate a portion of APCD costs associated with Medicaid claims in the database to the Department. This would allow the Department to receive a federal match on state dollars to offset the needed funds to continue operations.

Consequences of Problem

- If the Department does not provide additional funding to CIVHC to administer the APCD, it may be unable to use the APCD to identify ways to improve the cost efficiency and quality of clients' health care.
- Without additional funds, the APCD is at risk of discontinuing operations as current revenue for the APCD is not enough to sustain itself. Under section 25.5-1-204(11), C.R.S. (2017) if there is insufficient funding, the database shall cease to be operational and the data shall be destroyed or returned to its original source.

Proposed Solution

- The Department requests to hire two FTE to oversee the APCD contract and manage projects and funding for the administration of the APCD through CIVHC.
- By funding the APCD, the Department could continue to delegate the administration of the APCD through an outside entity and obtain actionable information regarding cost of care by service and location and continue its drive towards more cost-efficient value-based care.

Cost and FTE
• The Department requests $81,324 cash funds in FY 2018-19 and $138,361 cash funds in FY 2019-20 and ongoing to allow for increased oversight of the Department's safety net programs and allow additional available funding to be directed towards these programs, instead of going unused. • The cash funds include the Department of Health Care Policy and Financing Cash Fund, the Primary Care Fund Cash Fund and the Healthcare Affordability and Sustainability Fee Cash Fund. This request has no General Fund impact.

Current Program
• The Colorado Dental Health Care Program for Low-Income Seniors ("Senior Dental Program") promotes the health and welfare of low-income seniors by providing access to patient-centered dental care. • The Primary Care Fund Program provides grant funding to participating health care providers that make comprehensive, primary care services available to residents of Colorado regardless of their ability to pay. • The Colorado Indigent Care Program facilitates payments to participating hospitals and clinics that serve the indigent population.

Problem or Opportunity
• The lack of sufficient spending authority prevents the Department from allocating surplus revenue from the Primary Care Fund to participating providers, and prevents the reallocation of recovery funds towards increased access to dental care for low-income seniors within the Senior Dental Program. • The current audit processes within the Primary Care Fund and the Colorado Indigent Care Program lack sufficient funding for a thorough and meaningful audit structure.

Consequences of Problem
• If this request is not approved the availability of health care services could be reduced and fewer services would be provided to populations of needy patients. • Risks of inaccurate payment distributions would remain and general program oversight would remain inadequate.

Proposed Solution
• The Department requests spending authority to expend the surplus funds available in the Primary Care Fund and increase funding towards participating providers for uncompensated care of primary care services to indigent patients. • The Department requests increased spending authority to allow for the reallocation of Senior Dental Program recoveries and increase the access of dental services for low-income seniors. • The Department requests funding for compliance audits of the Primary Care Fund Program and Colorado Indigent Care Programs and improve effectiveness and efficiencies of the programs.

Cost and FTE

- This request is for $1,192,260 total funds, including $596,131 cash funds, $596,129 federal funds, and 10.1 FTE in FY 2018-19; and $1,200,040 total funds, including $600,022 cash funds, $600,018 federal funds, and 11.0 FTE in FY 2019-20; and ongoing, to fund the increased workload for the administration of the Colorado Healthcare Affordability and Sustainability Enterprise. The cash funds are from the Healthcare Affordability and Sustainability Fee (HAS Fee) Cash Fund. This request has no General Fund impact.

Current Program

- SB 17-267 "Concerning the Sustainability of Rural Colorado" eliminates the Hospital Provider Fee program and creates the Colorado Healthcare Affordability and Sustainability Enterprise ("CHASE" or "Enterprise") as a government-owned enterprise within the Department, effective July 1, 2017.
- Section 25.5-4-402.4, C.R.S., establishes the HAS Fee to obtain federal financial participation to increase hospital reimbursement for care provided under Medicaid and the Colorado Indigent Care Program (CICP). Fee revenue also serves as the state share to fund health coverage for more than 440,000 Coloradans currently enrolled in Medicaid and the Children's Health Plan Plus (CHP+).
- Under oversight from the CHASE Board, the Enterprise is charged with implementing and administering the HAS Fee with administrative costs paid from the HAS Fee Cash Fund.

Problem or Opportunity

- Additional business services of the Enterprise that were not part of the purpose of the former Hospital Provider Fee program are outlined at section 25.5-4-402.4(4)(a)(IV), C.R.S. These include consulting with hospitals to improve cost efficiency, patient safety, and clinical effectiveness; advising on changes in federal and state laws; and providing coordinating services to adapt and transition to any new or modified Medicaid performance tracking and payment systems. The Enterprise is also tasked with monitoring and reporting on the impact of the HAS Fee on the overall health care market.
- The Enterprise has insufficient resources to support the administration of the HAS Fee and to perform its prescribed business functions. A workload increase attributed to additional business functions of the Enterprise, including advising and consulting with hospitals and ensuring the Enterprise is operated within the requirements of TABOR, cannot be absorbed within existing resources.
- Workload attributed to analytics related to the impact of the Enterprise on hospitals' financial viability and the Colorado health care market, and the development of value-based payments initiatives, including Delivery Services Reform Incentive Payments (DSRIP) is expected to increase.

Consequences of Problem

- If this request is not approved, the Enterprise would not be able to carry out all its business services, risks associated with improper administration of an enterprise increase, the inadequacy of current analysis would persist, and the Enterprise would be understaffed in performing duties essential for proper administration.

Proposed Solution

- This request is for staff to administer and provide business services in accordance with the relevant sections of SB 17-267, anticipated increases in legal costs, and contracting with health care consultants to produce informative reports and analytics on the impact of the Enterprise on the greater health care marketplace.

Cost and FTE
• The Department requests $180,000 total funds, including $90,000 General Fund in FY 2017-18, and $18,807,725 total funds, including a decrease of $620,560 General Fund in FY 2018-19 and future years, to provide supplemental payments to emergency medical transportation providers and support the Department's costs of administering the supplemental payments.

Current Program
• Public Emergency Medical Transportation (EMT) services include emergency transportation to and from a hospital. EMT services are a mandatory Medicaid State Plan benefit offered to all Medicaid clients. Public ground EMT providers must transport a client to the hospital to be reimbursed. Public EMT providers must be owned or operated by an eligible governmental entity, to include the state, a city, county, city and county, fire protection district, special district, community services district, health care district, or a federally recognized Indian tribe.

Problem or Opportunity
• Public emergency medical transportation (EMT) providers incur significant uncompensated costs for services provided to Medicaid clients. The uncompensated expenditures cannot be claimed or reimbursed through Medicaid or any other program. The Department has an opportunity to partially offset the uncompensated costs through certification of public expenditures.

Consequences of Problem
• The Department would forgo the opportunity to reimburse the uncompensated costs of EMT providers through the use of certified public expenditure (CPE), and would miss out on the opportunity for General Fund savings similar to other CPE programs administered by the Department.

Proposed Solution
• EMT service providers eligible to participate in this program would receive supplemental reimbursement payments by completing a federally approved cost report form. The supplemental reimbursement payment is based on claiming federal financial participation on CPEs that have already been incurred by the public provider. To be eligible for reimbursement the CPE cannot be claimed at any other time to receive federal funds under Medicaid or any other program. The supplemental reimbursement amount is determined by the methodology approved by the Centers for Medicare and Medicaid Services (CMS).

Cost and FTE

- The Department requests to shift funding appropriated related to SB 16-192 "Assessment Tool Intellectual and Developmental Disabilities" between fiscal years for a net-zero General Fund impact. The shifting of funds would result in a request of:
    - FY 2017-18: A reduction of $830,699 total funds, including $526,944 General Fund and $303,755 federal funds; and
    - FY 2018-19: A reduction of $6,112,924 total funds, including $3,056,462 General Fund and $3,056,462 federal funds; and
    - FY 2019-20: An increase of $408,475 total funds, including $204,238 General Fund and $204,237 federal funds; and
    - FY 2020-21: An increase of $6,758,336 total funds, $3,379,168 General Fund, and $3,379,168 federal funds.
- The movement of funds would allow the Department to successfully develop and implement a single assessment tool for long-term services and supports (LTSS) clients in the Health First Colorado waiver programs, as required by the bill.

Current Program

- The Department currently uses more than 30 tools to conduct functional assessments for adults and children. The assessments are done to determine several things including: eligibility, level of care needs for home and community-based services (HCBS), financial planning, funding allocation, and rate setting.
- Funds were allocated through SB 16-192 "Assessment Tool Intellectual and Developmental Disabilities" to implement a single assessment tool for Individuals with Development Disabilities (IDD) and individuals utilizing long-term services and supports. The bill requires that the tool, to be used by adults and children, be selected on or before July 1, 2018. Once selected, the tool should be used to assess clients' needs as soon as practicable.

Problem or Opportunity

- As a result of updated timelines, recent contractor work, and receipt of additional grant funding, the Department requires the shifting of funds between fiscal years to complete the development and implementation of the single assessment tool required by SB 16-192.

Consequences of Problem

- Without the proper movement of funds, the Department would revert funds that are essential to the infrastructure of the tool and could delay implementation of the single assessment tool which is required to begin as soon as practicable after the tool selection deadline of July 1, 2018.

Proposed Solution

- The Department is requesting the reallocation of appropriated funds between fiscal years and roll forward authority for all contractor work in order to complete projects related to developing and implementing the new single assessment tool.

Cost and FTE

- The Department requests $366,400 total funds, including $120,050 General Fund in FY 2018-19 and $373,728 total funds, including $122,451 General Fund in FY 2019-20 and $381,203 total funds, including $124,900 General Fund in FY 2020-21 and ongoing to procure a cost allocation vendor to assist the Department in compliance of federal cost allocation requirements and to ensure that costs are appropriately allocated between programs.

Current Program

- The Department is required to comply with federal requirements of cost allocation of administrative costs to ensure that costs are allocated appropriately to various federal programs and to ensure no duplication of payments. Compliance has become more difficult over time due to increased complexity of Department operations, increased caseload, enhanced match rates, and to date the Department has absorbed costs related to compliance within existing appropriations.
- An approved cost allocation methodology must be implemented and documented for all contracts to ensure that costs are allocated appropriately to federal programs to ensure each program is paying their share of costs. This process is time and labor intensive and requires national cost allocation expertise to provide proper guidance and training to state staff and contractors. The Department does not have sufficient staff resources to react and respond timely to CMS questions on cost allocation to gain and maintain federal approval.
- The Department currently has a contract for ongoing support of its public assistance cost allocation plan which is required to complete the quarterly calculations required by federal rules.

Problem or Opportunity

- Although the Department has spending authority for a vendor contract to support quarterly calculations for cost allocation methodologies for statewide costs, the Department does not have the staff or contractor resources necessary to implement and support the complex cost allocation methodologies required for federal approval for several of its vendor contracts. Because the Department does not have funding for this contract, the increased workload required for staff and existing contracts has become unmanageable and the Department needs additional resources to continue to support the complexity of its contracts.

Consequences of Problem

- Without proper support, the Department cannot ensure that all payments are allocated according to approved methodologies or respond timely to CMS concerns. Without the resources to support and track cost allocation approvals for all the Department's contracts, the Department is at increased risk for disallowance of federal funds.

Proposed Solution

- The Department requests to procure a cost allocation vendor to assist the Department in compliance of federal cost allocation requirements and to ensure that costs are appropriately allocated between programs.

Cost and FTE

- The Department requests $478,500 total funds, including $239,250 General Fund in FY 2018-19 and $177,000 total funds, including $88,500 General Fund in FY 2019-20 for administrative resources needed to consolidate the Home and Community Based Services (HCBS) adult waivers for persons with Intellectual and Developmental Disabilities (IDD).

Current Program

- HB 15-1318 "Consolidate Intellectual and Developmental Disabilities Waivers" directed the Department to establish a redesigned waiver for persons with Intellectual and Developmental Disabilities effective July 1, 2016 or as soon as the Centers for Medicare and Medicaid Services (CMS) approves it.
- The Department received 3.0 FTE, along with funding for contractors and system changes to implement the bill.

Problem or Opportunity

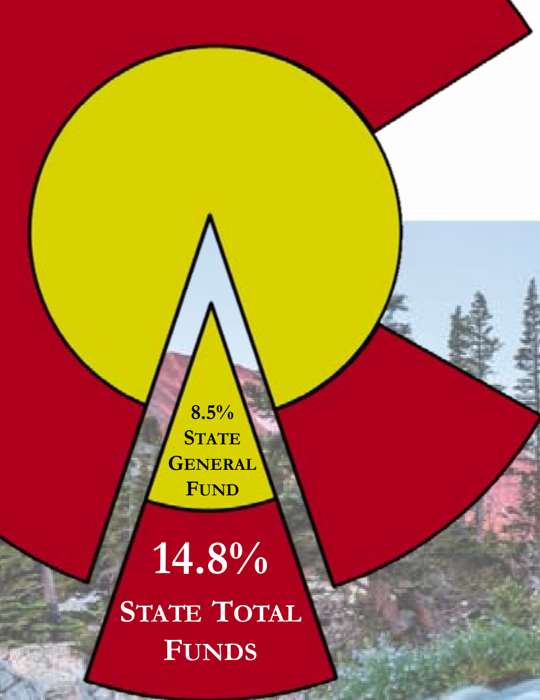
- The Department was unable to implement the bill by July 1, 2016 due to obstacles that were discovered through the stakeholder process and additional research identified through contractor work that require resources and time to resolve.

Consequences of Problem

- Without funding to contract out the additional work needed, the Department would have to further extend the waiver submission date to CMS.
- Additionally, further delays mean that vulnerable clients in the Home and Community Based Services-Developmentally Disabled (HCBS-DD) and Home and Community Based Services-Supported Living Services (HCBS-SLS) waivers would have to wait longer to access additional services or service delivery modalities that would be made available through the redesigned waiver.

Proposed Solution

- The Department requests two years of contractor funding for stakeholder engagement, data analysis, CMS waiver application design and submission, and assistance with the design, development and implementation of a transition plan of the waiver, in order to continue to implement the requirements of HB 15-1318.



COLORADO
Department of Higher Education

FY 2018-19 Governor's Request

$981.8 million General Fund

Share of Statewide General Fund: 8.5%

$4,528.7 billion Total Funds

Share of Statewide Total Funds: 14.8%

Mission Statement:

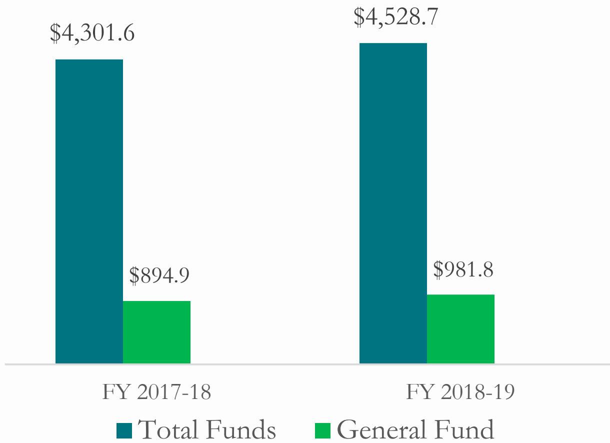
The mission of the Department of Higher Education is to improve the quality of, ensure the affordability of, and promote access to, postsecondary education for the people of Colorado.

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.

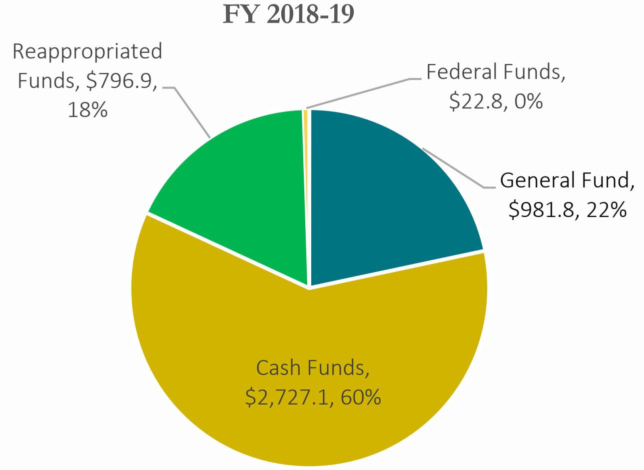
The Department oversees system-wide planning, financial aid allocations, degree and program authorizations; recommends state funding allocations to the institutions; and coordinates statewide tuition policies. The Department collects and analyzes data to help inform decision makers, colleges, students, 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.

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+5.3% ($227.1M) +9.7% ($86.9M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



STRATEGIC POLICY INITIATIVES

1 Increase Credential Completion

The Department seeks to increase credential completion by an addition 73,500 certificates and degrees by 2025.

- The Department seeks to increase credential completions per year by 9,200 credentials. This growth is on top of natural growth. Many of these 9,200 credentials may occur through private or not for profit institutions.
- Certificate credential completion needs to increase from 15,845 in 2017 (25 percent of total credentials) to 20,915 (33 percent of total credentials) in 2025.
- The Department seeks to increase high-demand credential completions, including health care from 12,500 to 14,500 by 2025.
- Educator-preparation credentials should increase from 2,800 to 3,280 by 2025.

2 Erase Equity Gaps

The Department seeks to erase equity gaps in the attainment of post-secondary education.

- Colorado's gap between the educational attainment of the white population and the Hispanic population is the second largest in the nation (behind only California).
- The Department seeks to increase the age 25-34 credential attainment to 66 percent for the Hispanic population (currently 29 percent), for the African American population (currently 39 percent), and for the Native American population (currently 29 percent)

3 Improve Student Success

The Department seeks to increase persistence and retention in college and to reduce the time it takes to get a degree.

- 50% of students who enroll in a public institution finish take150% of the time to finish a degree. This is six years for a four-year bachelors degree or three years for a two-year associates degree.
- Dual enrollment is a strategy that may help address the length of time to degree. In 2016, 38,519 high school students enrolled in a college course.

4 Invest in Affordability and Innovation

The Department seeks to increase public investment in student success, research and innovation.

- The average student debt is $25,877 for a bachelor's degree and $13,374 for an associate degree.
- State-by-state comparisons and affordability studies suggest that Colorado is very close to pricing students out of a post-secondary education.
- CCHE recommends increased public investment as a means to maintain and increase affordability.

FY 2018-19 Change Requests

COLORADO
Department of Higher Education

R-01 Improving College Affordability and Outcomes	
	$129.9 million Total Funds, $73.1 million General Fund
4 Invest in Affordability and Innovation	• The Department requests $73.1 million General Fund ($129.9 million total funds) to improve affordability in Colorado public higher education. • This request provides an 8.5 percent General Fund increase for public higher education institutions with the goal of moderating any resident tuition increases to no higher than 3%. This funding, along with the significant resources added for financial aid, support the Department's Master Plan goals for higher education affordability. • Included in this request is funding for annual inflation ($15.9 million) and health care costs ($1.7 million), funding to moderate tuition levels to no more than 3.0 percent growth ($33.2 million), incentives to improve outcomes for low-income students ($6.0 million), and an 8.5 percent General Fund increase for Local District Colleges and Area Technical Colleges ($2.2 million). • This request increases funding for student financial aid by 8.5 percent ($13.9 million), mostly in need based aid ($11.9 million) but with some ($2.0 million) for work study. • All General Fund for Governing Boards of higher education is distributed to the institutions through a performance outcome based funding system authorized by the General Assembly in HB14-1319. • This request represents a long-term strategic initiative to improve student affordability and access. It is therefore intended to be on-going into future years. The request contains an annualization of these funding goals for FY 2019-20 to assist the Legislature and the Executive with long-term General Fund planning and to provide institutions, students and families with better predictability on tuition.

R-02 Tuition Spending Authority	
	$86.0 million Total Funds, $0 General Fund
4 Invest in Affordability and Innovation	• The Department requests $86.0 million cash funds for tuition spending authority for both resident and non-resident students in Colorado public higher education institutions (Governing Boards). • Per statute, tuition spending authority is subject to appropriation by the General Assembly. • This request corresponds to the Department's affordability request (R-1, discussed above). The request includes the assumption of a goal for no more than 3.0 percent tuition increases for resident students, predicated upon the State funding provided in R-1 (above). This goal does not apply to non-resident student tuition which is also included in this requested sum.

FY 2018-19 Change Requests

COLORADO
Department of Higher Education

R-03 Fort Lewis Native American Tuition Waiver	
	-$373,209 Total Funds, -$373,209 General Fund
4 Invest in Affordability and Innovation	• The Department requests a decrease of $373,209 General Fund/total funds for the Fort Lewis Native American Waiver for FY 2018-19. • The waiver provides that all Native American students in the US get tuition covered at Fort Lewis. The current appropriation for this program is slightly high relative to Fort Lewis College's enrollment projections. As such, this reduction represents just a calibration of the anticipated costs to serve all of the eligible students. The adjustment assumes Fort Lewis College's estimates of enrollment decreases of 3.0 percent and 6.0 percent for resident and non-resident Native American students, respectively. If the enrollment increases beyond current estimates the budget will be adjusted accordingly.

R-04 Emergency Completion and Retention Grant	
	$1.5 million Total Funds, $1.5 million General Fund
3 Improve Student Success	• The Department requests $1.5 million General Fund/total funds for a new Emergency Completion and Retention Grant. • This grant would be a special financial aid program directed at helping students who were 75 percent completed to get through small unexpected financial mishaps. • A significant number of students drop out of college before they have completed their credentials. Sometimes it is an unexpected financial shortfall that prompts this final decision. Emergency grants are a targeted way to direct one-time aid to students who are near completion of their goal and have a financial event that, left unaddressed, might impair their ability to finish school. National research has shown changes in student success (staying in school) as the result of emergency grants.

R-05 Occupational Credential Capacity Grant Program	
	$5.0 million Total Funds, $5.0 million General Fund
1 Increase Credential Completion	• The Department requests $5.0 million General Fund/total funds for a new Occupational Credential Capacity Grant program to increase the number of high-demand certificate credentials. • High demand fields have higher than average earnings and vacancies. The Department of Higher Education's 2016 Talent Pipeline Report has identified sectors with high annual job growth. • To address Colorado's workforce demands and keep pace with the current labor market, the 2017 Higher Education Master Plan calls for 66 percent of the population to have a postsecondary credential by 2025. Colorado needs to increase its certificate production from its current total of 15,845 to 20,915 between now and 2025. • More postsecondary options are needed for Colorado students. This request is designed to be managed via an RFP to most strategically target dollars to institutions that can best design certificate programs to meet workforce needs and better serve student postsecondary goals.

R-6 Colorado Opportunity Scholarship Initiative (COSI)

$4.0 million Total Funds, $4.0 million General Fund

4 Invest in Affordability and Innovation	• The Department requests $4.0 million General Fund/total funds for the Colorado Opportunity Scholarship Initiative (COSI). This request adds to the $5.0 million General Fund already appropriated for the program and would bring the annual state funding request for the scholarship to $9.0 million General Fund. • The COSI was created in 2014 to leverage and maximize the State's investment. The COSI ensures that students have both the financial resources and wraparound support services to persist and complete. • Around 12,400 students have been served through COSI's grant-funded post-secondary preparation programs annually. COSI has also leveraged $7.5 million annually in community matched tuition support (over $26.9 million in matching funds for the next four years). • COSI provides valuable services that build local capacity and help communities invest in, and support, their own students.

HC-1 Sustainability from Recovery of OIT Costs

$0 Total Funds, $112,207 General Fund

HC SPI 3 Become Financially Stable	• The Department of Higher Education, History Colorado requests $112,207 General Fund ($0 total funds) to rebalance its Office of Information Technology (OIT) financing to recover some of the cost increases in OIT that have occurred from FY 2015-16 to now. • In 2015 History Colorado realigned its board, its leadership, and its vision for the organization. As part of this realignment, the History Colorado budget was wholly rebuilt from top to bottom as well. This budget redesign was necessary to right-size the organization to its revenues and included the reduction of around 20 percent of its FTE. However, since that time, payments for OIT expenses have increased beyond the capacity of the organization long-term. • OIT common policy budget increases have been funded at History Colorado out of its limited cash funds derived from and for museum operations. Redirecting these museum moneys into museum exhibits will allow History Colorado to better meet its strategic goals which include increasing visitors and becoming financially stable.

Cost and FTE

- The Department of Higher Education requests an increase of $73.1 million General Fund ($129.9 million Total Funds) to increase affordability for students and families and to improve outcomes for low-income students.

Current Program

- Over 205,000 Colorado residents are enrolled in 2 and 4 year public institutions. Two and four year institutions awarded over 59,000 post-secondary credentials in 2015.
- Past studies have shown Colorado public higher education institutions to be among the most productive and efficient in the nation.
- In 2014 the General Assembly passed HB14-1319, a performance funding allocation system which funds institutions based on performance outcomes including degrees completed, student retention, STEM degrees, and number of low-income (Pell) students.
- SB14-001 made significant General Fund investments in Colorado public higher education and financial aid, capping resident tuition increases at 6.0 percent for FY 2014-15 and FY 2015-16. State funding increases were flat for FY 2016-17 and the FY 2017-18 appropriation provided a modest funding increase of $20.5 million.
- The 2017 CCHE Master Plan seeks to respond to workforce demand for credentials, erase equity gaps, improve student success, and improve college affordability.

Problem or Opportunity

- Since FY 2011-12, tuition increases have averaged 7.4 percent a year at four-year schools, increasing over 44 percent in total. In contrast, median income grew only 18 percent during this time.
- Adding funding for inflation and health care costs for Colorado's public colleges and universities will help moderate tuition increases. Base funding increases, along with a tuition buy-down, funding for low-income student degree attainment, and an increase of over 8.5 percent for student financial aid, will increase affordability for resident undergraduate students and their families.

Consequences of Problem

- If tuition increases continue at the current pace, in four years tuition will be over 22% higher than current levels. Such increases could hinder affordability and discourage many students from attending college. Colorado needs to increase its post-secondary credentials in order to meet future workforce demand.

Proposed Solution

- The requested increase of $73.1 million General Fund increased affordability for Colorado students by holding down tuition increases, increasing financial aid to low-income students, and funding improved outcomes for low-income students. The request is calculated based on the goal of limiting tuition increases to no more than 3.0 percent for Colorado resident undergraduate students.

COLORADO
Department of Higher Education

Priority: R-02
Tuition Spending Authority
FY 2018-19 Change Request

Cost and FTE

- The Department of Higher Education requests an additional $86.0 million in cash funds spending authority to reflect public post-secondary institutions' tuition revenue for FY 2018-19. The resident tuition in this request is tied to a statewide goal of 3.0 percent resident, undergraduate tuition increases. The statewide goal ties directly to the General Fund support in R-01 (Improving College Affordability and Outcomes") and is the first step in a multi-year approach focused on college affordability.

Current Program

- Colorado public institutions' tuition revenue for resident and non-resident students is appropriated by the General Assembly.
- Each 1.0 percent increase in tuition results in about $9.6 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., the Commission of Higher Education is required to provide its tuition recommendations for resident undergraduate students for each state institution of higher education in its budget request.
- Inflationary and health care costs, along with funding for other strategic initiatives, must be covered by one of two sources: state General Fund or student tuition revenue.
- Providing Colorado students and families with modest tuition growth goal of 3% will promote affordability and the multi-year nature of the request will provide greater predictability on college costs.

Consequences of Problem

- Tuition cash fund spending authority for resident and non-resident students at Colorado public institutions must be appropriated by the General Assembly pursuant to statute.
- Funding in this request is necessary to implement the Department's goals for college affordability outlined in its R-1 ("Improving College Affordability and Outcomes").

Proposed Solution

- An increase of $86.0 million cash fund spending authority for tuition revenue will allow institutions to remain financially viable by covering inflationary and healthcare benefit cost increases.
- The 3.0 percent statewide goal for resident, undergraduate tuition will enhance affordability for Coloradans and the multi-year nature of the request will provide greater reliability for a student and family's college financial planning.

Cost and FTE

- The Department requests a decrease of $373,209 General Fund/Total Funds for the Fort Lewis College Native American Tuition Waiver in FY 2018-19.

Current Program

- Colorado is required via Federal treaty and State law to fund tuition for any qualified Native American student who attends Fort Lewis College. Federal treaty with Colorado applies to all Native American students throughout the United States. Therefore, the appropriation covers both resident and non-resident tuition for participating students.

Problem or Opportunity

- Fort Lewis College is forecasting an enrollment decline of 3.0 percent and 6.0 percent for resident and non-resident students, respectively. These student enrollment changes are the result of tightening admissions requirements at Fort Lewis College. The enrollment changes result in slight cost decreases for the program.

Consequences of Problem

- If the funding for the Fort Lewis Native American Tuition Waiver is not decreased, the line item will be overfunded.

Proposed Solution

- The Department requests that the Fort Lewis College Native American Tuition Waiver funding be decreased to adjust for the impact of the forecasted Native American student enrollment declines.

COLORADO
Department of Higher Education

Priority: R-4
Emergency Completion and Retention Grant
FY 2018-19 Change Request

Cost and FTE

- The Department requests $1,500,000 General Fund to create an Emergency Completion and Retention Grant program in FY 2018-19 in an effort to keep students who have a small financial emergency in school.

Current Program

- The State of Colorado does not currently fund completion grants, but these grants are gaining national attention as a low-cost, high-return retention and completion tool targeted to students within a certain credit hour threshold of completing or retaining.
- Institutions across the country, including in Colorado, utilize institutional aid to provide small amounts ($1,500 or less generally) of emergency financial support to students faced with unanticipated costs that force a student to choose between continuing their studies and working toward their credential, or paying for the emergency event.
- Completion grants can be especially critical for minority, low-income, or first generation students who may lack the means to address unanticipated costs.
- Current completion grant programs are relatively small, and funding is provided on a first-come first-served basis or as a loan, preventing some needy students from accessing the funds.

Problem or Opportunity

- Colorado's current financial aid programs are designed to reduce a student's cost of attendance and do not necessarily have the flexibility to address one-off financial issues that may impact a student's ability to complete or stay in school.
- Traditional financial aid programs cannot anticipate nor accommodate emergency costs.
- Completion grant funding would allow institutions to leverage additional funds in connection with their own programs to help more students receive the benefit and persist through completion.

Consequences of Problem

- Students who would likely otherwise stay in school and finish their degree could continue to be derailed by relatively small, unexpected financial needs.
- The State will struggle to meet its attainment goal if it does not support proven strategies to accelerate students that are close to completing a credential.

Proposed Solution

- Fund $1,500,000 General Fund for a grant program to help students who are progressing in college but who may have a small financial mishap in order to help improve student completion rates.

Cost and FTE

- The Department requests an increase of $5,000,000 General Fund to create the Occupational Credential Capacity Grant Program in FY 2018-19.

Current Program

- In 2017, Colorado awarded 15,845 post-secondary certificates.
- The median earnings for certificates of one year or longer was $44,070 (2016 Talent Pipeline Report).
- 16 percent of the openings in the State's top jobs require a certificate (2016 Talent Pipeline Report).
- Colorado provides $450,000 in a Career and Technical Education Grant financial aid program for short-term (less than a year) certificates at Community Colleges, Technical Colleges, Local District Colleges, and Colorado Mesa University.
- Approximately 10,000 students enrolled in Career and Technical Education courses through Concurrent Enrollment; however, greater options for career and technical education are needed.

Problem or Opportunity

- By 2025, Colorado must increase its certificate production to address projected workforce needs and support the Master Plan goal of 66% credential attainment by 2025.
- Colorado's post-secondary system is not fully equipped to drive increased high-demand certificate production due to a need for increased capacity. There is also an opportunity to utilize this grant funding to bring higher education to target populations by using the RFP process to support CTE Concurrent Enrollment programs in targeted areas and increasing capacity of CTE offerings in the correctional system.

Consequences of Problem

- Without increasing certificate completions, the State will be short of the number of credentials needed to meet its workforce demands and thus cannot sustain its economic growth.
- By targeting certain populations, the long-term benefit of higher education will reduce reliance on the state's safety net programs and will have lasting impacts across generations by providing access to high-demand, high-value certificates.

Proposed Solution

- The Department requests $5.0 million General Fund to support increased capacity for high-demand certificates that will create an opportunity for high school graduates, inmates, or other target populations to attain a credential. The Department's RFP process for distributing the funds will be responsive to regional needs by allowing institutions to select the certificate fields that are the highest demand in the different regions in Colorado.
- This new program will provide community colleges, technical colleges, local district colleges, and Colorado Mesa University with an opportunity to receive funds to increase Future Ready Certificate production and increase the State's high-demand certificates while targeting concurrent enrollment student and other specific student populations.
- Legislation will be needed to implement this program.

Cost and FTE

- The Department requests a $4.0 million General Fund increase to the Colorado Opportunity Scholarship Initiative (COSI), bringing the total annual budget to $9.0 million General Fund in FY 2018-19.

Current Program

- The COSI was created in 2014 to leverage and maximize the State's investment through community matching funds to ensure that students have the resources they need for college.
- Approximately 12,400 students are served annually through COSI's grant-funded programs. COSI also leverages $7.5 million annually in community-matched tuition support. (Over 4,300 annual scholarships have been granted for post-secondary education, and the number is expected to grow.) Approximately $13.5 million has been awarded thus far, along with $26.9 million in matching funds, to fund student scholarships over the next four years.
- COSI is effectively leveraging the state's investment by making support for tuition available in 80 percent of the state's counties, 29 public institutions of higher education, and 15 workforce development programs.

Problem or Opportunity

- At the current $5 million appropriation, expenditures will soon exceed resources. Consequently, COSI will be unable to meet the demand of the projected growth, thus negatively impacting students. With the additional support, COSI could expand upon and provide valuable services to assist communities in building local capacity to invest in, and support, their own students in every community in the state.

Consequences of Problem

- If the appropriation is not increased, COSI will be forced to spend into its corpus, which will have a ratcheting-down effect on the program's support services and scholarships.

Proposed Solution

- An increase of $4.0 million General Fund would help COSI build sustainability, ensure a strong level of wraparound student support programming and scholarship aid, and expand the funding directed to scholarships and wraparound services by a projected 69 percent and 12 percent, respectively.

COLORADO
Department of Higher Education
History Colorado

Priority: HC-01
Sustainability From Recovery of OIT Costs
FY 2018-19 Change Request

Cost and FTE

- History Colorado requests $112,207 General Fund (and a corresponding decrease in cash funds) for FY 2018-19 to recover escalating Office of Information Technology (OIT) cost increases in order to allow the organization to become more sustainable.

Current Program

- History Colorado is billed for the services that OIT provides to it. Any increase in OIT is currently paid for with History Colorado cash funds (limited gaming revenue or earned revenue).

Problem or Opportunity

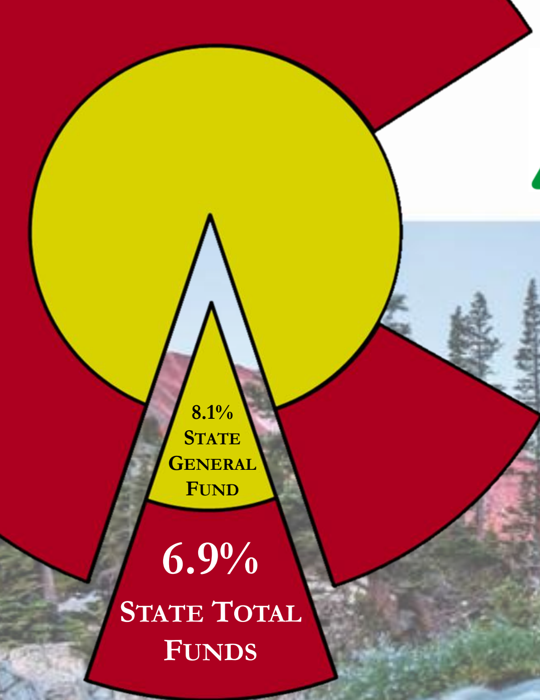
- The Governor and General Assembly put a new Board of Directors and funding structure into place at History Colorado in 2015 to help the agency become fiscally sustainable. Prior to 2015, History Colorado was spending into its reserved fund balance after years of decreasing appropriations of limited gaming funds without either a corresponding increase to earned revenue or decrease in expenses. The new Board immediately took aggressive steps to stabilize the organization's finances.
- Thwarting the Board's efforts to stabilize and grow History Colorado, however, are the OIT common policy cost increases. These increases have been unpredictable and uncontrollable by the Board in the last few fiscal years. History Colorado's OIT common policy costs have increased an average of over 40% a year since FY 2014-15. Conservative forecasts show these costs will continue to grow. This growth in OIT means that the expenditure will increase from 3% of Gaming and Museum revenues in FY 2014-15 to over 7% in FY 2021-22. This growth will crowd out other uses of their limited museum dollars such as building exhibits and increasing visitation.

Consequences of Problem

- In FY 2021-22, History Colorado's Certificate of Participation will increase and the agency will have to cut almost $400,000 in order to balance the budget, thus ending their ability to take the revenue-building path and entering a cost- and program-cutting path.

Proposed Solution

- History Colorado requests General Fund relief from paying for recent net OIT increases out of its museum directed cash funds. The time out is calculated from 2015, the time the new Board of Directors took control of the organization, in order to assist the Board in building prolonged financial sustainability.
- History Colorado projects the net benefit if they can instead expend their own museum cash revenues on greater revenue-building investments. Potential investments include: development and membership acquisition and expanding exhibit designers. The projection shows History Colorado would increase its earned revenues by $240,508 in FY 2018-19 and by an additional $200,052 in FY 2019-20 as a result of investing its money internally.



COLORADO
Department of Human Services

FY 2018-19 Governor's Request

$927.1 million General Fund

Share of Statewide General Fund: 8.1%

$2.1 billion Total Funds

Share of Statewide Total Funds: 6.9%

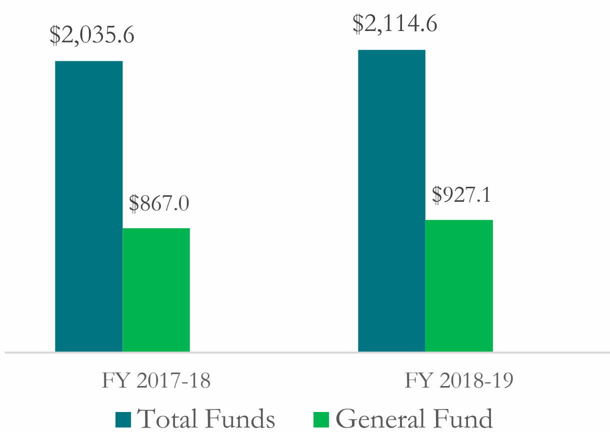
Mission Statement

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

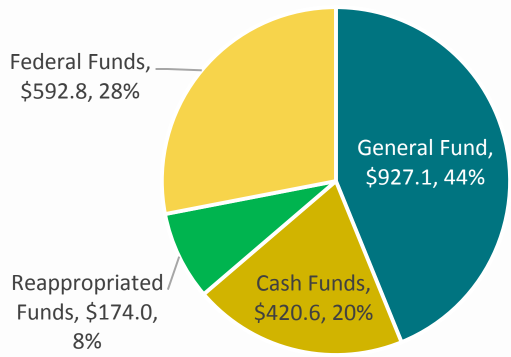
The Colorado Department of Human Services serves Colorado's most vulnerable populations. It assists struggling Colorado families who need food, cash, and energy assistance to provide for their families; families in need of safe and affordable child care; children at risk of abuse or neglect; families 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.

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+3.9% ($790M) +6.9% ($60.2M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



Strategic Policy Initiatives

1 Help Coloradans 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.

- In the first three quarters of 2016-17, 111 clients with identified barriers to discharge were successfully discharged from the Mental Health Institutes.
- The Governor's plan, "Strengthening Colorado's Mental Health System: A Plan to Safeguard All Coloradans," created Colorado Crisis Services, a statewide 24-hour-a-day mental health and substance abuse crisis system. Colorado Crisis Services has served 370,217 people since its inception in 2014.
- The Department has achieved its 2017 goal for child welfare and youth of responding immediately to 90% of referrals of child abuse or neglect.

2 Help Coloradans 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 Redetermination benefits from 43.5% in FY 2007-08 to 96.4% in FY 2016-17.
- Colorado Works increased the actual "All Family Work Participation Rate" from 17.4% in March 2016 to 23.4% by June 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. To date, 555 individuals have transitioned from subsidized employment into fulltime work.
- By the end of FY 2017-18, it is expected that all 17 Community Mental Health Centers will be providing an evidence-based employment program called Individual Placement and Support, and it will be available across 80% of the state.

3 Help Coloradans 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 Services (DYS) to the community to be better prepared to succeed through education received while in the custody of the Department.

- The DYS 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 secondary and postsecondary education and is approximately 125 youth per year.
- Since the passage of House Bill 17-1207, the Department now steers children younger than 13 into programs and services, rather than into incarceration for low-level offenses.

FY 2018-19 Change Requests

COLORADO
Department of Human Services

R-01a & R-01b Compensation Adjustment for Direct Care Positions

$22.0 million Total Funds, $21.2 million General Fund

- The Department requests $22.0 million total funds to increase salaries for direct care staff at 24/7 facilities, which include Division of Youth Services, Veterans Care Living Centers, and Mental Health Institutes. This does not include Regional Centers, as direct care staff received salary increases last year.
- On average, direct care staff at DHS facilities are paid 20% less than the market average. These facilities have seen high vacancy (22%) and turnover (16%) rates over the past two years.
- $8.9 million of this $22.0 million is specifically for nurses at the Mental Health Institute at Pueblo. Those salaries have already been increased up to the market rate because of more severe staff issues. The remaining $13.1 million is the first year of a two-year salary increase phasing strategy for all other direct care staff at these facilities.
- This salary increase is expected to reduce vacancy and turnover rates, and the accompanying issues of staff shortages. When salaries were increased at the Regional Centers last year, vacancy and turnover rates did, in turn, decrease.

R-03 Division of Youth Services Special Education Services

$662,233 Total Funds, $662,233 General Fund

3 Educational Success

- The Department requests $662,233 total funds/General Fund and 5.25 FTE to fully meet the needs of special education students who are committed to a Division of Youth Services (DYS) facilities.
- Center-based public school programs are the closest equivalent to DYS commitment education programs. These public school programs have a student to teacher ratio of 1:10. DYS ratios are 1:13. DYS proposes the appropriate ratio emulates that of public school center-based programs.
- The Department requests 7.0 FTE to provide special education services to meet the needs of DYS committed youth. This includes 2.0 teachers, 1.0 special education coordinator, 3.0 school social workers, and a 1.0 school psychologist. In addition, funding for the equivalent of 4 more contracted staff are requested for Platte Valley and Lookout Mountain.

R-04 County Child Welfare Staff

$6,125,404 Total Funds, $1,898,957 General Fund

1 Thrive in the Community

- The Department of Human Services requests $6,125,404 total funds, including $1,898,957 General Fund to hire 100 new County Child Welfare caseworkers.
- 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.
- This is the fourth 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.

FY 2018-19 Change Requests

Colorado Department of Human Services

R-05a Jail-based Bed Space

$7.4 million Total Funds, $7.4 million General Fund

- The Department requests $7.4 million Total Funds/General Fund and 3.3 FTE in FY 2018-19 and $7.4 million and 3.0 FTE ongoing to create bed space through an additional 62-bed Jail-based Competency Restoration Program. The requested funding will help the Department manage the projected increase in court ordered referrals for competency evaluations and restoration to competency treatment. The Restoring Individuals Safely and Effectively (RISE) program provides competency services to pretrial detainees in a jail-based setting instead of in a State Mental Health Institute. This request is intended to help reduce wait times for competency restoration services.

R-05b Community Based Intensive Residential Treatment

Net Zero Transfer

1 Thrive in the Community

- The Department requests $0 net total funds in FY 2018-19 and ongoing to transfer $2.2 million in cash and reappropriated spending authority from the Colorado Mental Health Institute at Pueblo (CMHIP) to community providers in order to reopen enrollment.
- The Circle Program provides a comprehensive 90-day inpatient setting for co-occurring treatment needs such as substance abuse, mental illness, trauma, or criminal behavioral. Many individuals receive treatment through the Circle Program as a condition of legal charges related to substance abuse.
- The Department lacked the necessary resources and capacity at CMHIP to maintain the Circle Program, which resulted in program closure in June of 2017. This request will make the Circle Program funding available for contracting with community providers with the ability to sustain service delivery.

R-05c Court Ordered Reports FTE Caseload

$1.09 million Total Funds, $1.09 million General Fund

- The Department requests $1.09 million Total Funds/General Fund and 11.0 FTE in FY 2018-19 and ongoing to add 8 additional Psychologists and 3 additional Administrative Assistants in the Court Services Unit at the Mental Health Institute at Pueblo.
- These additional employees are necessary for the department to manage the increased court ordered referrals for competency services at the institute.

R-05d Purchased Bed Capacity

$3.4 million Total Funds, $3.4 million General Fund

- The Department requests $3.4 million total funds/General Fund and 3.0 FTE in FY 2018-19 and ongoing to contract with hospitals for additional bed space for competency evaluations and restorations. The requested funds will provide 10 additional beds, which will help reduce the wait times for individuals requiring court ordered competency services.
- The 10 purchased bed capacity will have a faster start-up time than the Jail-based bed request, which will help the Department provide the relief necessary for managing the current and projected volume of court ordered referrals for competency restoration. This also provides a hospital-level of care, which is necessary for some individuals.

FY 2018-19 Change Requests

COLORADO
Department of Human Services

R-07 Rehire Colorado Extension

$1,300,406 Total Funds/General Fund

2 Ensure Economic Security	• The Department requests $1,300,406 total funds/General Fund and 1.0 FTE in FY 2018-19 to continue the Rehire Colorado transitional jobs program for the last six months of FY 2018-19. • Since January 2014, ReHire Colorado, a transitional jobs program, has served under- or unemployed veterans, older workers, and non-custodial parents. • ReHire has helped more than 1,044 people earn income and gain work history, skills, and employment references via subsidized jobs; an additional 475 have received training, job readiness classes, and resume writing to support their job search. • ReHire Colorado is currently scheduled to end services to individuals in December 2018 and the program is set to expire in June 2019 per 26-2-1103 C.R.S. (2017). • The Department requests this funding to continue to serve at least 237 hard-to-serve participants in the second half of FY 2018-19. It will allow the department to assess the overall effectiveness of the program through a rigorous research evaluation.

R-10 Child Mental Health Treatment Act

$650,651 Total Funds, $650,651 General Fund

- The Department requests $650,651 General Fund in FY 2018-19 to provide mental health treatment services to meet the increased behavioral health needs of children and avoid unwarranted child welfare involvement.
- The Child Mental Health Treatment Act (CMHTA) was enacted in 1999 and is currently serving 72 children in Colorado with intellectual and/or developmental disabilities and co-occurring mental illness. All children served by the act are at risk of out-of-home placement through juvenile justice, child welfare, or hospitalization.
- The program has experienced a 98% increase in clients from 2011 to 2017, and the requested funding will help the Department manage the growth in demand for services.
- The CMHTA statute is set to expire on June 30th, 2019 and additional funding is pending reauthorization of the act.

R-11 Continuation of Respite Care Task Force Recommendations

$62,677 Total Funds, $62,677 General Fund

1 Thrive in the Community	• The Department requests $62,677 General Fund and $372,812 in roll-forward spending authority for funds already appropriated by the General Assembly in 2016 to continue implementing the recommendations of the Respite Care Task Force. • These recommendations include studying the supply, demand, and economic benefits of respite care in Colorado, developing training materials for health providers, and developing policy recommendations to enhance the state of respite care in Colorado. • The Task Force was created in 2015. Its recommendations were expected to cost $2.2 million. In 2016, the General Assembly appropriated $900,000 to begin implementing those recommendations. With this budget request, which is roughly $700,000 over three years, the total project will end up costing just $1.6 million.

FY 2018-19 Change Requests

COLORADO
Department of Human Services

R-13 Medication Consistency and Health Information Exchange

$590,936 Total Funds, $0 General Fund

1 Thrive in the Community	• The Department requests $590,936 Marijuana Tax Cash Funds (MTCF) and 0.9 FTE in FY 2018-19, and $483,113 MTCF and 1.0 FTE in FY 2019-20 through FY 2021-22 to create a 4-year pilot multi-agency medication consistency and health record exchange. This program was enacted by Senate Bill 17-019, which passed in the 2017 session without funding. • The pilot program has three overarching goals: (1) create a consistent medication formulary to share across criminal justice agencies, developers, and state agencies, (2) develop purchasing protocols across the state to leverage state pricing and discounted medication options, and (3) develop a plan for electronic health information exchange to promote continuity of care between jails and community providers. • This request has $100,000 built-in with roll-forward authority for a process evaluation, per recommendation of the Governor's Office of State Planning and Budget Results First team.

R-14 Increase Funding for Area Agencies on Aging

$4.0 million Total Funds, $4.0 million General Fund

1 Thrive in the Community	• The Department requests $4,00,000 General Fund to increase the amount of state funding provided to Area Agencies on Aging, who provide services to elderly Coloradans. • Colorado has an aging population. In the coming years, the age 65+ demographic group will grow by about 3x the next fastest growing demographic in the state. • Area Agencies on Aging currently receive about $21.8 million in grant funding from the state, which will increase to $25.8 million with this request.

R-18 Promoting Permanency

$354,088 Total Funds, $324,493 General Fund

1 Thrive in the Community	• The Department of Human Services requests $354,088 total funds and $324,493 General Fund to improve permanency outcomes for youth that are in the Child Welfare system awaiting adoption or permanent placement. • These resources will be targeted towards youth who have significant barriers to achieving permanency. The Department plans to use predictive analytics to help identify these kids and target intensive services to them. • The Department plans to expand a promising practice called Wendy's Wonderful Kids, which targets pro-active, child-focused recruitment programs to move the longest waiting children from foster to adoptive families.

Priority: R-01a
Compensation Adjustments for Direct Care Positions at DHS Facilities
FY 2018-19 Change Request

Cost and FTE

- The Department requests $13,141,467 total funds, including $12,339,320 General Fund and $802,147 cash funds in FY 2018-19 and $25,460,094 total funds, including $23,950,450 General Fund and $1,509,644 cash funds in FY 2019-20 and ongoing, as a two-year approach to increase salaries for all direct care staff job classifications at 16 of its 19 24-hour (24/7) care facilities. 24/7 facilities include the Colorado Mental Health Institutes at Pueblo and Fort Logan (CMHIP and CMHIFL), four Veterans Community Living Centers (VCLCs) and ten Division of Youth Services (DYS) facilities. The three Regional Centers at Wheat Ridge, Pueblo and Grand Junction and Nurse I, II, and IIIs at CMHIP are excluded as CDHS had or has been given sufficient funding to address compensation concerns for these facilities and job classes. Cash funds are only from VCLC funds to support increases at those facilities.

Current Program

- DHS operates 19 24/7 care facilities. CMHIP and CMHIFL serve persons with severe mental illness. Four VCLCs serve elderly veterans. Ten DYS facilities serve individuals ages 10 to 21. Three Regional Centers serve adults with intellectual and developmental disabilities.
- Direct care positions include the job classifications of: health care technician, client care aide, nurse, correctional/youth services officers, mental health clinicians, mid-level providers, social workers, and therapy assistants. Administrative staff and management are not included in this request.

Problem or Opportunity

- The Department is experiencing increasing difficulty in recruiting and retaining highly qualified individuals to fill direct care positions throughout the 24/7 care facilities. Inadequate workforce negatively impacts the quality of care for the individuals served.
- Direct care staff at the Department are currently paid, on average, 20% below the market.
- Lack of work-life balance, incentives and developmental opportunities, high workload demands and non-competitive base pay have been major barriers to workforce attraction and retention.

Consequences of Problem

- If unaddressed, DHS 24/7 care facilities will continue to experience high levels of staff turnover (22% compared to a national average of 16.2%) and vacancies (16%). Inadequate staffing results in deficiency citations from regulators, reduced quality of care, staff exhaustion, increased spending on recruitment and training, and reduction of admissions to facilities. The average national estimated cost of turnover ranges from $38,000 to $59,000 per direct care position.

Proposed Solution

- The Department requests $13,141,467 total funds in FY 2018-19 and $25,460,094 total funds in FY 2019-20 and ongoing, as a two-year approach to increase salaries for all direct care staff job classifications at 16 of its 19 24/7 care facilities.
- This initiative will reduce mandatory overtime, staff exhaustion and turnover. This will reduce physical holds, restraints and seclusions, critical incidents, and medication and care errors that occur due to staff shortages and exhaustion.

COLORADO
Department of Human Services

Priority: R-01b
Compensation Adjustment
For Nurses at CMHIP
FY 2018-19 Change Request

Cost and FTE

- The Department requests $8,901,740 total funds/General Fund in FY 2018-19 and on-going to continue the salary adjustment for Registered Nurse I-III staff at the Colorado Mental Health Institute at Pueblo (CMHIP), that were approved by the Joint Budget Committee for FY 2017-18, given difficulty hiring and retaining staff needed to provide a safe, adequate, active care to CMHIP patients.

Current Program

- CMHIP serves persons with severe mental illnesses and provides inpatient competency evaluations and restoration treatments that psychiatrists or psychologists conduct at the Colorado Mental Health Institute at Pueblo (CMHIP) as ordered by the courts.
- The Department is legally required to adhere to the settlement agreement filed in federal district court requiring that "the Department shall offer admission to pretrial detainees to the hospital for restorative treatment or inpatient competency evaluations no later than 28 days after the pretrial detainee is ready for admission."
- The Department does not have sufficient nursing staff to meet the rising demand for court ordered inpatient competency evaluations and restorations to competency services.
- This was approved for FY 2017-18 by the Joint Budget Committee in September 2017.

Problem or Opportunity

- The Department has been experiencing increasing difficulty in recruiting and retaining highly qualified individuals to fill nursing positions at CMHIP, which has become more severe at CMHIP as its census has increased.
- Lack of non-competitive base pay and high workload demands have been major barriers to workforce attraction and retention.
- The Colorado Department of Public Health and Environment (CDPHE) performed a revisit survey of CMHIP and made new findings related to a lack of staff that led to the initiation of an Immediate Jeopardy finding on 6/2/17.

Consequences of Problem

- If unaddressed, CMHIP will continue to experience high levels of staff turnover and high nurse vacancy rates (23.9 percent on average vs. 8.5 percent nationally), resulting in deficiency citations from regulators due to insufficient staffing, reduced quality of care, staff exhaustion due to mandatory overtime, increased spending on recruitment and training, and reduction of patient admissions to facilities.

Proposed Solution

- The Department requests $8,901,740 total funds/General Fund in FY 2018-19 and on-going to continue the FY 2017-18 approved salary increase for Registered Nurse I-III job classifications at the Colorado Mental Health Institute at Pueblo.
- This will improve the quality of care by reducing mandatory overtime and staff exhaustion; reducing turnover thereby increasing the consistency and familiarity of staff working with patients; reducing errors that occur due to staff shortages and exhaustion (e.g., medication errors), unnecessary physical holds, restraints and seclusions; and critical incidents.

COLORADO
Department of Human Services

Priority: R-02
DYS Facility Staffing Final Phase
FY 2018-19 Change Request

Cost and FTE

- The Department requests $2,622,691 total funds/General Fund, and 49.5 FTE in FY 2018-19 and $3,763,347 total funds/General Fund and 69.0 FTE in FY 2019-20 and on-going in order to continue to appropriately address staff to youth ratios and mitigate safety and security issues for youth and staff within the State-operated youth corrections facilities.
- This is an increase of 4.6% over the FY 2017-18 appropriation.

Current Program

- The Division of Youth Services (DYS) 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 tends to elevate the number of fights and assaults in facilities.

Problem or Opportunity

- The Division has submitted requests and received additional staffing in FY 2014-15, FY 2015-16 FY 2016-17 and FY 2017-18 which increased staffing by 209.0 FTE. This is the fourth 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.
- 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.

Consequences of Problem

- Failure to adequately staff secure facilities may ultimately lead to a degradation of services that could manifest 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 with the Department of Justice Prison Rape Elimination Act (PREA) standards, which in part outlines appropriate staff to youth allocations that Colorado does not currently meet.

Proposed Solution

- The Department requests $2,622,691 total funds and 49.5 FTE in FY 2018-19 in order to support safe environments in State-operated secure facilities.

COLORADO
Department of Human Services

Priority: R-03
DYS Special Education Services
FY 2018-19 Change Request

Cost and FTE

- The Department requests $662,233 total funds/General Fund and 5.25 FTE in FY 2018-19 and $813,996 total funds/General Fund and 7.0 FTE in FY 2019-20 and on-going to fully meet the needs of special education students who are committed to a Division of Youth Services (DYS) facilities.
- This is an increase of 10% over the FY 2017-18 appropriation.

Current Program

- The Department's five DYS State-operated facilities, serve approximately 348 committed youth. Of these 348 youth, on average 104 (30%) are classified as special education students.
- In all public schools, special education students have Individualized Education Programs (I.E.P.), which may include assessment or classroom services or behavioral plans. Assessment services in public schools must be provided by a licensed school psychologist, behavioral plans/interventions are provided by licensed school social workers. The Department is not funded for school psychologists or school social workers.

Problem or Opportunity

- The recent DYS Education Assessment (March 2017), included the recommendation to strengthen special education services and integrate additional services within the continuum of care.
- Center-based public school programs are the closest equivalent to DYS commitment education programs. These public school programs have a student to teacher ratio of 1:10. DYS ratios are 1:13. DYS proposes the appropriate ratio emulates that of public school center-based programs.
- On average, 49% of DYS special education students have behavioral intervention goals in their I.E.P. School psychologists and school social workers are not available to provide cognitive evaluations, promote positive behavior, develop intervention plans, and promote academic success.

Consequences of Problem

- Across the country, failure to provide adequate special education services has resulted in 56 lawsuits against youth correctional agencies since 2013. Inadequate services places the State at the same risk.
- Insufficient special education services negatively affect academic achievement and reintegration.

Proposed Solution

- The Department requests 7.0 FTE on an ongoing basis to provide special education services to meet the needs of DYS committed youth. This includes 2.0 teachers, 1.0 special education coordinator, 3.0 school social workers, and a 1.0 school psychologist. In addition, funding for the equivalent of 4 more contracted staff are requested for Platte Valley and Lookout Mountain where State staff do not deliver education services.

COLORADO
Department of Human Services

Priority: R-04
County Child Welfare Staff - Phase 4
FY 2018-19 Change Request

Cost and FTE

- The Department of Human Services requests $6,125,404 total funds ($1,898,957 General Fund, $612,540 cash funds and $3,613,907 federal funds) for FY 2018-19; and $5,725,404 total funds ($1,606,957 General Fund, $572,540 cash funds and $3,545,907 federal funds) in FY 2019-20 and beyond to increase county child welfare staffing to promote children and youth safety.
- This request represents a 40% increase over the FY 2017-18 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 Office of the State Auditor (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, 84.25 in FY 2016-17, and 66 in FY 2017-18, the current staffing level does not meet the current workload for Colorado child welfare case workers and supervisors.
- Increased staffing allows county child welfare case 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 affects the ability of county staff 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 $6,125,404 total funds as the fourth 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.

COLORADO
Department of Human Services

Priority: R-05a
Jail-based Bed Space
FY 2018-19 Change Request

Cost and FTE

- The Department requests $7,398,658 total funds/General Fund and 3.3 FTE in FY 2018-19 and $7,385,123 total funds/General Fund and 3.0 in FY 2019-20 and on-going to create bed space through an additional 62-bed Jail-based Competency Restoration Program, to manage the projected increase in court orders for competency evaluations and restoration to competency treatment.
- This is a net 160% change in FY 2018-19 over the FY 2017-18 appropriation.

Current Program

- Courts order inpatient competency evaluations and restoration treatments that psychiatrists or psychologists conduct at the Colorado Mental Health Institute at Pueblo (CMHIP) or in a jail-based setting.
- The Jail-based Competency Restoration Program provides restoration to competency services to pretrial detainees in a jail-based setting instead of in a State Mental Health Institute to help reduce the wait time for restoration and evaluation services.

Problem or Opportunity

- The Department is projecting an additional need of 92 beds in FY 2018-19 and 141 beds in FY 2019-20. This projected bed need was calculated based on the average change in referrals over the past two fiscal years, which is higher than originally anticipated.
- The Department is legally required to adhere to the settlement agreement filed in federal district court that requires that “the Department shall offer admission to pretrial detainees to the hospital for restorative treatment or inpatient competency evaluations no later than 28 days after the pretrial detainee is ready for admission.”
- The Department does not have sufficient psychologist staff or bed capacity to meet the rising demand for court ordered inpatient competency evaluations and restoration to competency services.

Consequences of Problem

- If the problem is not addressed, the Department is at risk of violating the terms of the settlement agreement in the Center for Legal Advocacy d/b/a The Legal Center for People with Disabilities and Older People v. Reggie Bicha and Teresa A. Bernal lawsuit and could be at risk for further legal action regarding admissions wait times.

Proposed Solution

- The Department requests $7,398,658 total funds/General Fund and 3.3 FTE in FY 2018-19 and $7,385,123 total funds/General Fund and 3.0 in FY 2019-20 and on-going to create bed space through an additional 62-bed Jail-based Competency Restoration Program allowing pretrial detainees to be served in a jail-based inpatient setting.
- This will expend the Department’s inpatient bed space for competency evaluations and restoration to competency services.

COLORADO
Department of Human Services

Priority: R-05b
Community Based Intensive Residential Treatment Program
FY 2018-19 Change Request

Cost and FTE

- The Department requests $0 net total funds and net 0.0 FTE in FY 2018-19 and an on-going transfer of spending authority from the Department's (8) Office of Behavioral Health (OBH), (E) Mental Health Institutes (MHIs), (2) Mental Health Institute at Pueblo, Circle Program line item to the Department's (8) Office of Behavioral Health, (C) Substance Use Treatment and Prevention Services, Treatment and Detoxification Programs line item.
- This is a net 0% change over the FY 2017-18 Circle Program appropriation.

Current Program

- The Circle Program, located at the Colorado Mental Health Institute at Pueblo (CMHIP), is a Joint Commission accredited, OBH licensed, inpatient substance use disorder treatment program that serves adults with co-occurring substance use and mental health disorders, many of whom also have histories of criminal behavior.
- The Circle Program provides a structured and intensive 90-day treatment program in an unlocked setting addressing substance addiction, mental health conditions, trauma and criminal behavior.

Problem or Opportunity

- The Circle Program is the only program on the CMHIP campus that predominately serves patients who are voluntary or committed under civil proceedings. In July 2017, community behavioral health providers approached the Department expressing an interest in subcontracting program operations in the current location or alternative location(s). This would also benefit the program, as CMHIP lacks the necessary resources to properly staff the Circle Program on its campus.
- The Circle Program is a State-operated program on the CMHIP campus with more than 15 beds and is classified as an Institution for Mental Diseases (IMD), which prohibits it from receiving revenue from public (Medicaid) insurance, except in very limited circumstances.

Consequences of Problem

- Recent CMHIP staffing shortages coupled with increasing court ordered forensic patient referrals for competency evaluation and restoration to competency treatment resulted in the temporary need to reassign Circle Program staff to other parts of the hospital. Current funding structures unnecessarily link Circle Program staffing to CMHIP staffing and could result in continued program closure.
- The program is State funded and there is potential to leverage public or private insurance.

Proposed Solution

- The Department requests an on-going transfer of spending authority from the Department's (8) OBH, (E) MHIs, (2) CMHIP, Circle Program line item to the Department's (8) OBH, (C) Substance Use Treatment and Prevention Services, Treatment and Detoxification Programs line item.
- The proposed structure would allow the Department to issue a state-wide Request for Proposals to maximize local community resources and allow access to revenue from public (Medicaid) and private insurance, which would better serve the patients and the community.

Cost and FTE

- The Department of Human Services requests $1,085,726 total funds/General Fund and 11.0 FTE in FY 2018-19 and on-going for additional psychologists and administrative support at the Mental Health Institutes to manage the projected increase in court ordered competency evaluations and restoration to competency treatment.
- This is a net 5.5% change in FY 2018-19 over the FY 2017-18 Personal Services and Operating Expenses appropriations at the Colorado Mental Health Institute at Pueblo.

Current Program

- Courts order inpatient competency evaluations and restoration treatments that psychiatrists or psychologists conduct at the Colorado Mental Health Institute at Pueblo (CMHIP) or in a jail-based setting. Administrative support specialists must process a report for each court ordered inpatient competency evaluation and/or restoration.

Problem or Opportunity

- In FY 2018-19 total evaluations are projected to increase by 14.7% and restorations are projected to increase by 18.3%. This projection was calculated based on the average change in referrals over the past two fiscal years.
- The Department is legally required to adhere to the settlement agreement of an existing federal district court lawsuit. The settlement requires that "the Department shall offer admission to pretrial detainees to the hospital for restorative treatment or inpatient competency evaluations no later than 28 days after the pretrial detainee is ready for admission."
- The Department does not have sufficient psychologist staff or administrative support to meet the demand for the competency services.

Consequences of Problem

- If the problem is not fixed, the Department is at risk of violating the terms of the settlement agreement and could be at risk for further legal action regarding wait times for all admissions.
- Furthermore, the demand for competency services exceeds the current caseload production capacity for psychologists and administrative support.

Proposed Solution

- The Department of Human Services requests $1,085,726 total funds/General Fund and 11.0 FTE in FY 2018-19 and on-going for additional psychologists and administrative support at CMHIP to manage the projected increase in court ordered competency evaluations and restorations to competency services.
- The Department proposes adjusting FTE assigned to the Court Services Division through an annual caseload funding request to regularly adjust the FTE to correspond with the projected caseload.

COLORADO
Department of Human Services

Priority: R-05c
Court Ordered Reports FTE Caseload
FY 2018-19 Change Request

Cost and FTE

- The Department of Human Services requests $1,085,726 total funds/General Fund and 11.0 FTE in FY 2018-19 and on-going for additional psychologists and administrative support at the Mental Health Institutes to manage the projected increase in court ordered competency evaluations and restoration to competency treatment.
- This is a net 5.5% change in FY 2018-19 over the FY 2017-18 Personal Services and Operating Expenses appropriations at the Colorado Mental Health Institute at Pueblo.

Current Program

- Courts order inpatient competency evaluations and restoration treatments that psychiatrists or psychologists conduct at the Colorado Mental Health Institute at Pueblo (CMHIP) or in a jail-based setting. Administrative support specialists must process a report for each court ordered inpatient competency evaluation and/or restoration.

Problem or Opportunity

- In FY 2018-19 total evaluations are projected to increase by 14.7% and restorations are projected to increase by 18.3%. This projection was calculated based on the average change in referrals over the past two fiscal years.
- The Department is legally required to adhere to the settlement agreement of an existing federal district court lawsuit. The settlement requires that "the Department shall offer admission to pretrial detainees to the hospital for restorative treatment or inpatient competency evaluations no later than 28 days after the pretrial detainee is ready for admission."
- The Department does not have sufficient psychologist staff or administrative support to meet the demand for the competency services.

Consequences of Problem

- If the problem is not fixed, the Department is at risk of violating the terms of the settlement agreement and could be at risk for further legal action regarding wait times for all admissions.
- Furthermore, the demand for competency services exceeds the current caseload production capacity for psychologists and administrative support.

Proposed Solution

- The Department of Human Services requests $1,085,726 total funds/General Fund and 11.0 FTE in FY 2018-19 and on-going for additional psychologists and administrative support at CMHIP to manage the projected increase in court ordered competency evaluations and restorations to competency services.
- The Department proposes adjusting FTE assigned to the Court Services Division through an annual caseload funding request to regularly adjust the FTE to correspond with the projected caseload.

COLORADO
Department of Human Services

Priority: R-05d
Purchased Bed Capacity
FY 2018-19 Change Request

Cost and FTE

- The Department requests $3,412,101 total funds/General Fund and 3.0 FTE in FY 2018-19 and on-going to create bed space by adding 10 contracted beds through private/non-profit hospitals within the Denver metro area, in order to manage the projected increase in court ordered evaluations and restorations to competency.
- This is a 100% change over FY 2017-18 since this program will be in a new line item

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 both Mental Health Institutes (MHIs) come from the State's community mental health centers, local hospitals and the courts. The Department also currently utilizes a 52 bed jail-based competency restoration program.
- Courts order inpatient competency evaluations and restoration treatments that psychiatrists or psychologists conduct at the Colorado Mental Health Institute at Pueblo (CMHIP) or in a jail-based setting.

Problem or Opportunity

- The Department is projecting an additional need of 92 beds in FY 2018-19 and 141 beds in FY 2019-20. The Department is legally required to adhere to the settlement agreement filed in federal district court that requires that "the Department shall offer admission to pretrial detainees to the hospital for restorative treatment or inpatient competency evaluations no later than 28 days after the pretrial detainee is ready for admission."
- The Department does not have sufficient bed space capacity to meet the continuously rising demand for court-ordered competency services. Additionally, the jail-based competency services do not provide an appropriate level of inpatient care for individuals with more severe disorders.

Consequences of Problem

- If the problem is not addressed, the Department is at risk of violating the terms of the settlement agreement and could be at risk for further legal action regarding wait times for admissions.
- Individuals requiring a higher standard of care than what is offered from the jail-based program are especially difficult to place considering CMHIP's bed capacity shortage.

Proposed Solution

- The Department requests $3,412,101 total funds/General Fund and 3.0 FTE in FY 2018-19 and on-going to create bed space by adding 10 contracted beds through private/non-profit hospitals.
- The Department proposes contracting with vendors (for-profit/non-profit hospitals) for a 10-bed unit thus expanding the Department's inpatient bed space for evaluations and restoration to competency services. The cost of contracting with vendors for hospital beds to manage the fluctuation in demand is more cost efficient than continuously building new hospital units at the Institutes, and also allows the Department the flexibility to reduce purchased beds if projected need decreases.

COLORADO
Department of Human Services

Priority: R-05e
Outpatient Competency Restoration
(SB 17-012)
FY 2018-19 Change Request

Cost and FTE

- The Department requests $1,177,618 total funds/General Fund and 3.0 FTE in FY 2018-19 and $1,177,618 total funds/General Fund and 3.0 FTE in FY 2019-20 and on-going to meet the community need for restoration services as required through Senate Bill (SB) 17-012.
- This is an increase of 100% over the FY 2017-18 appropriations as this would be a new program.

Current Program

- Competency restoration treatment occurs in four settings: 1) state-run psychiatric hospitals; 2) community and privately-owned psychiatric hospitals; 3) jails; and 4) outpatient mental health facilities. Of those, the Department provides competency restoration services through the Mental Health Institute at Pueblo (CMHIP) or through the jail-based RISE program.
- Referrals for outpatient competency restoration treatment continue to increase. In FY 2012-13, there were 59 outpatient restorations treatment orders as compared to 260 in FY 2016-17.
- SB 17-012 established an outpatient competency restoration treatment program and provided $18,000 in FY 2017-18 for development of curriculum but did not provide program operating funds.

Problem or Opportunity

- SB 17-012 was passed in the 2017 Legislative Session to establish outpatient competency restoration treatment for defendants deemed incompetent to proceed. The Department is now required to provide outpatient competency restoration in addition to inpatient competency restoration treatment and the bill requires the Department to submit a budget request for resources necessary for implementation.

Consequences of Problem

- The Department is required to adhere to the settlement agreement in an existing federal district court lawsuit. The settlement requires that "the Department shall offer admission to pretrial detainees to the hospital for restorative treatment or inpatient competency evaluations no later than 28 days after the pretrial detainee is ready for admission."
- Although not an immediate solution, providing a structured outpatient competency restoration services program has the long-term potential to reduce inpatient competency restoration demand by providing a less restrictive option for competency restoration treatment for low risk defendants.

Proposed Solution

- The Department requests $1,177,618 total funds/General Fund and 3.0 FTE in FY 2018-19 and $1,177,618 total funds/General Fund and 3,0 FTE in FY 2019-20 and on-going to meet the community need for restoration services as required through SB 17-012.
- The Department will contract with a team of competency educators/case coordinators who will implement a standard competency education curriculum and coordinate community behavioral health services.

Cost and FTE

- The Department requests $1,300,406 total funds/General Fund and 1.0 FTE in FY 2018-19 to continue the transitional jobs program for the last six months of FY 2018-19. No additional funding is requested at this time for FY 2019-20 and beyond.
- This request increases the total appropriation by 11.6% over the FY 2017-18 appropriation.

Current Program

- Since January 2014, ReHire Colorado, a transitional jobs program, has served under- or unemployed veterans, older workers, and non-custodial parents.
- ReHire has helped more than 1,044 people earn income and gain work history, skills, and employment references via subsidized jobs; an additional 475 have received training, job readiness classes, and resume writing to support their job search.

Problem or Opportunity

- ReHire Colorado is currently scheduled to end services to individuals in December 2018 and the program is set to expire in June 2019 per 26-2-1103 C.R.S. (2017).
- ReHire was initially authorized by HB 13-1004 and was subsequently extended by HB14-1015 and HB 16-1290.

Consequences of Problem

- The program prioritizes individuals who are low-income non-custodial parents, veterans, and workers over age fifty who have experienced under- or unemployment and have difficulty re-entering the workforce.
- These individuals are likely to be relying on the social safety net, despite a desire to work.

Proposed Solution

- The Department requests $1,300,406 total funds/General Fund and 1.0 FTE in FY 2018-19 to continue to serve at least 237 hard-to-serve participants in the second half of FY 2018-19.
- Outcomes include increased employment and wages, lasting well beyond program participation, increased child support payments, and decreased Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) participation. Ongoing employment increases State tax revenue while reducing reliance on public assistance thus lowering cost to the State.
- This request supports the Department's strategic policy initiative to give Coloradans an opportunity to achieve economic security through meaningful employment.

Priority: R-08
Colorado SNAP Increased Food Security and County Technical Assistance
FY 2018-19 Change Request

Cost and FTE

- The Department requests $511,356 total funds, including $255,680 General Fund, and $255,676 federal funds (Supplemental Nutrition Assistance Program, SNAP) and 6.4 FTE in FY 2018-19, and $512,495 total funds, including $256,249 General Fund, and $256,246 federal funds and 7.0 FTE in FY 2019-20 and beyond to improve SNAP access and delivery.
- This is an increase of 34.7% over the FY 2017-18 appropriation.

Current Program

- Providing more than $61 million in benefits to nearly 476,000 Coloradans, the Food Assistance Program (i.e. Supplemental Nutrition Assistance Program) is a federal entitlement program that provides monthly food benefits to families and individuals experiencing food insecurity.
- In Colorado, 64 counties administer the program, while the Department is responsible for sound program oversight, statewide.

Problem or Opportunity

- Too many Coloradans struggle with poverty and food insecurity. One out of every eight Coloradans (12.1%), including one out of every five children, struggle with food insecurity.
- Colorado was recently released from a Settlement Agreement regarding timely processing of benefits, yet remains on a corrective action plan for program accuracy, as measured by the Case and Procedural Error Rate (CAPER), since 2010. Colorado will remain under a Food and Nutrition Service (FNS) corrective action plan until accuracy performance improves.
- Changes to federal regulations require enhanced management and county technical assistance.

Consequences of Problem

- Colorado is unable to provide sufficient technical assistance to counties to manage new federal regulations, implement SB 16-190, and implement the SNAP efficiently and effectively.
- Colorado will face federal sanctions and financial penalties for failing to address audit findings and failing to accurately deliver benefits.

Proposed Solution

- The Department requests $511,356 total funds, including $255,680 General Fund, and $255,676 federal funds and 6.4 FTE in FY 2018-19, and $512,495 total funds including $256,249 General Fund, and $256,246 federal funds and 7.0 FTE in FY 2019-20 and beyond to improve SNAP access and delivery.
- Funds will allow the Department to hire five SNAP program staff and two quality assurance (SNAPQA) staff to improve outcomes related to food security.

Cost and FTE

- The Department requests $650,651 total funds/General Fund in FY 2018-19 to provide mental health treatment services to meet the increased behavioral health needs of eligible children and avoid unwarranted child welfare involvement.
- This is an increase of 39.26% over the FY 2017-18 appropriations.

Current Program

- The Colorado Child Mental Health Treatment Act (CMHTA) provides behavioral health treatment to qualifying children and their families who are at risk of out of home placement.
- The purpose of the program is to reduce unnecessary child welfare involvement when the primary concern of the family is the child's behavioral health.
- The requested funding would be used to provide services available under the current program which includes: clinical assessments for children and families, residential treatment, day treatment, group therapy, in-home therapy, individual therapy, family therapy, care coordination, state level appeal assessments, psychological assessments, respite care, applied behavioral analysis, coaching, animal assisted therapy, and other treatment and interventions for children and families in Colorado who do not qualify for Colorado's Medicaid program "Health First Colorado."

Problem or Opportunity

- The CMHTA program has seen a dramatic increase in the number of children who are in need of behavioral health services. There has been a 98% increase in clients from FY 2011-12 to FY 2016-17, with 50 clients served in FY 2011-12 and 99 clients served in FY 2016-17. If additional funding is not received, the Department will need to suspend enrollment of children in this program.

Consequences of Problem

- If CMHTA funding does not match the need for services, the Department will be unable to follow 27-67-101, C.R.S. (2017) to its full extent. Children who are at risk of out of home placement will either go without services or end up in Child Welfare, Youth Services, or acute hospitalization settings resulting in increased costs in these systems.
- If CMHTA appropriations are not able to fund needed behavioral health treatment, the State may experience increased child welfare and juvenile justice involvement for children, subsequently jeopardizing the Department's mission and goals.
- Without adequate CMHTA appropriations, children will be placed on waitlists which will degrade the ability for CMHTA to fund children in a timely manner and the Department's ability to comply with 27-67-101, C.R.S. (2017). Ultimately, this would result in a long-term reduction in referrals from county child welfare caseworkers, hospitals, families, and advocacy organizations.

Proposed Solution

- The Department requests $650,651 total funds/General Fund in FY 2018-19 in order to meet the behavioral health needs of eligible children.
- The funding will provide behavioral health treatment for ten additional children. This includes four children with high behavioral health treatment needs requiring increased staffing in residential treatment, two children in residential treatment, and four children in community based care.

COLORADO
Department of Human Services

Priority: R-11
Continuation of Respite Care Task Force Recommendations
FY 2018-19 Change Request

Cost and FTE
• The Department of Human Services (Department) requests rollforward spending authority of $372,812 General Fund and an increase of $62,677 General Fund in FY 2018-19, $404,715 total funds/General Fund in FY 2019-20, and $270,507 total funds/General Fund in FY 2020-21 to continue the implementation of the Respite Care Task Force (Task Force) recommendations identified in HB 16-1398. • This is an increase of 18% over the FY 2017-18 appropriation.

Current Program
• Respite provides temporary relief to a caregiver from the physical and emotional impacts of caring for persons of any age with special needs who are unable or need assistance to care for themselves. • The Respite Care Task Force was established by HB 15-1233 to study the dynamics of supply and demand of respite care services in Colorado. • HB 16-1398 required the Department to contract with a vendor to implement the recommendations of the Task Force over a five year period and appropriated $900,000 General Fund to the Department to do so. The entire implementation was initially estimated to cost $2.2 million. Since the General Assembly only appropriated $900,000, it was expected that the Department would return to ask for another budget request (which is this one). The entire project will now cost just $1.6 million total.

Problem or Opportunity
• The Department lacks rollforward spending authority into FY 2018-19 of its original appropriation from HB 16-1398. • Additionally, the Department does not have adequate funding in FY 2018-19 through FY 2020-21 to meet the requirements of HB 16-1398.

Consequences of Problem
• Without rollforward spending authority and additional funding, the Department cannot fully implement the recommendations of the Task Force as required by HB 16-1398. • Recommendations include: conducting a respite study to demonstrate the economic impact of respite care and the benefits for those served; creating an up-to-date online inventory that lists existing training opportunities and providers along with information on how to become a respite care provider; developing a statewide training system for individuals who want to provide respite care services; creating a website to provide comprehensive information about respite care in Colorado and to serve as an access point for services throughout the State; and developing a centralized community outreach and education program about respite care services in Colorado.

Proposed Solution
• The Department requests rollforward spending authority of $372,812 General Fund and an increase of $62,677 General Fund in FY 2018-19, $404,715 total funds/General Fund in FY 2019-20, and $270,507 total funds/General Fund in FY 2020-21 in order to continue to implement the recommendations of the Task Force, as mandated in HB 16-1398. • This request includes comments from the Governor's Research and Evidence-Based Policy Team.

COLORADO
Department of Human Services

Priority: R-12
Old Age Pension Program Cost of Living Adjustment
FY 2018-19 Change Request

Cost and FTE

- The Department requests $1,908,641 total funds/Old Age Pension (OAP) cash funds in FY 2018-19 and $1,987,999 total funds/OAP cash funds in FY 2019-20 and on-going in order to fund an anticipated 1.5% Cost of Living Adjustment (COLA) to the grant award provided to OAP program participants.
- This is an increase of 2.0% over the FY 2017-18 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 adjust the OAP grant standard effective on January 1 annually.

Problem or Opportunity

- In October 2017, the SSA will announce a Supplemental Security Income COLA. The new COLA amount is subject to the Maintenance of Effort (MOE) requirement that requires a minimum State expenditure level of $27,575,059 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 the approved COLA 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.
- 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 $1,908,641 total funds/OAP cash funds to pass along a 1.5% COLA to OAP eligible recipients, pending approval by the SBHS.
- The FY 2018-19 COLA monthly increase will be $12, setting the grant standard to $785 per month.
- This supports the Department’s strategic policy initiative of helping individuals thrive in their own community.

COLORADO
Department of Human Services

Priority: R-13
Medication Consistency and Health Information Exchange (SB 17-019)
FY 2018-19 Change Request

Cost and FTE
• The Department requests $590,936 total funds/Marijuana Tax Cash Fund (MTCF) and 0.9 FTE in FY 2018-19 and $483,113 total funds/MTCF and 1.0 FTE in FY 2019-20 through FY 2021-22 to create multi-agency medication consistency and health record exchange. • This is an increase of 100% over the FY 2017-18 appropriations as this would be a new program.

Current Program
• Senate Bill (SB) 17-019 authorized jail and correctional treatment providers to purchase prescribed medications for patients by leveraging state bulk purchasing. The Office of Behavioral Health(OBH) is directed to complete an annual review and provide education regarding the standard formulary to enable continuity of care for patients transitioning between settings. • The Department is required to submit to the General Assembly a multi-agency plan for data sharing of patient specific information to improve coordination of treatment services between jails, the Department of Corrections (DOC), and other community treatment providers.

Problem or Opportunity
• Individuals within the criminal justice system are frequently transferred between community treatment providers and criminal justice settings resulting in lack of standardized screening for individuals being booked into jail, inadequate access to medications in some jail settings, and potential for gaps in medication consistency and treatment coordination upon community discharge. • Section 27-70-103, C.R.S (2017) requires the Department and other State agencies to develop a plan for sharing electronic health information between jails and other treatment providers, which requires resources for successful implementation to improve medication consistency for patients and reduce recidivism to correctional settings for individuals with behavioral health disorders due to inadequate coordination, discharge planning, and sharing of pertinent medications and health information.

Consequences of Problem
• Interruptions to prescribed medication can cause relapses, worsening of symptoms of mental illness, unnecessary emergency room utilization, and uncoordinated treatment. • The lack of an information exchange infrastructure between jail, health care and community treatment providers further contributes to the lack of coordination of treatment.

Proposed Solution
• The Department requests $590,936 total funds/MTCF and 0.9 FTE in FY 2018-19 and $483,113 total funds/MTCF and 1.0 FTE in FY 2019-20 through FY 2021-22 to create multi-agency medication consistency and health record exchange. • The HIE solutions will leverage existing state systems to improve health care coordination across the State. The Department intends to coordinate with the E-Health Commission and Office of E-Health Innovation; Departments of Health Care Policy and Financing, Corrections, and Public Safety; county jails, agencies within the Department and participation from the two State HIEs.

COLORADO
Department of Human Services

Priority: R-14
Increase Funding for Area Agencies on Aging
FY 2018-19 Change Request

Cost and FTE

- The Department requests $4,000,000 total funds/General Fund in FY 2018-19 and $4,000,000 total funds/General Fund in FY 2019-20 and on-going for the Aging and Adult Services Division within the Department to provide Area Agencies on Aging (AAAs) additional funding for services that help older adults in Colorado live independently.
- This is an increase of 18.3% over the FY 2017-18 appropriation.

Current Program

- The Aging and Adult Services Division is responsible for providing funding from the Older Americans Act (OAA) and State Funding for Senior Services (SFSS) to and overseeing 16 local AAAs that in turn provide funding to local service providers to deliver services to adults age 60 and older.
- In FY 2016-17, the AAAs provided services to 54,182 older Coloradans. Examples of the services provided include personal care, assisted transportation, congregate meals, home-delivered meals, homemaker services, adult day care, transportation and legal assistance.

Problem or Opportunity

- According to data from the Colorado State Demography Office, in 2030, Colorado's population 65 years and older will be 61 percent larger than in 2017, growing from 783,000 to 1,260,000.
- AAAs are seeing a greater demand for services. For example, the AAA in the Denver region has reported recently that they have about 1,100 older adults currently waiting for services and another 135 older adults are denied services each month for urgent requests like transportation to medical appointments due to lack of funding.
- While the Colorado General Assembly increased the SFSS line item in FY 2013-14 through FY 2015-16, funding levels are currently not sufficient to meet the needs of older adults in Colorado and the need will only continue to grow as the number of older adults increases.

Consequences of Problem

- Without additional funding, AAAs and their service providers will continue to have waitlists and deny services to older adults in need. As a result, some older adults in Colorado may experience greater isolation, decline in their health or other problems while others may no longer be able to live independently and have to transition to a more costly level of care such as a nursing facility.

Proposed Solution

- The Department requests $4,000,000 total funds in FY 2018-19 for the Aging and Adult Services Division to provide the AAAs funding necessary to provide services that help older adults live independently.
- The programs and services provided through SFSS address the Department's Strategic Policy Initiative that every Coloradan will have the opportunity to thrive in the community of their choice.

COLORADO
Department of Human Services

Priority: R-15
Enhancing County Colorado Works Case Management Performance
FY 2018-19 Change Request

Cost and FTE

- The Department requests 1.8 FTE and $3,164,163 total funds/federal funds (Temporary Assistance for Needy Families, TANF) in FY 2018-19 and 2.0 FTE and $3,165,736 total funds/federal funds (TANF) in FY 2019-20 and $2,340,236 total funds/federal funds (TANF) ongoing to enhance county Colorado Works case management performance.
- This is a new appropriation of federal funds for FY 2018-19; as such, it is a 100% increase over the FY 2017-18 appropriation.

Current Program

- The Colorado Works/Temporary Assistance for Needy Families (TANF) program provides cash assistance, education and training to low income families to help them become self-sufficient.
- Program components are provided by county departments of human and social services. Performance is measured by participant engagement in work activities and employment entry.

Problem or Opportunity

- Colorado has struggled to meet the federal Work Participation Rate (WPR) requirement.
- Colorado Works participants face delays and other barriers in developing employment and family stability goals and a plan to move towards those goals – for instance, it takes an average of 30 days from eligibility determination to develop an individualized case plan with the participant.
- This request seeks funds to improve counties' Colorado Works case management processes to improve efficiency, increase employment entry, and increase the State's WPR performance.
- The Department has worked to make changes to systems, data collection, and reporting, as well as work with counties to improve program efficiency and data entry, yet ongoing performance success will require additional interventions.

Consequences of Problem

- Limited resources and high caseworker caseloads (in many counties, the ratio is 1:75-150 families) make it challenging to support families adequately as they work to achieve their goals.
- While the State is projected to successfully achieve the Work Participation Rate in FFY 2017-18, the State's failure to meet the Work Participation Rate in several previous years may result in a penalty up to $42,773,455 if performance is not sustained.

Proposed Solution

- The Department requests 1.8 FTE $3,164,163 total funds/federal TANF funds in FY 2018-19 to improve work participation rate, increase employment entry, and increase county efficiency.
- The requested funding would be used to continue successful data quality oversight, contract for business process reengineering/LEAN support for counties similar to the successful interventions used for timely eligibility determinations, and implement an automated data entry tool statewide to offer a modernized approach to case management.

Cost and FTE

- The Department requests $406,588 total funds ($376,995 General Fund and $29,593 federal funds) and 1.8 FTE in FY 2018-19 and $399,814 total funds ($371,373 General Fund and $28,441 federal funds) and 2.0 FTE in FY 2019-20 and on-going to add staff in order to increase the timeliness of service and achievement rate for permanency for Colorado's most vulnerable population of children/youth.
- This is a 100% increase compared to the FY 2017-18 appropriation.

Current Program

- The Department currently funds one time-limited FTE, from IV-E Waiver Savings, to provide intensive support and technical assistance to county departments specific to children and youth who are legally freed for adoption or guardianship.
- The Department is in the second year of a two year contract with the Dave Thomas Foundation for Adoption (DTFA) which provides two time-limited recruiters, from IV-E Waiver Savings, from the Wendy's Wonderful Kids program (WWK) to connect children who are waiting for permanency with families who wish to adopt by implementing and coordinating effective recruitment and supportive services.

Problem or Opportunity

- As of April 3, 2017, there are 945 children/youth that are legally free who have not achieved permanency in Colorado. Out of the 945 children/youth, 364 of them are between the ages of 10-21.
- This is an opportunity at the State level to assist counties and decrease existing barriers to permanency to obtain permanency for these children/youth.
- Additional staff will support county departments with conducting Permanency Round Tables and Family Engagement Meetings for children/youth that may experience delayed permanency.

Consequences of Problem

- The children/youth who are not obtaining permanency experience lower rates of education and income, and higher rates of homelessness.
- With children/youth not achieving permanency in an expeditious manner, the overall improved safety, independence and well-being of the children/youth of Colorado is jeopardized, which is not in alignment with the goals of the Department.

Proposed Solution

- The Department is requesting $404,088 total funds for 1.8 FTE and contracted services to assist the most vulnerable population of children/youth in obtaining permanency.

COLORADO
Department of Human Services

Priority: R-17
Expansion of Evidence-Based Incredible Years Program
FY 2018-19 Change Request

Cost and FTE

- The Department requests $624,612 total funds/marijuana tax cash funds, and 1.1 FTE in FY 2018-19 and $843,867 total funds/marijuana tax cash funds, and 1.1 FTE in FY 2019-20 and on-going to maximize access to the evidence based Incredible Years® (IY) program.
- This is an increase of 100% over the FY 2017-18 appropriation as this is a new line item.

Current Program

- IY is a rigorously researched Two-generational program to foster child social-emotional well-being.
- Implemented since 2002 by a non-profit organization with philanthropic support, 8,000 Colorado children a year are currently served in communities with high rates of poverty.
- IY includes 3 components: classroom management support for teachers, a 60 lesson curriculum delivered in Pre-K and kindergarten classrooms, and a parenting program.
- The implementation design includes sustainability through the transfer of capacity to communities.
- A single point increase in social-emotional competence as a kindergartner translates to a 54% increased likelihood of high school graduation and 46% greater chance of having a stable, full-time job at age 25[1].
- Colorado Results First report (2/2017) shows a $4.13 return for every $1 invested in the Parent Program.
- The overall cost for each individual partner site and corresponding per participant cost decreases each year based on an initial investment of materials and intensive training and coaching supports.

Problem or Opportunity

- Though proven to reverse negative trends for vulnerable children, lack of funding is a barrier to expansion of IY in many Colorado communities that want and need the program.

Consequences of Problem

- Children from low-income families will continue to lag behind higher income peers in achieving the same outcomes. Specifically, children will continue to struggle to develop social-emotional competence in areas such as prosocial communication, emotional regulation and academic skills.
- Colorado continues to make limited progress in preventing suspensions and expulsions of young children by reducing conduct problems at home and school.

Proposed Solution

- The Department requests $624,612 total funds and 1.1 FTE in FY 2018-19 to expand the IY program's current penetration though a public-private partnership so that more Colorado children and families can benefit from its critically important, supportive services.

---

[1] Jones, D. E., Greenberg, M., & Crowley, M. (2015). Early Social-Emotional Functioning and Public Health: The Relationship Between Kindergarten Social Competence and Future Wellness. *American Journal of Public Health, 105* (11), 2283-2290. 10.2105/AJPH.2015.302630. http://ajph.aphapublications.org/doi/10.2105/AJPH.2015.302630

COLORADO
Department of Human Services

Priority: R-18
Restore Regional Center Funding
FY 2018-19 Change Request

Cost and FTE

- The Department requests $6,682,728 total funds/reappropriated funds from the Department of Health Care Policy and Financing in FY 2018-19 and $6,682,728 total funds/reappropriated funds from HCPF in FY 2019-20 and on-going in order to adequately fund the Home and Community-Based Services (HCBS) waiver services at the Grand Junction and Pueblo Regional Centers.
- This is a 0% increase over the FY 2017-18 final appropriation for the Grand Junction Regional Center (GJRC) and Pueblo Regional Center (PRC) Waiver Services lines. In September 2017, FY 2017-18 funding was increased by $6,682,728 through a 1331 Emergency Supplemental to restore this funding that was removed during Figure Setting on March 14, 2017.

Current Program

- The Regional Centers serve individuals with intellectual and developmental disabilities (I/DD) with the most intensive behavioral and medical needs at three State-owned Regional Centers in Grand Junction, Pueblo, and Wheat Ridge.
- Individuals at the Regional Centers live mostly in group homes and receive services including 24-hour care, recreational programs, and vocational/life skills training.

Problem or Opportunity

- The original FY 2017-18 appropriation for the GJRC and PRC Waiver Services lines represented a decrease of $7,847,052, or 37.6% compared to their FY 2016-17 appropriation. The rationale for this reduction was that the actual expenditures for the Regional Centers in FY 2015-16 were much lower than their appropriation, resulting in significant reversions.
- Based on a new, comprehensive analysis of Regional Center budgets by the Department, the Joint Budget Committee (JBC) approved a 1331 Emergency Supplemental request submitted by the Department in September 2017 to restore $6,682,728 in funding for the GJRC and PRC Waiver Services lines for FY 2017-18. The purpose of this request is to restore the same amount of funding to these two lines for FY 2018-19 and ongoing.

Consequences of Problem

- Without the restored funding, the Department estimates that the GJRC and PRC Waiver programs will exhaust their appropriations as of January 2019 and not have the legal authority to incur further expenditures after that date, assuming that the census for the waiver programs remain stable. Alternatively, the GJRC and PRC Waiver programs could operate on their lowered appropriations in FY 2018-19 if their censuses were reduced by approximately 44%.

Proposed Solution

- The Department requests $6,682,728 total funds in FY 2018-19 to serve the current residents at the GJRC and PRC waiver programs.

COLORADO
Department of Human Services

Priority: R-19
Spending Authority for the Crimes against At-Risk Persons Cash Fund
FY 2018-19 Change Request

Cost and FTE

- The Department requests an increase of $20,000 cash fund spending authority from the Crimes against At-Risk Persons Surcharge fund to increase respite services in FY 2018-19 and beyond.
- This is an increase of 70.5% over the FY 2017-18 appropriation.

Current Program

- HB 12-1226 established the Crimes against At-Risk Persons Surcharge Fund (fund), which collects funds through charges on persons who are convicted of crimes against at-risk adults and juveniles.
- Revenues from the fund are ultimately awarded to respite programs that provide respite care for adult caregivers, including caregivers of older adults and individuals with dementia; grandparents raising grandchildren; and older adult parents providing care for adult children with disabilities.
- Respite provides temporary relief to a caregiver from the physical and emotional impacts of caring for children or adults of any age with special needs who are unable or need assistance to care for themselves. It can be provided for a few hours, overnight, or on an extended basis by a friend, family member, volunteer, paid service provider, or in a community-based care setting.

Problem or Opportunity

- Since FY 2014-15, the Department has seen a substantial increase in fund revenue from surcharges collected. As a result, the fund balance has increased from $3,089 in FY 2013-14 to a projected amount of about $20,894 by the end of FY 2017-18. The Department projects that revenues and the fund balance will continue to increase due to district attorneys becoming more familiar with the fund, an increase of assessments of the surcharge, and an increase of individuals with the imposed surcharge finding employment and making payments.
- No reserve for this fund is required as the legislation did not include reserve requirements.

Consequences of Problem

- Without additional spending authority in FY 2018-19, the Department would not be able to utilize all of the funds available in the fund to benefit vulnerable individuals and their caregivers in the state. Specifically, the Department could potentially jeopardize the opportunity to provide up to 1,880 additional hours of respite services per year to Colorado families.

Proposed Solution

- The Department requests an increase of $20,000 total funds/cash funds spending authority from the Crimes against At-Risk Persons Surcharge fund in FY 2018-19 and beyond.
- The funding made available from the requested increase in spending authority would be used to provide additional respite for adult caregivers, including caregivers of older adults and individuals with dementia; grandparents raising grandchildren; and older adult parents providing care for adult children with disabilities.

Cost and FTE

- The Department requests an increase in spending authority for the Colorado Brain Injury Program (CBIP) of $200,000 total funds/cash funds in FY 2018-19 and $200,000 total funds/cash funds in FY 2019-20 to allow for access to its cash reserves, the Traumatic Brain Injury Trust Fund. This request is being made to replace funding for a federal grant that will end May 31, 2018.
- Without the increase in spending authority to access its cash reserves, CBIP will not be able to continue to meet the need of the criminal justice population this grant was supporting as CBIP has allocated its full current spending authority to other priorities.
- This is an increase of 7.14% over the FY 2017-18 appropriation.

Current Program

- CBIP has three focus areas: providing technical assistance to state and private entities, managing the Traumatic Brain Injury (TBI) Trust Fund Program, and overseeing a U.S. Department of Health and Human Services TBI Implementation grant. Services are provided to individuals with brain injuries.
- The TBI Trust Fund statute mandates that CBIP provides case management services. CBIP contracts with the Brain Injury Alliance of Colorado (BIAC) to deliver these services.

Problem or Opportunity

- CBIP was awarded a four-year grant from the U.S. Department of Health and Human Services that ends on May 31, 2018. This grant is not appropriated under the long bill. The focus is to screen for brain injury in 20 criminal justice settings and connect those who screen positively to case management services through BIAC. Work on the grant identified that about 65% of all individuals screen positively for lifetime history of brain injury. Of those screening positively for lifetime history, about 80% screen positively for neuropsychological impairment. Those screening positively are then referred to BIAC for case management support. Without replacing the federal grant funding with CBIP's cash reserves, those served by the grant may not receive services or be put on a waitlist, as CBIP will not be able to sustain the staff at BIAC who are currently being supported through the federal grant program. The BIAC staff are not State employees.
- Concurrently, CBIP is seeking to backfill the revenue from the federal grant by further educating Colorado municipalities about the municipal speeding conviction surcharge that supports the TBI Trust Fund. The purpose of the educational campaign is to increase the number of municipalities collecting this surcharge during FY 2017-18 and 2018-19. Increasing this number by just two municipalities would allow CBIP to maintain the services initiated by the federal grant, as surcharges collected by municipalities increases the TBI Trust Fund balance.

Consequences of Problem

- Individuals served by the federal grant may no longer receive services or may be put on a waitlist.

Proposed Solution

- The Department requests an increase in CBIP spending authority of $200,000 in cash funds for FY 2018-19 and FY 2019-20 for total spending authority of $3,000,000 in both fiscal years. The program will be able to access these cash reserves in order to continue the services previously provided by the aforementioned federal grant.

COLORADO
Department of Human Services

Priority: R-21
VCLC Staffing Technical Adjustment
FY 2018-19 Change Request

Cost and FTE
• The Department of Human Services (Department) proposes an on-going reduction of $619,209 total funds/cash funds and 19.0 FTE in Long Bill Section 9(D) – Veterans Community Living Centers (VCLCs) to align its appropriation with actual expenditures. This represents a 1.2% reduction compared to its FY 2017-18 appropriation. • The reduced FTE is comprised of vacant positions at the four VCLCs run by the Department.

Current Program
• The VCLCs provide nursing home and assisted living accommodations at five skilled nursing centers around the State: Aurora (Fitzsimons), Bruce McCandless (Florence), Homelake (Monte Vista), Rifle, and Walsenburg. The Department directly operates all the VCLCs except for the one in Walsenburg, which is run by an independent contractor selected by the Department. • Individuals must be a Veteran, spouse of a Veteran, or a Gold Star Parent (i.e., parent that had a child killed in active duty) to be eligible to live at the VCLCs. • The VCLCs currently serve nearly 400 residents and are appropriated 596.3 FTE for FY 2017-18.

Problem or Opportunity
• The reduction in FTE is an opportunity to realign current budgets with past experience by eliminating no longer needed vacant positions. • VCLCs meet the staffing ratios as the positions represent direct care, janitorial, and housekeeping FTE.

Consequences of Problem
• If this adjustment is not made the VCLC's budget will continue to be slightly larger than necessary for the VCLCs to continue providing quality care to its residents.

Proposed Solution
• The Department requests an on-going reduction of $619,209 total funds/cash funds (Central Fund for Veterans' Community Living Centers) and 19.0 FTE at the VCLCs.

Cost and FTE

- The Department proposes a reduction of ($250,000) total funds, including ($250,000) of federal funds in FY 2018-19 in Child Care and Development Fund (CCDF) and beyond due to a lack of participation/uptake in a micro grant program targeting the child care provider population.
- This request eliminates the funding and discontinues the program.

Current Program

- In FY 2015-16, the Legislature approved a Department request for CCDF spending authority to create a micro grant program to increase access to licensed, quality child care across the State.
- The Department based its request on an identified need for funding to cover start-up costs for rural family, friend, and neighbor (FFN) child care providers.

Problem or Opportunity

- Although the Department modeled the program after similar initiatives in other states, several factors made it difficult to replicate the model in Colorado.
- Economies of scale and logistics made it difficult to administer a statewide program within the available budget, and the cost of administration consumed a significant portion of funding.
- The Department is aware that initial investment is one of the barriers to opening a child care facility; however, the micro grant program did not provide enough financial support to offset the other challenges of opening and operating a new business.

Consequences of Problem

- Based on data and expenditures for FY 2016-17, the Department does not believe the micro grant program is viable and has stopped issuing grants. As a result, the program will not show any expenditures in FY 2017-18.

Proposed Solution

- The Department requests to reduce its budget by ($250,000) total funds in FY 2018-19 and beyond for the child care micro grant program.
- The Department strived to explore all possible options in order to continue the micro grant program in an effective and meaningful way. However, the Department has determined that the program is unable to meet its intended goals due to administrative and logistical challenges.
- This change request will, in part, help mitigate the anticipated shortfall in CCDF and contribute toward the fund’s long-term sustainability.

Cost and FTE

- The Department proposes to reduce funding for the development and continuation of a Department-wide system-based risk assessment and the integration of the HIPAA Security rule into the Department's operations. This will result in a reduction of ($153,300), including ($56,700) General Fund, ($7,986) cash funds, ($54,075) reappropriated funds and ($24,539) federal funds in FY 2018-19 and beyond. Of this amount, the indirect cost assessment is ($48,300) and is included in this request. This strategy will not require a reduction in FTE.

Current Program

- The Executive Director's Office (EDO) provides for Special Purpose services/activities in the Long Bill Section (1) B, Line HIPPA – Security Remediation.
- This program is responsible for the risk assessments and integration of the assessments into the Department's operations. The staff conducts periodic evaluations for all systems where technical, environmental, or operational changes have occurred. The program is also responsible for the continuation of consolidation efforts associated with protected health information covered by the security rules, for an annual test that details the Department's security management processes, and for on-going privacy and security training.

Problem or Opportunity

- The Department proposes a reduction of ($153,300), including ($56,700) General Fund, ($7,986) cash funds, ($54,075) reappropriated funds and ($24,539) federal funds in FY 2018-19 and beyond. Of this amount, the indirect cost assessment is ($48,300) and is included in this request.
- The Department requests this reduction due to historically underspending this appropriation.
- The strategy does not require a reduction in FTE.

Consequences of Problem

- If unaddressed, this line may continue to reflect underspending in this appropriation.

Proposed Solution

- The Department proposes reducing funding its activities related to conducting risk assessments and implementing remediation to ensure privacy of protected health information under the Health Information Privacy and Accountability Act (HIPAA).
- This will result in a reduction of ($153,300), including ($56,700) General Fund, ($7,986) cash funds, ($54,075) reappropriated funds and ($24,539) federal funds in FY 2018-19 and beyond. Of this amount, the indirect cost assessment is ($48,300) and is included in this request.
- The strategy does not require a reduction in FTE.
- The Department requests this reduction due to historically underspending this appropriation.

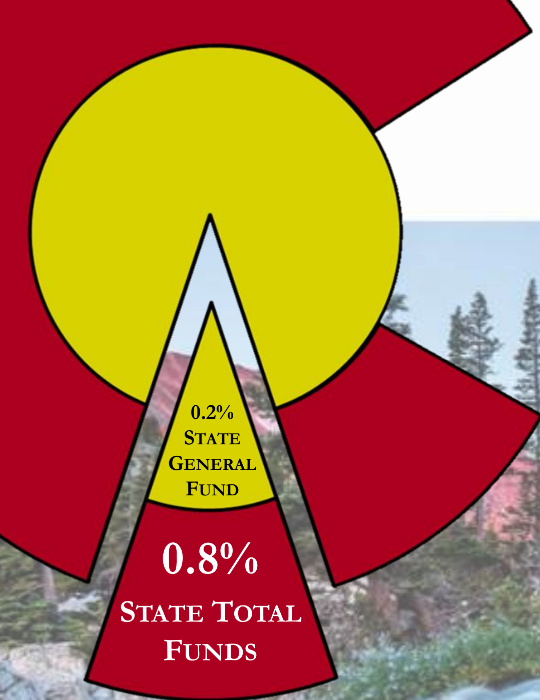
Cost and FTE
• The Department requests an increase of $8,220,928 total funds, including $4,796,501 General Fund, $1,306,649 cash funds, $390,783 reappropriated funds, and $1,726,995 federal funds in FY 2018-19 and beyond for a 1.0% rate increase for contracted community provider services.

Current Program
• Numerous agencies in the State of Colorado contract with community providers to provide services to eligible clients. The General Assembly has the authority to provide annual inflationary increases or decreases based on budget projections and constraints.
• The programs in the Department of Human Services that typically receive community provider rate adjustments include County Administration, Child Welfare, Child Care, Mental Health Community Programs, Vocational Rehabilitation, and community programs in Youth Services.

Problem or Opportunity
• Since FY 2013-14 providers have experienced a 6.2% cumulative increase, including increases of 2.0% in FY 2013-14, 2.5% in FY 2014-15, and 1.7% in FY 2015-16 but these increases have not kept pace with inflation.

Consequences of Problem
• If the request is not approved, providers will have less purchasing power to provide needed contractual services and will continue to manage community programs and services within existing appropriations.

Proposed Solution
• An across the board 1.0% increase for contracted community provider services resulting in increases of $8,220,928 total funds, including $4,796,501 General Fund, $1,306,649 cash funds, $390,783 reappropriated funds, and $1,726,995 federal funds in FY 2018-19 and beyond will aid in addressing providers increased administrative and personnel costs.



COLORADO
Department of Labor and Employment

FY 2018-19 GOVERNOR'S REQUEST

$18.5 million General Fund

Share of Statewide General Fund: 0.2%

$250.4 million Total Funds

Share of Statewide Total Funds: 0.8%

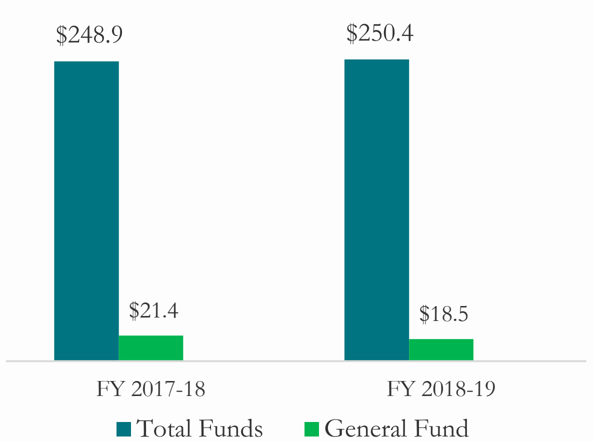
Mission Statement

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

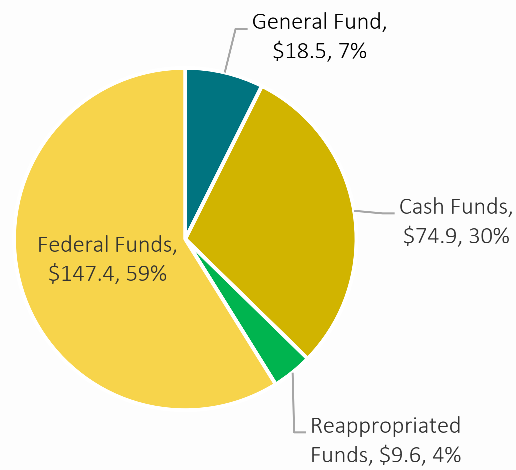
The Colorado Department of Labor and Employment (CDLE) provides information and tools to help Colorado businesses and workers remain competitive. CDLE is comprised of six main divisions. These include the Division of Labor, which administers Colorado employment and labor laws; the Division of Oil and 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 Division of Vocational Rehabilitation and Independent Living Services.

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+0.6% ($1.5 M) -13.5% ($2.9M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



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 consistently deliver exceptional service.

- 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%. The benchmark for 2016-17 was 90% and the actual was 96.81%

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.

- Employee engagement will be demonstrated through increased percent stating agrees or strongly agrees on the annual CDLE employee survey. The benchmark for 2016-17 was 90% and the actual was 77%. The benchmark for 2017-18 is 81%.
- The Department will maintain the Employee Quality and Excellence Plan (EQEP) as a tool, simplifying the tool and process and improving communication.

3 Process Improvement

CDLE will maximize the value we bring to our customers and stakeholders through our work processes and develop a culture of continuous process improvement, focusing on the customer.

- The Department will implement five key process improvements annually that bring savings of cost, time, and/or create an exceptional experience for our customers or stakeholders. In 2016-17, the benchmark was 5 key process improvements and the actual was 8 key process improvements implemented.

Strategic Policy Initiatives

COLORADO
Department of Labor and Employment

4

Technology

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

- The Department will have a timely resolution of technology issues identified by users of applications and infrastructure as reported in the service desk system. The benchmark for 2016-17 was 90% and the actual was 98.3%.
- A tracking mechanism was put in place to manage the overall portfolio of projects and critical services for the agency.

5

Partnerships & Stakeholder Relationships

CDLE will build and strengthen relationships with partners and stakeholders.

- The Department will survey two stakeholder groups per year to assess how CDLE could provide better service and hold at least 10 stakeholder group meetings annually. The goals of two groups and 10 meetings has been meeting in prior years, and the benchmark for 2017-18 is two stakeholder groups and 15 meetings.
- The Department had more than 20 mentions during 2016 Workforce Development Month.

FY 2018-19 Change Requests

COLORADO
Department of Labor and Employment

R-01 Unemployment Insurance Reemployment Program

$230,900 Total Funds, $0 General Fund

3
Process Improvement

- The Department requests $230,900 cash funds to implement an online job search readiness system for claimants of unemployment insurance benefits as part of their required work search activities.
- Required weekly job search activities do not include job preparedness activities (e.g. resume building, reemployment plan building). Incorporating job preparedness activities as part of work search requirements gives claimants skills to find suitable, quality work faster. This shortens the time to return to work thereby reducing claim duration.
- Reducing claim duration by 5%-10% annually (.5-1.5 weeks of shorter duration) would demonstrate an estimated $30 million per year savings respectively to the UI trust fund.
- Without measures to improve re-employment and reduce claim duration for the broad customer base, the solvency of the UI Trust Fund is at higher risk, and ongoing workload and operational costs are increased. In addition, the needs of the long term unemployed typically require a variety of safety net program supports (beyond just UI) and thereby can increase operational costs across said programs.
- UI would purchase from a vendor licenses to access a suite of online job preparedness modules and the data sharing to track the use of the system and its modules. Minimum requirements will be designed for all qualifying claimants (approximately 90% of all claimants) to complete in assist in their re-employment efforts. UI will continue to track claim duration and will expect to see an overall decrease in this as well as in the claim exhaustion rate.

R-02 Independent Living Services Provider Rate Increase

$66,668 Total Funds, $66,668 General Fund

- The Department requests $66,668 General Fund to account for a community provider rate increase of 1.0 percent.
- In FY 2018-19, the Governor's Office established a community provider rate increase of 1.0 percent, to include the Independent Living Centers who contract with the Department of Labor and Employment (CDLE) to provide five core services of advocacy, information and referral, peer support, independent living, and transition services for the disabled pursuant to the Statewide Plan for Independent Living (SPIL). The Department requests an increase of $66,668, which represents a 1.0 percent increase for service provision. If not funded, the Centers for Independent may be forced to absorb inflationary costs of service provision, thereby crowding out available funds for service provision of five core services. The Department requests this increase in the Office of Independent Living Services to address continued inflationary increases experienced statewide by community service providers and to provide the same standard of services to the disabled.

COLORADO
Department of Labor and Employment

Priority: R-01
Unemployment Insurance Reemployment Program
FY 2018-19 Change Request

Cost and FTE

- The Department requests $200,000 annually from Unemployment Revenue Cash Fund in FY 2018-19 to implement an online job search readiness system for claimants of unemployment insurance benefits as part of their required work search activities. In addition we request additional funds for a one-time cost of $30,900 for approximately 300 hours of Office of Information Technology (OIT) programming.
- This strategic support for reemployment services for UI claimants would impose no cost to employer stakeholders yet would bear a savings to the UI trust fund, which the employers fund.

Current Program

- The Unemployment Insurance Division provides temporary compensation to individuals who are laid off through no fault of their own. The payment of unemployment benefits is funded through employer premiums in the UI Trust Fund.
- Claimants of UI benefits are required to make and keep record of a minimum threshold of weekly work search activities. The current requirements for work search include only job applications, submission of resumes, and interviews.

Problem or Opportunity

- Colorado's current claim duration is 15 weeks, ranked 26th in the nation. In addition, our rate of exhaustion of benefits is 42.9%, ranked 8th when the national exhaustion rate is 36.8%.
- Required weekly job search activities do not include job preparedness activities (e.g. resume building, reemployment plan building). Incorporating job preparedness activities as part of work search requirements gives claimants skills to find suitable, quality work faster. This shortens the time to return to work thereby reducing claim duration.
- Reducing claim duration by 5%-10% annually (.5-1.5 weeks of shorter duration) would demonstrate an estimated $30 million per year savings respectively to the UI trust fund.
- Unemployment programs in Utah, Indiana, and Mississippi have implemented similar programs and have seen demonstrable results in claimant self-assessment in preparedness, claim duration and total cost savings (UI Trust Fund and operations). While there are many factors that can affect the UI claim duration as an example of such a program's impact, in the first year of implementation (through 6/30/13) Utah's average UI duration went from 14.2 weeks to 13.3 weeks. The .9 weeks reduction in average weeks equaled approximately $14.2 million in estimated trust fund savings. Utah's total unemployment rate also declined from an average of 6.1% to 5.2% during the same period.

Consequences of Problem

- Without measures to improve re-employment and reduce claim duration for the broad customer base, the solvency of the UI Trust Fund is at higher risk, and ongoing workload and operational costs are increased.
- In addition, the needs of the long term unemployed typically require a variety of safety net program supports (beyond just UI) and thereby can increase operational costs across said programs.

Proposed Solution

- UI would purchase from a vendor licenses to access a suite of online job preparedness modules and the data sharing to track the use of the system and its modules. Minimum requirements will be designed for all qualifying claimants (approximately 90% of all claimants) to complete in assist in their re-employment efforts.
- UI will continue to track claim duration and will expect to see an overall decrease in this as well as in the claim exhaustion rate.

Cost and FTE

- The Department requests up to $66,668 spending authority in FY 2018-19 and beyond to account for a community provider rate increase of 1.0 percent.

Current Program

- The Independent Living Services line provides funding to nine independent living centers statewide who contract with the Department of Labor and Employment (CDLE) to provide five core services of advocacy, information and referral, peer support, independent living, and transition services for the disabled, pursuant to the statewide plan for independent living.
- For FY 2017-18, the Department was allocated $7,061,420, of which $6,666,844 was General Fund and $364,540 was Federal Funds. This request represents a 1 percent increase applied to General Funds.

Problem or Opportunity

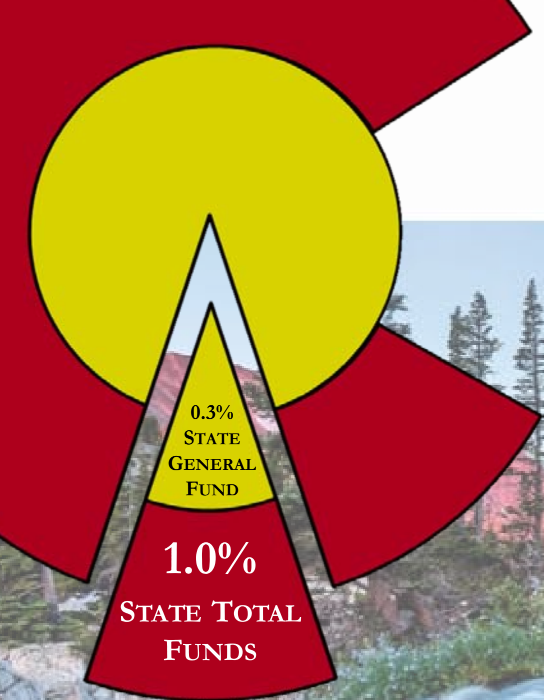
- In FY 2018-19, the Governor's Office established a community provider rate increase of 1.0 percent, to include the Independent Living Centers who contract with the Department of Labor and Employment (CDLE) to provide five core services of advocacy, information and referral, peer support, independent living, and transition services for the disabled pursuant to the Statewide Plan for Independent Living (SPIL). The Department requests an increase of $66,668, which represents a 1.0 percent increase for service provision.

Consequences of Problem

- If not funded, the Centers for Independent Living may be forced to absorb inflationary costs of service provision, thereby crowding out available funds for service provision of five core services.

Proposed Solution

- The Department requests an increase of $66,668 in the Office of Independent Living Services to address continued inflationary increases experienced statewide by community service providers and to provide the same standard of services to the disabled.



COLORADO
Department of Local Affairs

FY 2018-19 Governor's Request

$31.9 million General Fund

Share of Statewide General Fund: 0.3%

$310.2 million Total Funds

Share of Statewide Total Funds: 1.0%

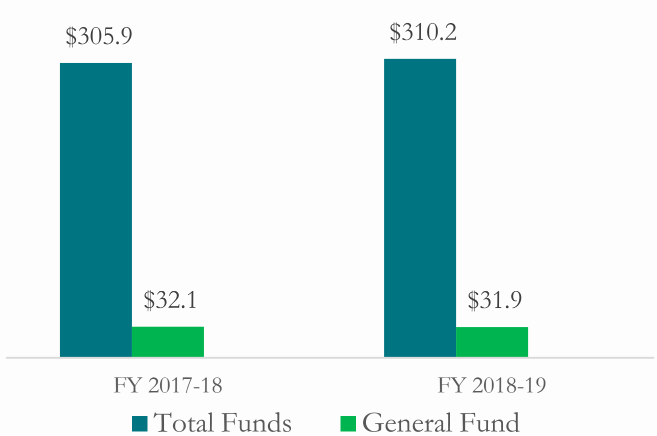
Mission Statement

The Department of Local Affairs empowers Colorado's communities to be fiscally stable and meet community development and housing needs by providing training, research, technical expertise, advice and funding.

Department Description

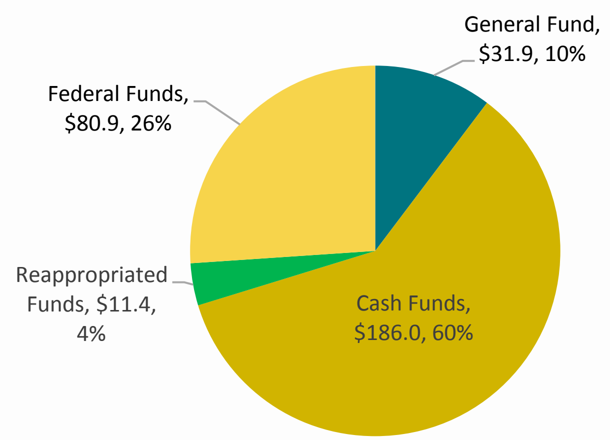
The Department of Local Affairs (DOLA) serves as the primary interface between the State and local communities. DOLA provides financial support to local communities and professional and technical services to community leaders in the areas of governance, affordable housing, and property tax administration. DOLA makes financial resources available to support community infrastructure and services either through statutory formula distributions of state and federal funds or through state and federal grants. In addition to providing assistance and services to local governments and communities, DOLA provides technical assistance and services for individual citizens as well, such as by assisting property owners with their property taxes, helping with rental assistance, and through channeling federal aid for disaster recovery.

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+1.4% ($4.2M) -0.6% (-$0.2M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



STRATEGIC POLICY INITIATIVES

COLORADO
Department of Local Affairs

1 Increase Affordable Housing Opportunities

Increase decent, affordable housing supply across Colorado in order to decrease the number of individuals and families experiencing homelessness and housing insecurity.

- The Department measures success through the annual increase in affordable housing opportunities created by both development and voucher awards. The FY 2018-19 goal is 3,700 new affordable housing opportunities and to provide an additional 1,500 individuals or families with stable housing.
- Special focus will be to use newly appropriated resources for targeted homeless populations to include recently released mental health patients, state prison system parolees, veterans, and homeless youth.

2 Local Government Transparency and Sustainability

Promote local government transparency and sustainability by providing sound fiscal management practices and operational training for communities annually.

- The Department is providing additional live streaming of property valuation protest hearings and developing video educational classes for county property assessment staff.
- The Division of Local Government is also working with selected communities to adopt best management practices to promote fiscal health.

3 Assist in Rural Areas with Economic Development

Lead Rural Response, Recovery, and Resilience in eight selected counties reliant on extractive industries

- The Department is helping local governments implement economic and community development objectives. It is also funding broadband infrastructure "middle-mile" projects.
- These efforts assist communities in diversifying their economies, improve infrastructure, and build community institutions for 21st Century success.

4 Community Development Block Grant-Disaster Recovery

Effectively and efficiently invest all remaining CDBG-DR dollars in advance of September 2019 deadline.

- The Department intends to invest the remaining $65 million in CDBG-DR funds in FY 2018-19 in order to foster long-term recovery of disaster-impacted communities.

FY 2018-19 Change Requests

COLORADO
Department of Local Affairs

R-01 Housing Assistance Cash Fund

$4.8 million Total Funds (one-time)

Increase Affordable Housing

- In FY 2018-19, the Department is requesting $4,758,600 from the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund. This request is made pursuant to SB 17-021.
- The Criminal or Juvenile Justice System Cash Fund received a one-time transfer of unexpended General Fund dollars appropriated to the Division of Criminal Justice in the Department of Public Safety for community corrections programs and services.
- SB 17-021 established a housing services program for individuals with mental illness transitioning from the criminal or juvenile justice systems as there is a shortage of affordable housing for this population.
- The funding will be used to increase the supply of rental housing and will also provide supportive housing services to the targeted population.

R-02 Eliminate Marijuana Impact Grant Program

-$1.1 Million Marijuana Tax Cash Fund ongoing

- The Department is requesting the elimination of the Marijuana Impact Grant Program, which would return $1.1 million to the Marijuana Tax Cash Fund (MTCF).
- Considering the minimal demand for the Impact Grant Program and the number of other state agencies that also manage either grant programs or have been appropriated moneys to address specific issues related to marijuana legalization in Colorado, the Department believes the program is not the most efficient use of the State's marijuana tax revenue.
- Eliminating the program will not adversely affect local governments as another grant program exists that better meets their current needs for law enforcement efforts surrounding marijuana legalization. Beginning in FY 2017-18, HB 17-1221 appropriates nearly $6 million from the MTCF to the Division of Local Government for the Gray and Black Market Marijuana Enforcement Grant Program.

COLORADO
Department of Local Affairs

Priority: R-01
Housing Assistance for Reentry Population
FY 2018-19 Change Request

Cost and FTE

- In FY 2018-19, the Department is requesting $4,758,600 from the Housing Assistance for Persons Transitioning from the Criminal or Juvenile Justice System Cash Fund ("Cash Fund"). This request is made pursuant to SB 17-021.

Current Program

- The Governor signed SB 17-021 into law on June 2, 2017. This legislation establishes a housing services program for persons with mental illness transitioning from the criminal or juvenile justice systems.
- The funding mechanism is the creation of the Cash Fund, which is funded through a one-time transfer of unexpended General Fund dollars appropriated to the Division of Criminal Justice in the Department of Public Safety (DPS) for community corrections programs and services.

Problem or Opportunity

- While SB 17-021 establishes the housing services objectives and creates the Cash Fund to receive the one-time transfer, the legislation requires the Department to request moneys from the Cash Fund through the annual legislative budget process. As such, the Department is submitting this request as part of its FY 2018-19 budget submission.
- This legislation was the result of work by the members of the Legislative Oversight Committee Concerning the Treatment of Persons with Mental Illness in the Criminal and Juvenile Justice Systems during the summer of 2016.

Consequences of Problem

- Failure to approve this change request will prevent the State from utilizing the funds transferred from DPS to the Cash Fund and the policy objectives of SB 17-021 will not get implemented. This will hamper the State's ability to address mental illness in the homeless population throughout Colorado.

Proposed Solution

- The Department requests that the funds deposited into the Cash Fund at the close of FY 2016-17 are appropriated to a new line item in the Division of Housing entitled 'Housing Assistance for Persons Transitioning from Criminal or Juvenile Justice Systems' for the purposes of implementing the objectives of SB 17-021.

COLORADO
Department of Local Affairs

Priority: R-02
Elimination of Marijuana Impact Grant Program
FY 2018-19 Budget Reduction Item

Cost and FTE

- In FY 2017-18, the Local Government Marijuana Impact Grant Program ('Impact Grant Program') was appropriated $1.0 million in grant funds as well as $117,540 and 2.0 FTE for administration from the Marijuana Tax Cash Fund (MTCF). The Department requests the elimination of the Marijuana Impact Grant Program.

Current Program

- This Impact Grant Program was established pursuant to approval of Proposition BB by voters in November 2015. Beginning in FY 2015-16, the Impact Grant Program has received an annual appropriation of $1 million in grant funds from the MTCF. The Division of Local Government is tasked with awarding grants to applicants that meet criteria delineated in Section 24-32-117 (2), C.R.S. Per Statutory authority, each annual appropriation of $1 million may be spent over two fiscal years.

Problem or Opportunity

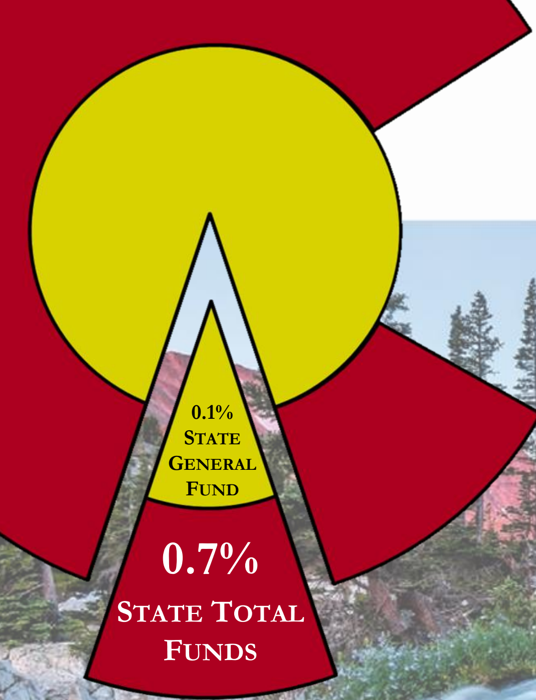
- In FY 2015-16, the Department awarded $766,567 of the $1 million in marijuana impact grants to eligible local jurisdictions. While there was collaboration with potential stakeholders during the subsequent grant cycle, the application and program requirements did not generate a sufficient number of applicants for the $1 million appropriation in FY 2016-17. During this grant cycle, only three applications were submitted and either fully or partially approved. These grants only obligated $140,491 of the $1 million appropriation.

Consequences of Problem

- Considering the minimal demand for the Impact Grant Program and the number of other state agencies that also manage either grant programs or have been appropriated moneys to address specific issues related to marijuana legalization in Colorado, the Department believes the program is not the most efficient use of the State's marijuana tax revenue.

Proposed Solution

- The Department believes returning the $1.1 million supporting the Impact Grant Program to the MTCF will ultimately provide better value to taxpayers through support for other state programs.
- In addition, eliminating the program will not adversely affect local governments as another grant program exists that better meets their current needs for law enforcement efforts surrounding marijuana legalization. Beginning in FY 2017-18, HB 17-1221 appropriates nearly $6 million from the MTCF to the Division of Local Government for the Gray and Black Market Marijuana Enforcement Grant Program ('Gray and Black Program').
- While the Gray and Black Program does not serve the same population as the Impact Grant Program, it meets the needs of more jurisdictions, especially in rural areas, because it has more funding and a statutory mission with greater focus on the demands of law enforcement in relation to large-scale cultivation sites and the exploitation of marijuana legalization in Colorado by criminal organizations.
- Legislation is only necessary if the General Assembly wants to eliminate the statutory provisions that established the Impact Grant Program.



COLORADO
Department of Military and Veterans Affairs

FY 2018-19 Governor's Request

$10.8 million General Fund

Share of Statewide General Fund: 0.1%

$227.3 million Total Funds

Share of Statewide Total Funds: 0.7%

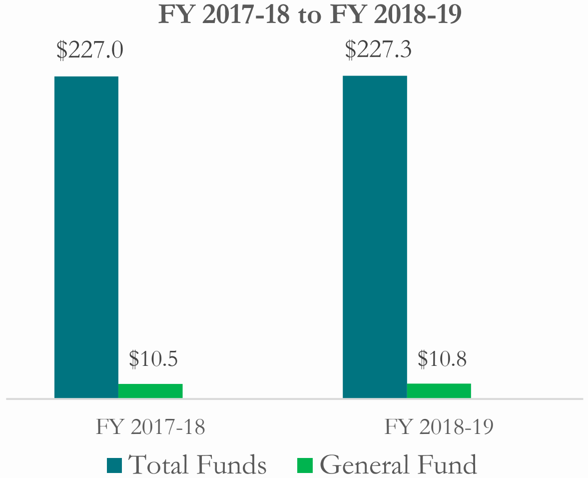
Mission Statement

Colorado's Department of Military and Veterans Affairs supports the Division of the Colorado National Guard (CONG) in delivering land, air, space, and cyber power in support of state and federal operations; enables the Division of Veterans Affairs (DVA) to deliver high quality service to the State's Veterans and their families; and oversees the operations of the Colorado Wing of the Civil Air Patrol (CAP) in delivering aerospace education and emergency services.

Department Description

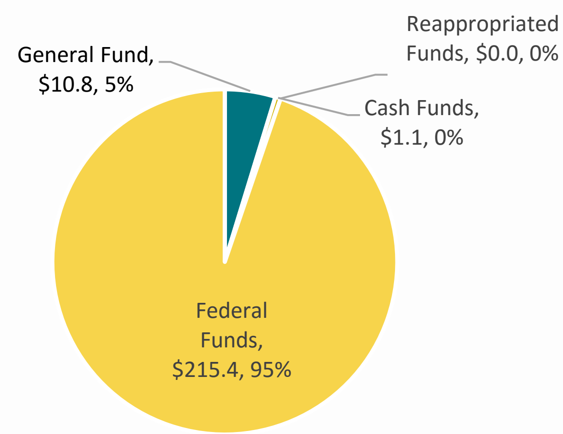
The Department of Military and Veterans Affairs provides assistance and protection in the event of emergencies and disasters for the citizens of Colorado, provides assistance for Colorado veterans, and houses the state's Civil Air Patrol. The National Guard maintains a ready military force that can augment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

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+0.2% ($0.4 M) +2.4% ($0.2 M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



Strategic Policy Initiatives

COLORADO
Department of Military and Veterans Affairs

1 Improve the Resilience of Service Members

Improve the resilience of service members and their families to face and cope with adversity, change, and setbacks.

- Seeking mental health assistance is recognized by health care professionals as an initial step in building and strengthening an individual's resilience to face and cope with adversity, adapt to change, recover, learn, and grow from setbacks.
- The goal is to increase those seeking mental health assistance 5% annually, with the ultimate objective of achieving at least a 15% increase in those seeking mental health assistance by 2020. The Department is also working towards decreasing the number of high risk/high interest mental health cases 5% annually, with the goal of achieving at least a 15% decrease by 2020.

2 Improve Veterans Satisfaction with Services

Improve Veteran's customer service experience 10% by 2020 through providing efficient, effective and timely Veteran services.

- Having a positive experience with services provided by State and County Veteran Service Officers is essential in gaining the trust and confidence of the 410,000 Veterans currently residing in Colorado.
- Success is measured by initially achieving at least a 70% positive customer experience in 2018 using the newly established customer service survey. Success will then be measured by improving the Veteran customer service experience 5% each year thereafter, achieving an 80% or greater satisfaction of Veteran's service by 2020.

3 Invest in Infrastructure Development

Enhance the department's capacity to support the Colorado National Guard and Division of Veteran's Affairs by investing $95 million dollars in infrastructure development by 2020.

- Colorado is designated as a "Growth State" by National Guard Bureau. This designation identifies Colorado as a state with growth potential where additional capacity should be applied.
- DVA intends on investing at least $57 million dollars in 2018, $22 million dollars in 2019, and $16 million dollars in 2020, totaling $95 million dollars in infrastructure development and improvements by 2020.

FY 2018-19 CHANGE REQUESTS

COLORADO
Department of Military and Veterans Affairs

R-01 Grand Junction Veterans One Stop

$156,282 Total Funds and 1.3 FTE, $156,282 General Fund

2 Improve Veterans Satisfaction with Services

- The Department is requesting funds to staff the newly renovated Grand Junction Veterans One Stop resource center. The positions are for an Administrator for the complex (1.0 FTE), a State Veterans Service Officer (1.0 FTE), a military ID card operations specialist (1.0 FTE), and a state maintenance technician (0.2 FTE). The request annualizes to $231,367 and 3.2 FTE in FY 2019-20 and ongoing.
- The Department has a facility (former National Guard armory) available in close proximity to the existing Grand Junction Veterans Affairs Medical Center. The Department envisions using this resource to collocate a variety of services to military members, veterans, and their families.
- By hiring and integrating staff into the growing facility's initial development, the Department will achieve their goal of a community-focused center of mass for veterans services that will serve as a model to the region and state.

R-02 Safety Training

$54,585 General Fund in FY 2018-19 and $24,085 Ongoing

3 Invest in Infrastructure Development

- The Department is requesting a total of $54,585 General Fund for safety equipment and training ($18,185 for annual safety training, $36,400 for initial fielding of materials, supplies and equipment, and $5,900 for ongoing safety materials, supplies and equiptment.)
- With the hiring of a new FTE DMVA Safety Coordinator, and the formation of the DMVA Safety Committee, new requirements for safety training have been identified. The new DMVA safety program provides the department an opportunity to improve the safety of its employees across all spectrums of work to include maintenance, HVAC, plumbing, and electrical. Safety training, materials, and equipment are currently in limited supply and either not funded, or funded using federal and state funds in operations and maintenance accounts.
- Worker safety will be accomplished by reducing the potential impact of worker injury, which will be measured through the number of safety incidents. This links to SPI 3: Invest $95 million dollars in infrastructure development by 2020. By building a safe and properly trained workforce, the Department will be positioned to continue developing and maintaining infrastructure.

COLORADO
Department of Military and Veterans Affairs

Priority: R-01
Grand Junction Veterans One Stop
FY 2018-19 Funding Request

Cost and FTE

- The Department requests $156,282 General Fund and 1.3 FTE in FY 2018-19; $230,134 General Fund and 3.1 FTE in FY 2019-20; and $231,367 General Fund and 3.2 FTE in FY 2020-21 and ongoing to staff the new Veterans One Stop center in Grand Junction.

Current Program

- The One Stop facility renovation was funded with capital construction funds in FY 2017-18 and is scheduled to be fully open and operational in May 2019.
- The program is designed to address a gap in services for western slope military members, veterans and their families due to geographical barriers and the lack of a clear or centralized location to access services. The One Stop will allow for the aggregation of service providers across the spectrum of governmental and non-profit agencies.

Problem or Opportunity

- In order to create a successful resource, the Department is requesting the FTE to manage and maintain the Grand Junction One Stop in the renovated facility.
- The Department has a facility (former National Guard armory) available in close proximity to the existing Grand Junction VA Medical Center (VAMC). The Department envisions using this resource to collocate a variety of services to military members, veterans, and their families.

Consequences of Problem

- Without proper supervision and management, the Department will not capitalize on this opportunity to integrate disparate community resources into one cohesive resource center. The newly renovated facility will sit vacant.
- Additionally, the closest military ID card office to Grand Junction is Denver or Salt Lake City. By housing the DMVA supported ID card office in the One Stop, the Department will be able to continue providing a crucial service for military members, retirees, and their family members across the Western Slope, and into adjacent states.

Proposed Solution

- Locally established staff are critical in ensuring that the vision is implemented, while utilizing best practices. A One Stop manager will begin in August 2018 to select tenants and set up the center, a Veterans Service Officer will begin in January 2019, and an ID card operator will begin in July 2019 to begin issuing ID cards as soon as possible. A part time maintenance position is also included.

Cost and FTE

- The Department requests $54,585 General Fund in FY 2018-19 (annualizing to $24,085 General Fund in FY 2019-20 and ongoing) for training, materials and equipment to support the Department Safety Program for all personnel, to include both trades and office FTE.

Current Program

- Safety training, materials, and equipment are currently in limited supply and either not funded, or partially funded using federal and state funds in operations and maintenance accounts. However, the scope of any existing training effort has been limited.

Problem or Opportunity

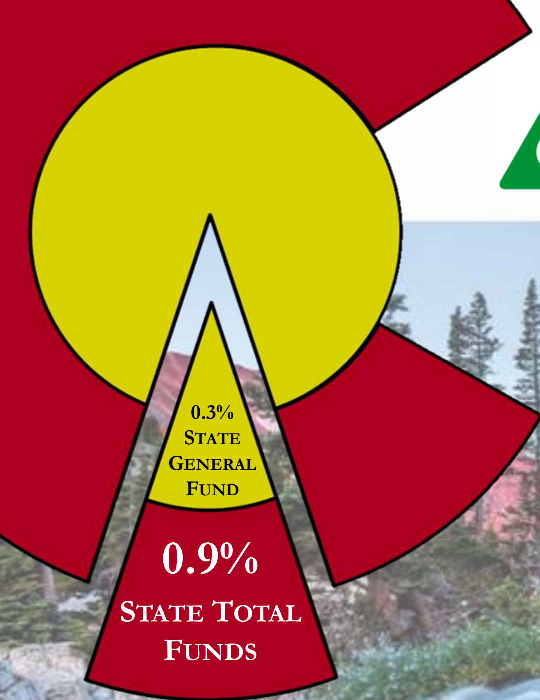
- With the hiring of a new DMVA Safety Coordinator in 2016, and the concurrent formation of the DMVA Safety Committee, new requirements for safety training have been identified and a safety program of record has been established.
- The new DMVA safety program provides the department an opportunity to improve the safety of our employees across all spectrums of work to include maintenance, HVAC, plumbing, and electrical.

Consequences of Problem

- If the Safety program is not funded, Department personnel will not receive the required and identified safety training.
- This puts the DMVA at risk of non-compliance with state and federal safety guidelines, and possibly negligence.
- The alternative of diverting the funds from existing accounts would decrease the ability to fund work orders and purchase tools and equipment required to perform the daily duties of the various divisions.

Proposed Solution

- The proposed solution is to fully fund the Department safety training requirements, supplies, materials, and equipment with dedicated non-competing funds.
- From FY 2011 to FY 2016 the Department has paid $645,933 in workman's compensation claims. This equates to an average of $129,187 per year in workman's compensation payments. The goal of this effort is to reduce this cost significantly; if claims were reduced by 25 percent, it would result in savings of approximately $32,000 per year.



COLORADO
Department of Natural Resources

FY 2018-19 Governor's Request

$32.0 million General Fund

Share of Statewide General Fund: 0.3%

$271.9 million Total Funds

Share of Statewide Total Funds: 0.9%

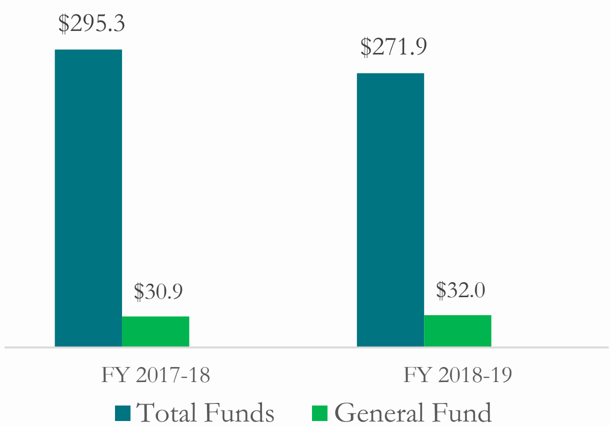
Mission Statement

The Colorado Department of Natural Resources acts as a leader in coordinating the protection of natural resources with the federal government, other state agencies, local governments, businesses, the General Assembly, and private citizens. By soundly managing Colorado's natural resources, 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

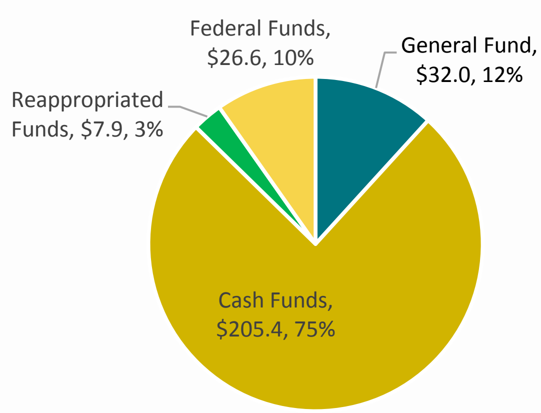
The Colorado Department of Natural Resources (DNR) is responsible for the management of the water, land, wildlife, minerals and energy, oil & gas, state trust lands, and outdoor recreation resources of the State. Its mission is to develop, preserve, and enhance Colorado's natural resources for the benefit and enjoyment of 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.

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+-7.9% ($23.4 M) +3.6% ($1.1 M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



Strategic Policy Initiatives

COLORADO
Department of Natural Resources

1 Protect State Land, Wildlife, and Their Environment

Manage, enhance, preserve and protect state lands, wildlife and their environment for the use, benefit, and enjoyment of the people of Colorado and its visitors, now and into the future.

- Examples of measures used to track outcomes are: state park visitation, recreational trail project supported, the number of licensed hunters and anglers, acres of habitat protected, and the number of federal listings of endangered species averted.
- For the State Land Board, outcome measures will include a focus on revenue earned on trust assets as well as performance related to protecting and enhancing property values.

2 Manage the State's Water Resources for Public Benefit

Conserve, develop, protect, and administer Colorado's water for present and future generations in accordance with state and federal laws.

- Help meet Colorado's municipal, industrial, environmental, and recreation water supply needs; manage water to assure that it is put to beneficial use by legally entitled water rights holders; provide water for Colorado's environmental and recreational needs; and, protect public health, safety, and welfare from negative outcomes associated with water-based natural disasters.
- Examples of metrics include: number of dam failure incidents; number of deaths from dam failures; acre-feet of existing storage maintained; acre-feet of new storage created; estimated amount of water saved through water efficiency plans; and, additional miles of stream protected.

3 Promote Balanced and Responsible Development of Mineral and Energy Resources

Balance the responsible and efficient development of the State's energy and mineral resources with the protection of public health, safety, and welfare, and the environment including wildlife, from possible negative impacts associated with resource development.

- A robust, evolving regulatory scheme; thorough, strategic inspection programs based on a risk profile of individual sites; and long-term reclamation requirements that ensure the restoration of land used for energy and mineral development.
- Examples of metrics include percent of new oil and gas locations within 1,000 feet of a building unit; percent of permits issued in sensitive wildlife habitats; percent of wells drilled horizontally; and, number of coal program acres reclaimed.

FY 2018-19 Change Requests

COLORADO
Department of Natural Resources

R-01 Additional Staffing and Equipment for Flowline Safety

$384,875 Total Funds, $0 General Fund

3
Responsible Mineral & Energy Development

- OGCC is requesting an increase of $384,875 from the Oil and Gas Conservation and Environmental Response Fund and 2.0 FTE to expand the capacity of the Facilities Integrity Program and improve flowline safety statewide.
- The Program currently has 3.0 FTE, all based in the Denver area. Its main objectives are to prevent or reduce spills and help operators establish their own robust and proactive facilities integrity programs.
- The Facilities Integrity Program serves an important purpose in protecting public safety and maintaining public trust in the State Government to safely manage oil and gas development, especially in light of the home explosion in Firestone.

R-02 DNR IT Application Development and Support

$115,445 Total Funds, $0 General Fund

- The Department of Natural Resources (DNR) requests an additional $115,445 in spending authority to pay for an additional 1,548 hours (1.0 FTE) of support from the Governor's Office of Information Technology (OIT).
- This request will allow DNR to address a projected shortfall in IT development hours over the next 5 years.
- DNR estimates that it has a current IT project backlog of 80,000 hours. This is in addition to a projected five-year need for 35,000 hours for statewide OIT projects and new DNR projects that are not part of the current backlog. Together these total a need for 115,000 hours of OIT support by FY 2021-22.
- At current staffing levels, DNR will only receive 81,000 hour of OIT support over this time period, resulting in a projected shortfall of 34,000 hours.

R-03 Increased Operating and New FTE for State Forest State Park

$382,290 Total Funds, $0 General Fund

1
Protect State Land and Wildlife

- The Department is requesting a total of 1.0 new FTE and $382,290 in increased spending authority. The 1.0 FTE and $282,290 of this spending authority will be allocated to the State Park Operations line item and funded by the State Parks Cash Fund. $100,000 of the requested spending authority will be allocated to the Asset Maintenance and Repairs line item and will be funded with Colorado Lottery funds.
- State Forest State Park is located within the 71,000-acre Colorado State Forest, a state-owned property managed by the State Land Board (SLB) and leased to Colorado Parks and Wildlife (CPW).
- State Forest State Park also contains the North Park Campground - in April 2017, CPW and the SLB signed a new 20-year lease taking effect July 1, 2017. The new lease requires CPW to assume management of the North Park Campground by 2018 and to upgrade the existing facilities in the campground.
- Management of the North Park Campground will allow CPW to bring its expertise with camping to this amenity and present an opportunity to increase revenue

COLORADO
Department of Natural Resources

R-06 Colorado Water Conservation Board (CWCB) Dues Increase	
	$65,109 Total Funds, $0 General Fund
2 Manage State's Water Resources for Public Benefit	• The Colorado Water Conservation Board (CWCB) requests additional cash fund spending authority in the amount of $65,109 from the CWCB Construction Fund to pay the cost of increasing dues assessed for Colorado's participation in interstate water organizations. • The majority of the increase is attributable to the Upper Colorado River Commission, but other smaller increases over the years have come from the Colorado River Basin Salinity Control Forum and the Interstate Council on Water Policy. • Since FY 2011-12, the CWCB's Operating Expenses line item has absorbed $85,426 in new membership dues without a corresponding increase in spending authority. These incremental increases have had the effect of crowding out other legitimate operating expenses at the CWCB. • The mission of the CWCB is to develop, conserve, protect, and manage the state's water for present and future generations. In order to accomplish this, the CWCB must comply with – and enforce other states' compliance with – interstate compacts, Supreme Court decree entitlements and decisions, and multi-state agreements.

Cost and FTE

- The Oil and Gas Conservation Commission (OGCC) requests an increase of $384,875 cash funds for 2.0 FTE, one State vehicle, field imaging equipment, and methane detection drone services to improve and accelerate OGCC's oversight of flowlines, particularly in the urban interface areas statewide. Funding will be from the Oil and Gas Conservation and Environmental Response Fund.

Current Program

- OGCC's Facilities Integrity Program administers a risk-based program focused on the installation and maintenance of flowlines. Flowlines are the network of pipelines connecting oil and gas wells to tanks, separators, and other vessels, and include the pipelines connecting these facilities to the sales meter. The program provides guidance and outreach to operators; inspects flowlines during construction, repair, and abandonment; observes flowline pressure tests; audits operators' flowline integrity programs and pressure testing records; and supports enforcement efforts when violations are found.

Problem or Opportunity

- While the Facilities Integrity Program has made good progress with its audits and inspections of flowlines, its small staff is unable to provide comprehensive statewide oversight.
- The May 2017 Notice to Operators requiring operators to inspect their inventory of existing flowlines to ensure and document the integrity of all lines within 1,000 feet of a building unit and to ensure inactive flowlines are abandoned pursuant OGCC rules has significantly increased the workload for the Facilities Integrity Program. Staff has been inundated with requests for data on flowlines, audits, and pressure test results, hindering their ability to audit operator programs and visually inspect flowlines and associated facilities.
- The OGCC currently has no flowline specialists located on the West Slope, preventing the program from a timely response when flowline expertise is needed outside the Front Range.
- Contract drone services with methane detection capability is a cost effective way to monitor flowlines over large areas, particularly those not accessible to vehicles.

Consequences of Problem

- Without State action, public safety in regards to flowlines and other production facilities cannot be adequately ensured.

Proposed Solution

- Funding this request would allow the OGCC to carefully and more quickly address public concerns by beginning to implement a statewide systematic approach to monitoring flowlines.

Cost and FTE

- The Department of Natural Resources (DNR) requests an additional $115,445 in spending authority to pay for an additional 1,548 hours (1.0 FTE) of support from the Governor's Office of Information Technology (OIT). This request will allow DNR to address a projected shortfall in IT development hours over the next 5 years.

Current Program

- DNR is allocated about 21,600 hours of application support and development through OIT. OIT needs 5,400 hours each year to maintain existing DNR applications, which results in a net of 16,224 hours each year that is available to address new IT development and support needs.

Problem or Opportunity

- DNR does not have sufficient IT hours to meet its application development and support need both now and in the future.
- DNR estimates that it has a current IT project backlog of 80,000 hours. This is in addition to a projected five-year need for 35,000 hours for statewide OIT projects and new DNR projects that are not part of the current backlog. Together these total a need for 115,000 hours of OIT support by FY 2021-22. At current staffing levels, DNR will only receive 81,000 hour of OIT support over this time period, resulting in a projected shortfall of 34,000 hours.
- This backlog has and will impact DNR's ability to meet customer demands and statutory mandates.
- Some of the areas that have been negatively impacted by this backlog include: coal mine permit tracking and inspections; water rights tracking and public reporting (Hydrobase); oil and gas well permits (eform upgrades); issuing hunting licenses; effective use of state park campsites and cabins; identifying and tracking customers at state parks; firewall upgrades, and; law enforcement and records management at CPW.

Consequences of Problem

- Without additional funding, DNR believes that it will have an unfunded need of about 34,000 OIT hours by FY 2021-22 which would limit the completion of mission critical IT system development.

Proposed Solution

- Increasing OIT hours by 1,548 or 1.0 FTE. DNR expects that the additional 1,548 hours per year will reduce the anticipated unfunded hours by 6,148 hours or almost 20%. The additional IT development and support hours will allow DNR to complete its mission critical projects, respond to statewide OIT projects, and address a prioritized list of new IT projects. This request still results in an estimate backlog of about 28,000 hours at the end of five years, which will require DNR to find alternative sources of funding and/or postpone projects until hours are available beyond five years.

COLORADO
Department of Natural Resources

Cost and FTE

- CPW is requesting 1.0 new FTE and $382,290 in increased cash spending authority to support expanded operations at State Forest State Park.

Current Program

- State Forest State Park is located within the 71,000-acre Colorado State Forest, a state-owned property managed by the State Land Board (SLB) and leased to Colorado Parks and Wildlife (CPW). The park is staffed with 5.0 FTE and about 20 temporary staff during peak season. Amenities include more than 180 primitive campsites, six cabins and ten yurts, and many miles of trails. State Forest State Park also contains the North Park Campground, a facility owned by SLB and operated by Western Parks Management.

Problem or Opportunity

- In April 2017 CPW and SLB signed a new 20 year lease taking effect July 1, 2017. The new lease will maintain CPW's ability to operate the existing park. The lease requires CPW to assume management of the North Park Campground by 2018 and to upgrade existing campground facilities. The lease also increases the annual rent for the park from $45,000 to $160,000 and requires CPW to expend annually $100,000 for preventative maintenance or authorized improvements.

Consequences of Problem

- The park's current staff cannot absorb the workload associated with managing a major amenity like the North Park Campground. In addition to increased lease costs and annual maintenance expenditures, managing the North Park Campground as a CPW facility will require additional spending authority for day-to-day operating costs, utilities, and staff. The required increase in expenditures for preventative maintenance and/or authorized improvements will also drive workload and require additional resources.

Proposed Solution

- To facilitate management of the campground, the increased lease costs, and increased maintenance and improvement costs, CPW is requesting 1.0 new FTE and $382,290 in increased spending authority. The FTE and $282,290 of this spending authority will be allocated to the State Park Operations line item. $100,000 of the requested spending authority will be allocated to the Asset Maintenance and Repairs line item and will be funded with Colorado Lottery funds.

Cost and FTE

- Colorado Parks and Wildlife (CPW) is requesting $21,540 in increased cash spending authority to the Department of Natural Resources (DNR) Leased Space line item. CPW is requesting a corresponding decrease of $21,540 cash spending authority to the CPW Wildlife Operations line item, making this request overall budget-neutral.

Current Program

- CPW has leased office space in Brush for several years. This space has served as both the operational office for CPW Wildlife Area 3 and as the State Fish Health Laboratory. The Area 3 office provides customer service and sells hunting and fishing licenses, park passes, OHV and boat registrations and provides information to the public. The Fish Laboratory is CPW's statewide center for testing hatchery fish for whirling disease, among many other technical functions.

Problem or Opportunity

- The dual missions of customer service and technical lab work are not always a good fit. Area 3 staff need office space with a secure entry/exit point that allows controlled customer access. Fish Lab staff need clean laboratory space in which to conduct experiments and sample analysis.

Consequences of Problem

- Customer service is sometimes impacted by various activities and experiments conducted by Fish Lab staff. Fish Laboratory staff are forced to store equipment and supplies in external storage locations due to limited space.

Proposed Solution

- In December 2016 the Area 3 office was struck by a vehicle and a significant portion of the office was rendered uninhabitable. While repairs are being conducted, Fish Lab staff have remained in the building; Area 3 staff have been working out of their homes, using cell phones and laptops.
- Area 3 administrative staff need permanent space that will allow them to function day-to-day and meet the needs of the area. Rather than return to the previous office, with known issues, area staff are in the process of leasing modular space to serve as the Area 3 office, providing customer service to the public and office space for region administrative staff. This space is approximately 2,160 square feet. Estimated annual lease costs will be approximately $21,540 annually, and CPW is requesting an increase of this amount to the Departmental Leased Space line item for FY 2018-19. The Fish Health Laboratory will take possession of the entire existing office.

Cost and FTE

- The Oil and Gas Conservation Commission (OGCC) seeks to add a Long Bill footnote that would provide two-year spending authority for the Plugging and Reclaiming Orphaned Wells (PROW) line item. This request requires no additional resources.

Current Program

- The OGCC's PROW program identifies, prioritizes, and addresses oil and gas wells and locations for which there are no known responsible parties or the financial assurance is insufficient.
- As of September 2017, the OGCC was tracking 244 known orphaned wells that require plugging and 300 associated locations that require reclamation. The rate of new orphaned wells has been accelerating in recent years with no sign of slowing down. Many of the recent additions have come from financially distressed operators affected by the recent downturn of the oil and gas industry.
- The PROW program includes but is not limited to the plugging of wells, removal of debris, soil remediation, installation of safety equipment such as fences and signs, and the reclamation of well pads and roads. The PROW program's annual appropriation of $445,000 has historically been limited to one fiscal year, requiring staff to schedule projects they can complete by June 30 due to state procurement rules that can make it difficult for projects to cross fiscal years.

Problem or Opportunity

- The single year appropriation prevents projects from efficiently crossing fiscal years.
- Two-year spending authority would also give staff the ability to combine a portion of one year's appropriation with the next to undertake a large project that would otherwise consume most or more than the annual appropriation.

Consequences of Problem

- OGCC staff are hesitant to start projects they may not be able to complete by June 30. As such, they often divert unexpended funds near fiscal year-end to smaller, less complicated, or lower priority projects to avoid extra year-end costs or a reversion of funds. If an alternative project cannot commence quickly, due to procurement delays or other issues, then both it and the original project get pushed into the next fiscal year, leaving the annual appropriation under-utilized.

Proposed Solution

- Multi-year spending authority is common for DNR construction-related line items, as it allows for more effective and efficient use of resources. While most of these line items have footnotes authorizing the appropriation to remain available for three years, the OGCC believes a two-year appropriation would provide the flexibility it needs.

Cost and FTE

- The Colorado Water Conservation Board (CWCB) requests an increase of $65,109 cash funds to pay for increasing membership dues to interstate water organizations. Funding will be from the CWCB Construction Fund.

Current Program

- Currently the CWCB maintains dues-paying memberships in the following interstate water organizations:
  1) Upper Colorado River Commission (UCRC)
  2) Colorado River Basin Salinity Control Forum (CRBSCF)
  3) Interstate Council on Water Policy (ICWP)
  4) Western States Water Council (WSWC)
  5) Arkansas River Compact Administration (ARCA)
- The CWCB works through these organizations to represent Colorado's interests in a variety of ways that include protecting the state's ability to develop its water, ensuring that the appropriate amount of water is delivered to downstream states, enhancing opportunities to bring federal funding to Colorado, and planning for future water projects.
- In FY 2017-18, membership dues to these organizations will be $387,470. Of this total, 76% is for the UCRC and ARCA, organizations for which Colorado is statutorily required to belong.
- The CWCB considers participation in these organizations critical to the mission of the agency.

Problem or Opportunity

- Membership dues for these interstate water organizations have increased by almost $100,000 since FY 2011-12, most of this total being organizations in which membership is required by law. Dues are generally paid out of the CWCB Operating Expenses line, which has been almost unchanged in this time. This budget, $478,547 in FY 2017-18, has been spent to within 0.1% in recent years. Staying within budget has forced the agency to defer computer and equipment replacements and move travel expenses and membership dues to other funding sources when available. Some alternative sources are no longer available, while others cannot be utilized without crowding out other agency priorities, making this practice neither sustainable nor ideal.

Consequences of Problem

- The daily activity of the agency entails operating costs, the largest of which is travel for participation in these and other water related gatherings. The CWCB cannot accommodate the increases in membership dues while maintaining its current level of activity.

Proposed Solution

- The CWCB proposes increasing the Operating Expenses budget line by $65,109. This amount is equal to the increases in membership dues between FY 2014-15 and FY 2018-19.

Cost and FTE

- The Department of Natural Resources requests: (1) a net-zero transfer of $184,331 reappropriated funds from the Executive Director's Office (EDO) Operating Expenses line item to the EDO Personal Services line item, converting it to a 'Program Costs' line item; and (2) that the existing EDO Operating Expenses line item be renamed 'Capital Outlay' to more accurately reflect the purpose of the remaining appropriation.

Current Program

- The Executive Director's Office is broadly responsible for providing leadership and support on public policy, budget, accounting, and human resources issues to all divisions in the Department.
- The EDO Personal Services line item supports the 41.3 FTE who provide these services with $3.8 million in reappropriated funds from departmental indirect cost recoveries.
- The EDO Operating Expenses line item currently covers both operating costs for EDO, with $184,331 in reappropriated funds from departmental indirect cost recoveries, and capital outlay by DNR divisions outside of EDO with $1.1 million in cash and federal funds.

Problem or Opportunity

- The EDO operating appropriation is adequate, but very lean, and is currently combined with the appropriation for department-wide capital outlay. This limits EDO's flexibility to accommodate even minor unanticipated operating costs without expenditures exceeding the appropriation. It also reduces transparency by separating appropriations with like purposes, i.e., supporting EDO personnel and operations, and merging EDO-specific operating costs with department-wide capital outlay expenditures in a single line item.

Consequences of Problem

- If the EDO Personal Services line item and the EDO portion of the Operating Expenses line item remain separate, EDO will inevitably encounter a situation where it will not be possible to pay its fair share of an unanticipated operating expense without over-spending its appropriation.

Proposed Solution

- Consolidating EDO personal services and operating appropriations into a single program line item and clearly identifying the Department's capital outlay appropriation will increase transparency and allow EDO enough flexibility to manage its budget for personnel and operating costs efficiently within existing resources.

Cost and FTE

- The Division of Reclamation, Mining, and Safety proposes to reduce the Coal Land Reclamation Program Costs line item by $189,276 total funds and 1.0 FTE starting in FY 2018-19. This reduction is comprised of $39,748 cash funds from the Severance Tax Operational Fund and $149,528 federal funds.

Current Program

- Regulation of coal mines originated under the Colorado Surface Coal Mining Reclamation Act (Section 34-33-101, C.R.S.) and through a state primacy cooperative agreement with the federal Department of the Interior/Office of Surface Mining. The Coal Land Reclamation Program (Coal Program) exists to regulate the coal mining industry by ensuring that coal mining is conducted in compliance with the Colorado Surface Coal Mining Act, and associated regulations of the Colorado Mined Land Reclamation Board for coal mining.
- This program ensures that the land disturbed by mining is reclaimed to beneficial use and that the environment and the health and safety of the people of the State are protected during and after mining.
- There are currently 6 producing coal mines out of 31 active permitted sites that in total cover over 167,000 permitted acres. Active coal mines are inspected monthly and numerous permit revisions continue to be submitted annually, requiring detailed staff review.

Problem or Opportunity

- Federal grant funding from the U.S. Department of the Interior/Office of Surface Mining for FY 2017-18 was reduced by 4.3 percent from the prior grant cycle in response to a nationwide retraction in the coal industry. Colorado's Coal Program had already prepared for a possible reduction in federal grant funds by keeping 2.0 FTE vacant since 2016. One of the two vacant FTE was reduced from the Long Bill in FY 2015-16 and the second is proposed for elimination in this request.

Consequences of Problem

- Regulatory compliance with the state's rules and regulations has been at 99.0 percent for several years even as the program held two positions vacant. This trend is expected to continue as the 1.0 FTE reduction is only aligning the Long Bill line to actual program staffing. The program will continue to protect the environment and the health and safety of landowners and the public in proximity of all existing mine sites

Proposed Solution

- This is an ongoing reduction in overall spending authority and total FTE that will not affect the continued regulation and reclamation of all remaining coal mines in Colorado. A major expansion of the industry is not anticipated.

COLORADO
Department of Natural Resources

Cost and FTE

- The Department requests a the elimination of the Interruptible Water Supply Agreement line item in the amount of $61,589 CF.
- There is no FTE impact associated with the proposed change.

Current Program

- The Department's Interruptible Water Supply program (C.R.S. 37-92-309) allows water right holders to transfer historical consumptive use of an absolute water right for application to another type of use and/or place of use on a temporary basis without permanently changing the water right.

Problem or Opportunity

- The Department has administered this program since 2003.
- Since its inception, the program has had only two applications and both applications were retracted shortly after they were submitted.

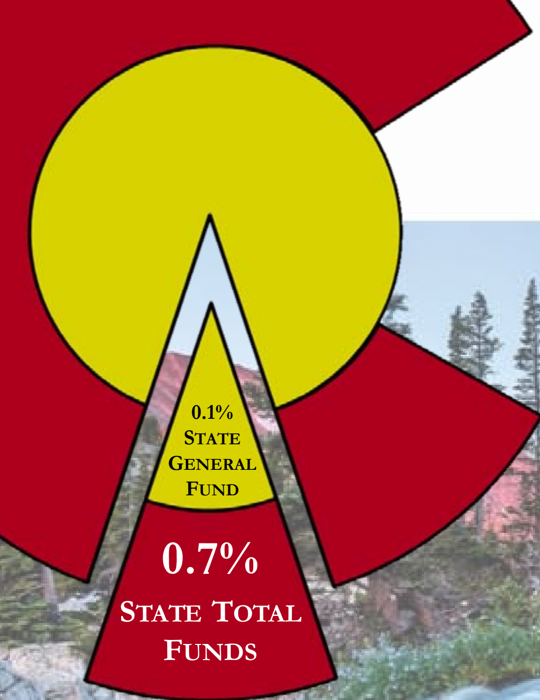
Consequences of Problem

- The Department submits the Interruptible Water Supply program line item reduction to eliminate unused spending authority from the budget.

Proposed Solution

- The Department will eliminate the Interruptible Water Supply program line item in the amount of $61,589 CF due to low program usage.
- Legislation will be required to eliminate or amend C.R.S. 37-92-309.

COLORADO
Department of Personnel & Administration



FY 2018-19 Governor's Request

$14.6 million General Fund

Share of Statewide General Fund: 0.1%

$207.0 million Total Funds

Share of Statewide Total Funds: 0.7%

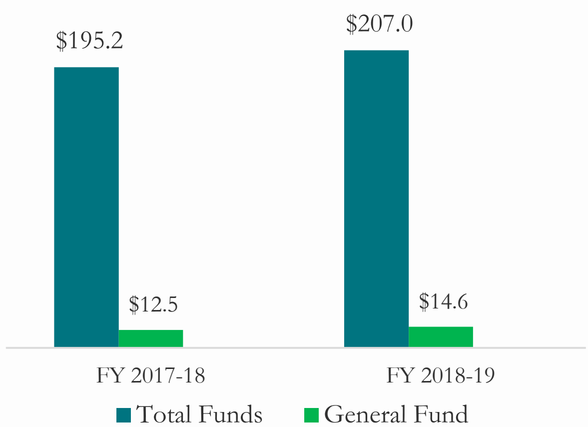
Mission Statement

The mission of the Department of Personnel & Administration (DPA) is to provide quality services to enhance State government success through improved customer service, modernized business operations, and investment in the workforce.

Department Description

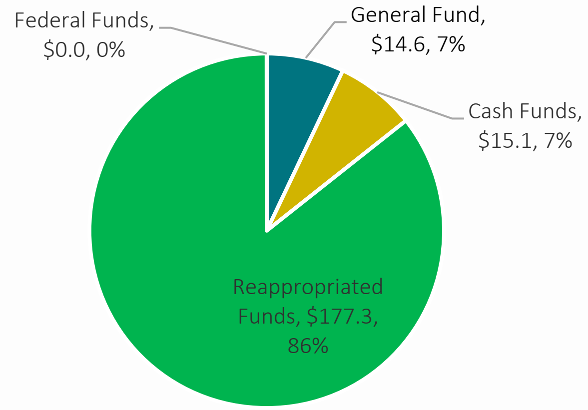
The Department of Personnel & Administration (DPA) provides centralized services to State agencies that are necessary for the operation of Colorado State government. These services include: supporting and maintaining the integrity of the State personnel system; managing the State's insurance pool; providing 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.

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+6.0% ($11.8 M) +17.0% ($2.1M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



Strategic Policy Initiatives

COLORADO
Department of Personnel & Administration

1 Increase Employee Engagement

Increase DPA employee engagement index and enhance the image of the State of Colorado as an employer of choice.

- The Department aims to improve DPA's employee engagement index score from 77% to 80% by January 2018 in an effort to enhance the State of Colorado's brand as an employer of choice.
- One-Year Outcome Goals for June 30, 2018: 1) Increase new employees understanding of DPA's departmental functions and resources available to state employees; 2) Expand leadership competencies through development and training; 3) Increase utilization and identification of non-monetary recognition of DPA employees; 4) Brand the State of Colorado as an employer of choice; 5) Expand and refine statewide Employee Value Proposition.

2 Improve Customer Service

Increase satisfaction among DPA customers across the State of Colorado.

- The Department aims to continue increasing overall satisfaction with services received from 62.8 percent to 70 percent by June 30, 2018 for internal government customers.
- Top five One-Year Outcome Goals for June 30, 2018: 1) Streamline the process for solicitation of design and construction services for state capital construction projects by providing a single solicitation notice system for all state agencies, institutions of higher education and vendors providing design and construction services; 2) Update OSC Fiscal Rules, Procurement Rules, Grants Policy and OMB Uniform Guidance for state's internal and external financial management community; 3) Improve service delivery of the Additional Vehicle Request process in State Fleet; 4) Optimize and improve State and motor pool vehicle assignment to address audit recommendations; 5) Implement a fully functional Archive database for customers to efficiently access permanent and temporary state records.

3 Modernize Business Operations

Improve statewide business processes for managing personnel, assets, finances, and adjudication.

- Several divisions will lead system implementations and/or upgrades and process improvements for DPA customers, including State employees.
- Top four One-Year Outcome Goals for June 30, 2018: 1) Implement HR Works for State of Colorado executive branch departments; 2) Reduce intake processing time by 10% by the Office of Administrative Courts; 3) Improve Central Collections financial reporting on collection of revenues; 4) Replace asset management software for Capitol Complex with a more detailed database providing reports on buildings, work orders, and materials.

FY 2018-19 Change Requests

COLORADO
Department of Personnel & Administration

R-01 Address Confidentiality Program Resources

$303,113 Total Funds, $283,113 General Fund

3 Modernize Business Operations	• The Department requests $283,113 General Fund and $20,000 cash funds for 2.5 FTE in FY 2018-19, annualizing to 3.6 FTE and $361,383 General Funds and $20,000 cash funds in FY 2019-20 to meet the Address Confidentiality Program's (ACP's) caseload growth and funding needs. • Currently only 15 counties have application assistants who actively serve applicants leaving victims in 49 counties essentially unable to access the services and safeguards provided by the ACP. Given caseload growth and current resources, daily ACP operations take priority over agency outreach. Operating costs, including postage and printing costs, continue to climb effectively squeezing out appropriations available for personal services. • If this request is not approved, crime victims may be unintentionally barred from accessing a potentially life-saving service. Enrollees may experience service delays resulting from the focus of ACP resources on day-to-day operations rather than caseload management and outreach. • The Department is requesting the FTE and operating funds to keep pace with rising postage costs and free up funding to hire previously approved staff resources.

R-02 Cybersecurity Liability Insurance Policy

$375,000 Total Funds, $0 General Fund

- The Department requests $375,000 reappropriated funds to procure a statewide Cybersecurity Liability Insurance Policy. This insurance policy will be added to the Liability Fund within the Risk Management Program. This will be an ongoing expense beginning FY 2018-19.
- Cyber-attacks on businesses and governments are more common than ever before, and are likely to increase. In the event of a cyber-attack, the State could face millions of dollars of expenses without risk mitigation. The Department has been working in collaboration with OIT on improving cybersecurity across the state while mitigating potential risks.
- Without a cybersecurity liability insurance policy, in the event of a cyber-attack, the State could face millions of dollars of expenses which would be borne by individual state agencies. This could impose an undue hardship on individual agencies, requiring them to use existing funds or seek supplemental funds with possible General Fund impacts.
- The scope of the policy will allow for coverage of all state agencies if they choose to participate. This insurance policy is estimated to have a $1 million deductible (self-insured through the Liability Fund), and cover up to $5 million per occurrence, with an annual premium of $325,000 and estimated annual losses of $50,000. This solution would remove the financial burden from individual state agencies for up to $6 million per occurrence, since the deductible will be paid out of the liability fund. Additionally, it allows for individual agencies to proactively budget and plan for the established common policy allocations, rather than reactively scrambling to come up with the necessary funds in the event of a cyber-attack. The approval of this request will effectively limit the State's cyber exposure.

FY 2018-19 Change Requests

COLORADO
Department of Personnel & Administration

R-03 Colorado State Archives Digitization and Electronics Record Plan	
	$414,335 Total Funds, $372,335 General Fund
3 Modernize Business Operations	• The Department requests $372,335 General Fund, $42,000 cash fund) and 3.0 FTE in FY 2018-19 to continue the legislative audio digitization project, update the program's technology, and begin migration to digital storage. • Archives is in need of an upgrade to much of its technology, as many ordinary tasks asked of the staff are made more difficult and require more time than should be necessary because the tasks are being done with inefficient or outdated means, increasing the workload for each of the employees. The State does not currently have a means of preserving permanent digital records (with a lifespan of 500+ years). Saving permanent digital records requires implementation of a Trusted Digital Repository to ensure certification, cataloging, preservation, and access to records. • Denial of this request may increase the risk of complete loss of legislative files dating back to 1973. Archives employees find themselves compromising the efficiency and amount of time dedicated to archival work in order to fulfill customer requests. Without a move to a digital repository, Archives will be unable to improve efficiency in preservation efforts and in customer-facing duties. The risk of loss or damage is also much greater if the files remain solely in analog format. • The FTE will allow for the continuation of the project and the spending authority will allow for the purchase of materials.

R-04 Departmental Operating Departmental Adjustments	
	$21,379 Total Funds, $3,876 General Fund
2 Improve Customer Service	• The Department requests $ $21,379 in FY 2018-19 and ongoing to support the operating expenses for three of the Department's programs: Colorado State Employee Assistance Program (CSEAP), State Personnel Board (SPB), and Office of Administrative Courts (OAC). • Without the funding, CSEAP will not be able to cover the cost of travel and customer service will be negatively affected. Without licenses, the State Personnel Board will not be able to access the new case management system or use the system in its daily operations. OAC will not be able to cover the cost of travel and hearings will not be able to take place in remote locations. • The Department is requesting $11,503 in reappropriated funds spending authority for the Colorado State Employees Assistance Program ($7,356 for operating expenses and $4,147 for leased space). The Department requests $3,876 General Fund for operating expenses for the State Personnel Board. The Department requests $6,000 in reappropriated funds spending authority for operating expenses for the Office of Administrative Courts. • For each of the programs included in this request, the funding requested in this document are for services directly related to the ability of the program to provide customer services directly related to the ability of the program to provide customer service to their client base.

FY 2018-19 CHANGE REQUESTS

COLORADO
Department of Personnel & Administration

R-05 Central Services Administration Realignment

$0 Total Funds

Modernize Business Operations

- The Department requests a net-zero adjustment to its Long Bill to reflect a reorganization of all programs within the current (4) Central Services Long Bill group, as well as the State Archives program.
- In the latter half of FY 2016-17, the Department reorganized the structure of the (4) Central Services Division, splitting the responsibilities of the Administration group between two separate and distinct entities, each lead by organizational peers. The two new groups are called the Division of Central Services and the Division of Capital Assets, which will be assigned Long Bill groups four and seven, respectively. The Colorado State Archives has been moved under the umbrella of the Division of Central Services. The Department's request to realign the two new groups into Long Bill groups requires reallocation of the administrative support, FTE and funding, to each of the programs.
- The Department has already implemented the functional changes associated with this request. Without a realignment of the Department's Long Bill, there will be decreased transparency into the Department's overall reporting structure.
- This change will allow for the most accurate depiction of the Department's divisions.

R-06 Annual Fleet Vehicle Fleet Request

$1.9 million Total Funds, $0 General Fund

- The Department requests $1.9 million reappropriated funds to replace 767 fleet vehicles (413 of which are designated as potential Alternate Fuel Vehicles (AFV)). This would require an increase of $1.4 million in appropriated funds for all state agencies' vehicle lease payment appropriations.
- 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, 2,049 vehicles were identified as potentially eligible. Due to budget and resource constraints, for FY 2018-19 the Department included 777 replacement vehicles, in the most critical need of replacement. Ten of these vehicles will be replaced by reassigning vehicles that are currently in the fleet and have been identified as underutilized.
- Replacement vehicles for the Colorado State Patrol represent 23.1 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.
- The Department proposes the replacement of 767 state fleet vehicles, 413 of which are AFV vehicles. The incremental cost to State agencies is estimated to be an increase of $1,425,833 in total funds, with a General Fund increase of $601,704. The proposed solution is anticipated to save the State $1,643,066 between reduced maintenance costs and reduced fuel expense.

Cost and FTE

- The Department of Personnel & Administration is requesting a total of $283,113 General Funds and $20,000 cash funds for 2.5 FTE in FY 2018-19, annualizing to 3.6 FTE and $361,383 General Funds and $20,000 cash funds in FY 2019-20 to meet the Address Confidentiality Program's (ACP's) caseload growth and funding needs.

Current Program

- The ACP provides a confidential address and mail forwarding services to the victims of various types of crimes. The confidential address helps to prevent the perpetrators from tracking down their victims though any number of services, agencies, institutions or providers that do not typically protect customer addresses.
- The Program is statutorily required to accept all applicants that qualify for its services (24-30-2105 (4) C.R.S.) and is charged with serving the entire victim community in the State of Colorado.

Problem or Opportunity

- Currently only fifteen counties have application assistants who actively serve applicants leaving victims in 49 counties essentially unable to access the services and safeguards provided by the ACP. Given caseload growth and current resources, daily ACP operations take priority over agency outreach.
- Operating costs, including postage and printing costs, continue to climb effectively squeezing out appropriations available for personal services.

Consequences of Problem

- If this request is not approved, crime victims may be unintentionally barred from accessing a potentially life-saving service. Enrollees may experience service delays resulting from the focus of ACP resources on day-to-day operations rather than caseload management and outreach.
- Additionally, given that program operating costs continue to edge out personal services funds, program positions will remain unfilled and current staff resources will be redirected and prioritized to ensure uninterrupted mail forwarding for existing participants. Daily operations--program enrollment, household and address changes and requests for technical guidance will be delayed.

Proposed Solution

- The Department is requesting 0.9 FTE at the Administrative Assistant III level in FY 2018-19 annualizing to 1.0 FTE in FY 2019-20 and ongoing to serve as a dedicated training and outreach position. Ensuring statewide access will be the position's task priority, with the initial goal of ensuring that each county has at least two trained and registered application assistants who could enroll qualifying crime victims into the program.
- The Department is requesting 1.6 FTE at the Administrative Assistant II level in FY 2018-19 annualizing to 2.6 FTE in FY 2019-20 and ongoing. The additional staff resources will allow the ACP to accommodate the anticipated increase in application assistants and subsequent increase in enrolled victims due to the efforts of the newly created outreach position.
- The Department is requesting $125,000 in FY 2018-19 and $170,000 in FY 2019-20 and ongoing in additional operating funding to keep pace with rising postage costs and free up funding to hire previously approved staff resources.

COLORADO
Department of Personnel & Administration

Priority: R-02
Cybersecurity Liability Insurance Policy
FY 2018-19 Change Request

Cost and FTE

- The Department is requesting $375,000 in Reappropriated Funds for allocation through the Risk Management common policy line item "Payments to Risk Management and Property Funds" to procure a statewide Cybersecurity Liability Insurance Policy. This insurance policy will be added to the Liability Fund within the Risk Management Program. This will be an ongoing expense beginning FY 2018-19.

Current Program

- The State's Risk Management Program protects the State's human resources and property assets through the administration of liability, property, and workers' compensation and loss control programs. The Risk Management Program provides loss control training and consulting services including accident investigation, legal defense, safety training, hazard mitigation, building inspection, insurance procurement, claim evaluation, and data collection.
- The Liability Fund provides self-funded liability coverage for tort and federal claims; liability claims and lawsuits arising from allegations of state negligence related to such occurrences as auto accidents, employment discrimination, and road maintenance.

Problem or Opportunity

- Cyber-attacks on businesses and governments are more common than ever before, and are likely to increase. In the event of a cyber-attack, the State could face millions of dollars of expenses without risk mitigation. The Department has been working in collaboration with OIT on improving cybersecurity across the state while mitigating potential risks.

Consequences of Problem

- Without a cybersecurity liability insurance policy, in the event of a cyber-attack, the State could face millions of dollars of expenses which would be borne by individual state agencies. This could impose an undue hardship on individual agencies, requiring them to use existing funds or seek supplemental funds with possible General Fund impacts.

Proposed Solution

- The Department requests $375,000 in Reappropriated Funds in FY 2018-19 through the Risk Management common policy to procure a commercial cybersecurity liability insurance policy. The scope of the policy will allow for coverage of all state agencies if they choose to participate. This insurance policy is estimated to have a $1 million deductible (self-insured through the Liability Fund), and cover up to $5 million per occurrence, with an annual premium of $325,000 and estimated annual losses of $50,000.
- This solution would remove the financial burden from individual state agencies for up to $6 million per occurrence, since the deductible will be paid out of the liability fund. Additionally, it allows for individual agencies to proactively budget and plan for the established common policy allocations, rather than reactively scrambling to come up with the necessary funds in the event of a cyber-attack. The approval of this request will effectively limit the State's cyber exposure.

Cost and FTE

- The Department of Personnel & Administration (DPA) is requesting $414,335 ($372,335 General Fund, $42,000 cash fund) and 3.0 FTE in FY 2018-19, and $246,632 ($230,632 General Fund, $16,000 cash fund) and 3.0 FTE in FY 2019-20 and ongoing to continue the legislative audio digitization project, update the program's technology, and begin migration to digital storage.

Current Program

- Colorado State Archives is the official repository of permanent State records and has rebuilt its business model into two distinct business centers. The first, which is General Funded, preserves Colorado's legal and historical data. The second, which is cash funded, serves customers by fulfilling requests for historical documents or research.

Problem or Opportunity

- Archives' progress on the digitization of State records has been slower than anticipated due to the inability to run the tapes at the expected speed and the fragility of many of the old recordings. The result is only 13% of the files being converted to an accessible digital format.
- Archives is in need of an upgrade to much of its technology, as many ordinary tasks asked of the staff are made more difficult and require more time than should be necessary because the tasks are being done with inefficient or outdated means, increasing the workload for each of the employees.
- The State does not currently have a means of preserving permanent digital records (with a lifespan of 500+ years). Saving permanent digital records requires implementation of a Trusted Digital Repository to ensure certification, cataloging, preservation, and access to records.

Consequences of Problem

- Denial of this request may increase the risk of complete loss of legislative files dating back to 1973.
- Archives employees find themselves compromising the efficiency and amount of time dedicated to archival work in order to fulfill customer requests.
- Without a move to a digital repository, Archives will be unable to improve efficiency in preservation efforts and in customer-facing duties. The risk of loss or damage is also much greater if the files remain solely in analog format.

Proposed Solution

- DPA requests a continuation of the funding approved in FY 2014-15, which allowed for the hire of 2.0 FTE through FY 2017-18, as well as an addition of 1.0 FTE currently being paid for by a grant from the National Historic Publications and Records Commissions. This will continue the legislative recordings move to a digital format.
- DPA requests additional spending authority to purchase the following equipment: 2 ledger scanners, 2 microfilm scanners, and 7 computer work stations.
- DPA requests funding for digital storage costs. This will be a large scale, multi-stage project that will require a large investment in the future. The first step is to bring in a consultant to assess the State's digital storage needs and build a multi-year plan for migration to a digital records system.

Cost and FTE

- The Department of Personnel & Administration is requesting $21,379 in FY 2018-19 and ongoing to support the operating expenses for three of the Department's programs; Colorado State Employee Assistance Program (CSEAP), State Personnel Board (SPB), and Office of Administrative Courts (OAC).

Current Program

- CSEAP's function is to address workplace and personal issues before they impact safety, productivity, working relationships, healthcare costs, and absenteeism, and before they have a negative impact on the efficiency and effectiveness of state employees and managers.
- SPB promulgates rules governing the state personnel system and reviews appeals by employees regarding any adverse action that affects an employee's rights to which an employee is entitled by law.
- OAC provides an accessible, independent, cost-effective administrative law adjudication system for Colorado.

Problem or Opportunity

- During the past five years, CSEAP travel expenses have increased by 44%. In spite of this large increase in travel, CSEAP has continued to send employees to these locations in order to provide the essential EAP services, which has begun to crowd out other essential operating expenses such as printing, professional development, program development and delivery, and infrastructure. Additionally, the Colorado Springs leased facility will no longer be available after 6/30/2018, so the program is pursuing a new facility at the current market lease rates.
- A new case management system that will improve customer service by allowing electronic filing of appeals or claims and will provide greater ease in the filing process, user visibility in claims and improved customer service is scheduled to be implemented by the end of 2017 for both the State Personnel Board and the Office of Administrative Courts. The new software system will require that the Board purchases licenses for all of its users.
- The customers of the Office of Administrative Courts are provided a valuable service when their case can be heard in a location that is convenient for them. The cases being heard by the OAC that require travel focus on the resolution of dispute relating to workers' compensation wage replacement. Asking the parties in these cases to travel to the three statutorily mandated locations of the OAC does not maintain a high customer service standard. The costs related to holding hearings in remote locations have grown over the past few years, and the OAC has accommodated this growth in order to provide this valuable service to its customers. As the caseload and requests for remote hearings grow, the Office is seeking additional funding to accommodate these requests without displacing the other critical needs of the program.

Consequences of Problem

- CSEAP will not be able to cover the cost of travel and customer service will be negatively affected.
- Without licenses, the State Personnel Board will not be able to access the new case management system or use the system in its daily operations.
- OAC will not be able to cover the cost of travel and hearings will not be able to take place in remote locations.

Proposed Solution

- The Department is requesting $11,503 in reappropriated funds spending authority for the Colorado State Employees Assistance Program - $7,356 for operating expenses and $4,147 for leased space.
- The Department requests $3,876 in General Funds for operating expenses for the State Personnel Board.
- The Department requests $6,000 in reappropriated funds spending authority for operating expenses for the Office of Administrative Courts. For each of the programs included in this request, the funding requested in this document are for services directly related to the ability of the program to provide customer services directly related to the ability of the program to provide customer service to their client base.

Cost and FTE

- The Department of Personnel & Administration is requesting a net-zero adjustment to its Long Bill to reflect a reorganization of all programs within the current (4) Central Services Long Bill group, as well as the State Archives program.

Current Program

- Currently, there are four programs under the umbrella of the (4) Central Service Long Bill group, and they are: Administration, Integrated Document Solutions (IDS), Facilities Maintenance – Capitol Complex (CCLS) and the Fleet Management Program and Motor Pool Services (SFM). Previously, all of these groups reported to a Central Services Division Director, and administrative support for all groups was provided through the (A) Administration program.
- The Colorado State Archives program is currently appropriated under the (1) Executive Director's Office, (B) Statewide Special Purpose subgroup.

Problem or Opportunity

- In the latter half of FY 2016-17, the Department reorganized the structure of the (4) Central Services Division, splitting the responsibilities of the Administration group between two separate and distinct entities, each lead by organizational peers.
- The two new groups are called the Division of Central Services and the Division of Capital Assets, which will be assigned Long Bill groups four and seven, respectively.
- The Colorado State Archives has been moved under the umbrella of the Division of Central Services.
- The Department's request to realign the two new groups into Long Bill groups requires a reallocation of the administrative support, FTE and funding, to each of the programs.

Consequences of Problem

- The Department has already implemented the functional changes associated with this request. Without a realignment of the Department's Long Bill, there will be decreased transparency into the Department's overall reporting structure.

Proposed Solution

- The Department is requesting a net-zero reallocation of the resources within the current (4) Central Services division.
- In addition, the Department is requesting that the Long Bill recognize the movement of the Colorado State Archives program underneath the proposed (4) Division of Central Services Long Bill group.
- The Department is requesting the creation of two new Long Bill groups, each with their own administration programs. The Department is requesting that each of these administration programs be funded by spending authority currently appropriated within the (4) Central Services, (A) Administration program, as well as transfers of spending authority from programs that formerly supported the newly appointed directors.

Cost and FTE

- The Department of Personnel & Administration (DPA) is requesting to replace 767 fleet vehicles (413 of which are designated as potential Alternate Fuel Vehicles (AFV)), requiring an increase of $1,425,833 in appropriated funds for all state agencies' vehicle lease payment appropriations, and an increase of $1,899,894 for the Department's Vehicle Replacement Lease/Purchase line item for FY 2018-19.

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, 2,049 vehicles were identified as potentially eligible. Due to budget and resource constraints, for FY 2018-19 the Department included 777 replacement vehicles, in the most critical need of replacement. Ten of these vehicles will be replaced by reassigning vehicles that are currently in the fleet and have been identified as underutilized.

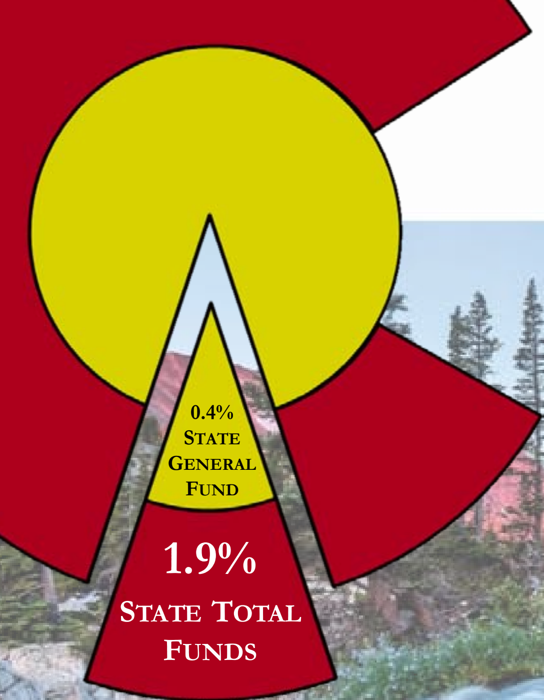
Consequences of Problem

- Replacement vehicles for the Colorado State Patrol represent 23.1 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 767 state fleet vehicles, 413 of which are AFV vehicles. The incremental cost to State agencies is estimated to be an increase of $1,425,833 in total funds, with a General Fund increase of $601,704.
- The proposed solution is anticipated to save the State $1,643,066 between reduced maintenance costs and reduced fuel expense.

COLORADO
Department of Public Health & Environment



FY 2018-19 Governor's Request

$50.0 million General Fund

Share of Statewide General Fund: 0.4%

$580.9 million Total Funds

Share of Statewide Total Funds: 1.9%

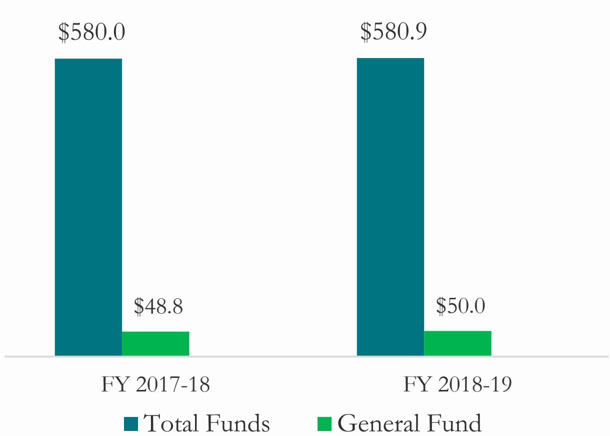
Mission Statement

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

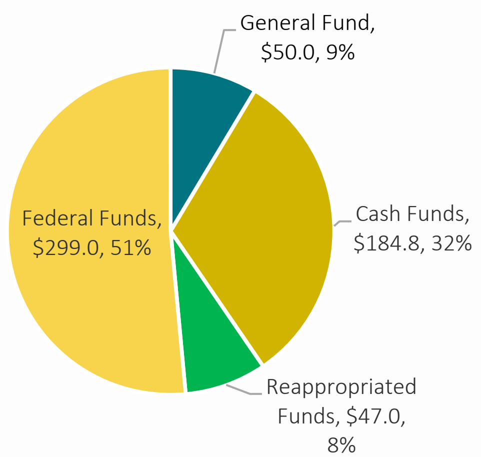
The Department of Public Health and Environment is comprised of 11 divisions. These divisions are organized into three groups: 1) Administration and Support; 2) Environmental Programs consisting of the Air Pollution Control Division, Water Quality Control Division, Hazardous Materials and Waste Management 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

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+0.1% ($0.9 M) +2.5% ($1.2 M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



Strategic Policy Initiatives

COLORADO
Department of Public Health & Environment

1 Implement the Governor's Vision for Colorado as the Healthiest State

CDPHE has established targets designed to implement the plans supporting health and environment priorities.

- CDPHE aims to reduce the suicide rate, reduce the percentage of adults who are obese, reduce emissions from coal-fired power plants, increase the percentage of lakes and rivers meeting quality standards, reduce the amount of waterborne disease outbreaks at public drinking water systems, and increase the percentage of Coloradans served by drinking water systems that meet health standards, among other goals.

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 66% to 69%, their effectiveness index from 77% to 80%, and their elegance index from 59% to 62% by June 30, 2018.

3 Improve Employee Engagement

The Department is committed to improving the employee engagement index from 75% to 78% by November 2020.

- Develop and promote using Career Development Plans, ensure professional development information is readily available for employees, and improve employee satisfaction with the recognition they get for doing their work.

4 Promote Health Equity and Environmental Justice

The Department trains employees on a "health in all policies" approach and aims to incorporate understanding of the social determinants of health into policy decisions.

- The Department hosts Health Equity & Environmental Justice Trainings for employees, works with other state agencies to incorporate health equity into policy decisions, mobilizes community voices, and grants funds to health equity projects in the state.

5 Be Prepared and Respond to Emerging Issues

CDPHE aims to make sure its data systems and processes are up-to-date to deal with emerging issues.

- The Department aims to achieve a 7.9 Health Security Surveillance Score by 2018, increasing its 6.5 score (2016), and increase the percentage of total lab reporting done via Electronic Lab Reporting from 87% to 92% by 2018.

FY 2018-19 Change Requests

COLORADO
Department of Public Health & Environment

R-01 Addressing Critical Public Health Threats

$318,941 Total Funds, $318,941 General Fund

Healthiest State

- The Department requests $318,941 General Fund to conduct more lab tests (Culture-Independent Diagnostic Tests, CIDT) on food borne illness outbreaks, and monitor and test more potential harmful algal blooms in lakes around the state.
- The Department's Lab is seeing a large increase in demand for CIDT testing, as other labs offer the service less often, so the state must take up a higher burden of important testing of food borne illnesses.
- Increased population growth, runoff from urban development, and warming temperatures have created more fertile conditions for harmful algal blooms around the state, which produce Cyanotoxins and can severely harm humans and animals. In 2014, a harmful algal bloom caused Toledo, Ohio's water to be undrinkable for a number of days.

R-02 Man Therapy

$400,000 Total Funds, $400,000 General Fund

Healthiest State

- The Department requests $400,000 General Fund to enhance the outreach of the Man Therapy campaign, which aims to reduce the suicide rate of men aged 26-64, who commit 52% of the suicides in Colorado.
- Colorado has the 9th highest suicide rate in the U.S., and adult men make up the most suicide-prone demographic. Currently, there's no easy way to reach this demographic group. This $400,000 for the Man Therapy campaign will allow it to buy more advertising on television, radio, and billboards around the state.
- This outreach and advertising will target the counties with the highest suicide rates in Colorado (El Paso, Pueblo, Mesa, and Larimer).
- This campaign is currently being studied by a team from the University of Maryland-Baltimore, and results will be available in 2019 to understand its effectiveness.

R-05 Water Quality Improvement Fund Spending Authority

$732,804 Total Funds, $0 General Fund

Healthiest State

- The Department requests an increase of $732,804 spending authority, increasing the fund's ability to give grants to communities for water quality projects (like storm water and wastewater infrastructure upgrades) to $1,550,000.
- There's a roughly $5.2 billion demand for water quality infrastructure upgrades around the state, especially in small communities that don't have the funds to upgrade infrastructure on their own, so state funds like these are helpful.
- Water pollution fine penalties make up the revenue in the Water Quality Improvement Fund.

FY 2018-19 Change Requests

COLORADO
Department of Public Health & Environment

R-06 Increase in RREO Fund Spending Authority	
	$1,150,000 Cash Funds, $0 General Fund
Healthiest State	• The Department requests an increase of $1,150,000 in spending authority for the Recycling Resources Economic Opportunity Fund, bringing the total annual spending authority up to roughly $4.65 million. • Colorado's 19% recycling rate (if you don't include scrap metal, the rate drops to 12%) lags behind the 35% national average. With a need around the state to aid various waste diversion projects, this fund is able to provide seed funding to local governments and companies to recycle glass, plastic, metal, and more. • This RREO Fund will have the revenue to be able to increase their grant fund spending by $1.15 million.

R-07 Health Information Exchange	
	$387,516 Total Funds, $387,516 General Fund
Healthiest State	• The Department requests $387,516 General Fund to connect more non-Medicaid health providers to the state's Health Information Exchange (HIE). • The HIE enables health providers to see patient health records, enhancing the amount of knowledge and therefore quality of care. • Currently, only 200 out of 621 Colorado non-Medicaid providers are connected to the HIE. This funding would connect roughly 150 more of those providers to the HIE.

COLORADO
Department of Public Health & Environment

Priority: R-01
Addressing Critical Public Health Threats
FY 2018-19 Change Request

Cost and FTE

- The Department requests $318,941 General Fund and 3.7 FTE in FY 2018-19 and $326,578 General Fund and 4.1 FTE for FY 2019-20 and beyond to address critical public health threats in the State Lab (Lab) and the Water Quality Control Division (WQCD). This will improve the Department's ability to sustain minimum levels of essential analytical testing, technical assistance, and response.

Current Program

- The Department conducts technical assistance and laboratory testing activities for a broad range of chemical contaminants to ensure safe drinking water and protect citizens from exposure to potentially hazardous chemicals present in the environment.

Problem or Opportunity

- The State Lab and Water Divisions have critical funding gaps in the two following areas: culture independent diagnostic tests (CIDT, foodborne illnesses) and Cyanotoxins in State waters.

Consequences of Problem

- If the Department does not receive the requested General Funds, the Department will not have the resources needed to protect citizens from foodborne, waterborne, and other diseases.
- Without the requested resources for CIDT, CDPHE anticipates having to divert other resources and staff within the Divisions from other activities such as inspections in the Water Division, and diagnostic testing for diseases such as influenza and Zika in the State Lab.
- Without resources dedicated to the emerging issue of Cyanotoxins, recreational and drinking water contamination could go undetected or there could be delays in response leading to serious illness or death for people and animals.

Proposed Solution

- Due to factors including emerging health concerns, changes in laboratory diagnostic services, and inflation of the cost of laboratory medical supplies, the Department requests General Fund support for personal services and operational funding to keep pace with the increasing Department need to protect public health and the environment in the following areas:
- $171,848 General Fund and 2.4 FTE in FY 2018-19 and $174,546 General Fund and 2.7 FTE in FY 2019-20 and beyond for CIDT.
- $147,094 General Fund and 1.3 FTE in FY 2018-19 and $152,033 and 1.4 FTE in FY 2019-20 and beyond for Cyanotoxin monitoring and response.

Priority: R-02
Man Therapy
FY 2018-19 Change Request

Cost and FTE

- The Department requests $400,000 in General Fund in FY 2018-19 and $400,000 in General Fund in FY 2019-2020 to help reduce suicide deaths and attempts among Colorado men ages 25 to 64 by expanding the reach of the Man Therapy campaign and increasing the number of Colorado men ages 25 to 64 who visit www.mantherapy.org.

Current Program

- Man Therapy is a website designed for working age men that aims to change the social norms around men's mental health, increase male help seeking behavior, and reduce the suicide rate among men ages 25 to 64 in Colorado.

Problem or Opportunity

- In 2015, Colorado recorded the highest number of suicide deaths to date (1,093 deaths and a rate of 20.9/100,000) and the ninth highest suicide rate in the U.S.
- Of the 1,093 suicide deaths in Colorado in 2015, 52.2 percent were among men ages 25 to 64, the highest number and rate of suicide deaths among any age and sex demographic.
- Man Therapy (www.mantherapy.org) is designed to address the high rate and burden of suicide among men ages 25 to 64 in Colorado measured directly by the number of monthly Colorado visitors to the website.
- Currently, there are an average of 761 monthly Colorado visits to www.mantherapy.org, well below the Vision 2018 target of 4,167.

Consequences of Problem

- Inability to broadly disseminate Man Therapy media and messages in Colorado, resulting in fewer Colorado men becoming aware of the website and falling well below the goal of 4,167 monthly visits.

Proposed Solution

- The Department requests General Fund to expand the reach of Man Therapy and increase the number of Colorado men ages 25 to 64 who visit www.mantherapy.org by increasing advertising.
- Strategies will include statewide television, radio and digital media, and local media strategies in El Paso, Pueblo, Mesa, and Larimer counties, which are high burden areas of the state.
- Some data has been collected to evaluate the number of visits and visitor behavior on the website, and a larger ongoing evaluation is being performed by the Univ. of Maryland-Baltimore

COLORADO
Department of Public Health & Environment

Priority: R-03
SharePoint Upgrade
FY 2018-19 Change Request

Cost and FTE

- The Department requests $212,098 from Reappropriated Funds (from indirect cost recoveries) in FY 2018-19 and $118,098 in FY 2019-20 and beyond to upgrade the Department's SharePoint (SP) platform to improve efficiency and effectiveness through automation.

Current Program

- The Department currently conducts much of its digital automation of administrative functions on the SP 2010 platform.
- SP has streamlined activities such as staff requests for travel and Division requests for contracts.
- Divisions also use SharePoint for programmatic activities to include document approval workflows, records management solutions, and data capture and display.

Problem or Opportunity

- The SharePoint (SP) intranet platform version has reached end-of-life, and requires an upgrade to function correctly and allow uninterrupted utilization of department-wide digital forms, records, and workflows.
- SharePoint will no longer have technical support in 2020.

Consequences of Problem

- The Department's SharePoint intranet will continue to slow down.
- Without an upgrade, the Department cannot support the existing content, workflows, data, and records management solutions housed in SP.
- The Department will miss opportunities to expand workflows, provide more efficient search features, and evaluate data for use in enhancing the customer experience.

Proposed Solution

- The Department requests $212,098 Reappropriated Funds (from indirect cost recoveries) in FY 2018-19 and $118,098 in FY 2019-20 and beyond to purchase 1,350 SharePoint Online (SPO) licenses for all Department employees.
- The Department will use the requested funding to upgrade licenses, migrate existing content, and configure settings and workflows on the new platform.

COLORADO
Department of Public Health & Environment

Priority: R-04
Medical Marijuana Spending Authority Adjustment
FY 2018-19 Decision Item

Cost and FTE

- The Medical Marijuana Registry (MMR) Program requests an on-going reduction of Personal Services Cash Fund spending authority in the amount of $284,888, of which $118,620 is requested to be transferred to the Operating appropriation which results in a net decrease of $166,268 Cash Funds.

Current Program

- The Medical Marijuana Registry (MMR) program is constitutionally required to issue medical marijuana registration cards to eligible patients and provides customer service to approximately 88,000 patients, over 160 physicians, over 1,800 caregivers, and other medical marijuana stakeholders.
- Registrants currently pay a $15 fee for their Medical Marijuana card.

Problem or Opportunity

- The MMR program has recently realized efficiencies including the implementation of the online Medical Marijuana Registration system (MMRS) and transferring customer service phone support in-house, which had previously been outsourced.
- A comprehensive analysis of salary costs indicates that the Personal Services line can be reduced by $284,888 and still fully fund the Program's 18.6 FTE.
- Of those excess funds, the MMR program is requesting the transfer of $118,620 to the Operating appropriation to fund annual maintenance for the new MMR computer system.

Consequences of Problem

- If spending authority realignment is not authorized, the MMR program will have excess and unnecessary personal services spending authority, for which it does not have supporting revenue.
- Without the requested transfer of spending authority to the Operating line, the program will be unable to meet MMRS online registration system maintenance costs.

Proposed Solution

- The MMR program seeks to align spending authority with operational need.
- The Department requests a transfer of $118,620 in spending authority from the Personal Services appropriation to the Operating appropriation to allow the program to fund annual maintenance for the new MMR system.
- In addition, the program requests an additional reduction of $166,268 from the Personal Services appropriation.
- In order to fund program expenses, the MMR Program is exploring increasing the registration fee from $15 to a cap of $25.
- The fee will be reduced as needed to maintain compliance with statutory fund balance requirements.

Priority: R-05
Water Quality Improvement Fund Spending Authority
FY 2018-19 Change Request

Cost and FTE

- The Department requests a $732,804 increase in the Water Quality Improvement Cash Fund spending authority for FY 2018-19 and beyond to fund water quality improvement projects across the state (for example, upgrading treatment processes, upgrading sewer lines).

Current Program

- The purpose of the Water Quality Improvement Fund is to improve water quality in Colorado by providing grant funds for water quality improvement projects that use civil penalties collected by the Water Quality Control Division from water quality violations.

Problem or Opportunity

- The Department's spending authority for this fund is not at an adequate level to fully utilize the fund balance in support of Colorado's Clean Water Program.
- Increasing the spending authority from $817,196 to $1,550,000 in FY 2018-19 and beyond will allow full utilization of the cash fund revenue and will increase the Department's ability to support water quality improvement projects throughout the state.
- The cash fund will have a $2.1 million balance beginning in FY 2018-19.
- There is a roughly $5.2 billion need for water quality improvement projects in the state, especially in small communities that often do not have adequate funding for necessary water quality upgrades.

Consequences of Problem

- Without an increase in spending authority, the Department will have less funding to assist with infrastructure projects that improve water quality throughout Colorado.
- This would result in a lost opportunity to improve water quality in communities across Colorado.
- The growing fund balance will violate the spirit of Senate Bill 98-194 which established limits to the amount of cash fund reserves state departments can maintain.

Proposed Solution

- The Department requests a $732,804 increase in the Water Quality Improvement Cash Fund spending authority for FY 2018-19 and beyond to fund water quality improvement projects across the state.

Cost and FTE

- The Department requests an increase of $1,150,000 in spending authority for the Recycling Resources Economic Opportunity Fund (RREO) for FY 2018-19 and beyond to provide additional grants and rebates to develop Colorado's waste diversion infrastructure.

Current Program

- The state legislature passed the RREO Act of 2007, establishing a grant program to help create or expand existing recycling programs and a rebate program to reward Colorado businesses and organizations that are actively providing recycling services. In 2013 the legislature passed a bill that raised tipping fees that fund the RREO program to increase recycling efforts in the state.
- During FY 2016-17 The Department received an excess of grant applications as compared to the amount of cash funds available through the current spending authority of the RREO Fund.

Problem or Opportunity

- At the close of FY 2014-15, the total cash fund balance was $1,226,045 and in FY 2015-16 it was $1,596,012 for Fund 20Y0. Without additional spending authority, the fund balance will exceed $4.1 million by the end of FY 2020 – 21.
- Current spending authority is about $3.5 million. This request would increase it to $4.65 million.

Consequences of Problem

- If the Department does not receive increased spending authority in the RREO Fund, it can only offer limited grant awards, further restricting the opportunity to enhance a potential increase in recycling efforts and activities in Colorado Communities.
- This prevents the Department from meeting the intent of the legislation, and funding viable projects with the available fund balance.
- Without increasing the spending authority to more appropriately align with projected revenues, more viable projects will remain unfunded, the fund balance will increase, and the Department will have to exercise restraint in promoting recycling and diversion efforts.
- This can increase Colorado's waste diversion rate, which is far below the national average.

Proposed Solution

- The Department requests an increase of $1,150,000 in spending authority for the Recycling Resources Economic Opportunity Fund (RREO) for FY 2018-19 and beyond to provide additional grants and rebates to develop Colorado's waste diversion infrastructure.

COLORADO
Department of Public Health & Environment

Priority: R-7
Health Information Exchange
FY 2018-19 Change Request

Cost and FTE
• The Department requests $387,516 in General Fund for each of FY 2018-19, FY 2019-20 and FY 2020-21 to continue connecting providers to the Health Information Exchange.
Current Program
• The public health programs at the Department receive and disseminate public health data on disease, disabilities, and injuries. • FY 2014-15 BA-01 "Health Information Exchange" secured funding to develop interfaces between non-Medicaid providers and the State's Health Information Exchange to facilitate data sharing. • To date, approximately 200 providers out of 621 have been connected to the Exchange.
Problem or Opportunity
• Many individual health care providers' information technology systems are not fully integrated and rely on separate, often manual, data collection processes. • Health Information Exchanges (HIE) enable providers, hospitals, laboratories, and other health care organizations to use approved standards to securely submit clinical information between providers and various state public health systems and programs. • Integration with providers' Electronic Health Records Systems (EHRs) through HIE allow for automatic and continuous reporting to public health organizations. • The benefits of HIE include streamlined and simplified data, elimination of duplicate data entry for health providers, and an integrated information exchange between public health agencies at the local, state and federal level. • Many health care providers are currently unable to quickly and easily share information with the Department's data collection systems.
Consequences of Problem
• If the Department does not have accurate and timely data, public health is at risk. • In many cases, health care providers enter data into their EHR, and are subsequently required to duplicate that data entry into the Department's systems. Duplicate data entry is inefficient and can lead to errors.
Proposed Solution
• The requested $387,516 General Fund will allow the Department to continue to work with additional providers to develop interfaces to the Health Information Exchange. • This would allow roughly 150 more providers to be connected to the HIE. • Continuing to integrate with HIE will facilitate the automatic, secure sharing of health information for the purposes of public health reporting. • Accurate and timely data facilitates response to public health issues.

COLORADO

Department of Public Health & Environment

Priority: R-08
1% Provider Increase
FY 2018-19 Change Request

Cost and FTE

- The Department requests an increase of $92,787 total funds, including $67,653 General Fund, $17,924 Marijuana Tax Cash Funds and $7,210, for FY 2018-19 and beyond to account for a provider rate increase of 1.0 percent, which affects the Local Public Health Agencies in the state.

Current Program

- The Department provides grant funding to Local Public Health Agencies in counties around Colorado. Counties use those funds to strengthen the state of their public health through means such as hiring new nurses and facility inspectors.
- For FY 2017-18, the Department was budgeted $9,278,582 in Distributions to Local Public Health Agencies (Long Bill line item) that is eligible for the provider rate increase.

Problem or Opportunity

- The Department seeks to address continued inflationary increases and to provide the same standard of support to Local Public Health Agencies

Consequences of Problem

- Should this request not be funded, Local Public Health Agencies will be forced to continue to absorb cost increases, potentially inhibiting the ability to offer programs that improve the health of people in their counties.

Proposed Solution

- The Department requests an increase of $92,787 total funds for the Local Public Health Agencies to address a 1.0 percent provider rate increase.

Cost and FTE

- This request is for an ongoing reduction of $4,291,432 in Amendment 35 cash funds from the Cancer, Cardiovascular, and Chronic Disease Prevention (CCPD) Grants line to align with anticipated revenue.

Current Program

- The CCPD Grants Program was created in 2005 by Amendment 35 to, "fund competitive grants to provide a cohesive approach to cancer, cardiovascular disease, and chronic pulmonary disease prevention, early detection and treatment in Colorado.)
- The Program works with and funds local public health departments, hospitals, universities and other community organizations across the state with a primary focus on prevention programs designed to increase screenings for chronic disease and build out the health system infrastructure to support chronic disease management.
- Historically the Program has awarded $13 to $15 million annually in grants to community organizations.

Problem or Opportunity

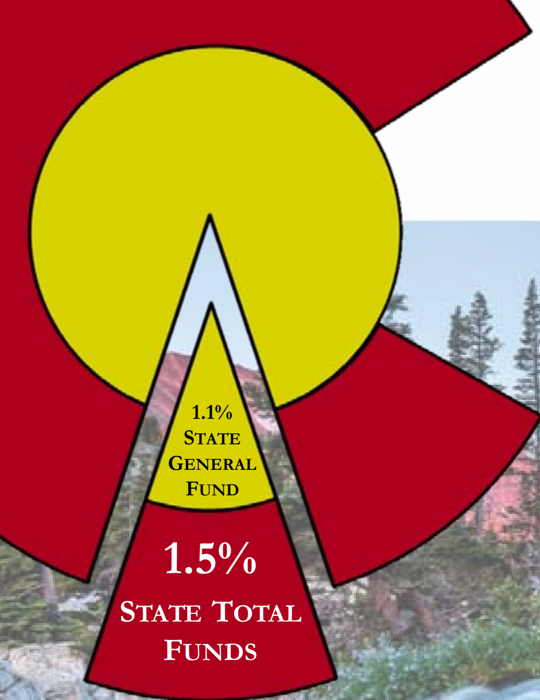
- During the years immediately following the implementation of the Affordable Care Act, various cancer screening programs funded by the CCPD fund reverted grant dollars back to the fund as the percentage of Coloradans covered by insurance increased.
- As a result of these reversions, the fund accumulated a significant fund balance.
- For FY 2016-17 and FY 2017-18, JBC staff increased spending authority to allow the CCPD Program to utilize the accumulated fund balance.
- The fund balance is anticipated to be spent by the end of FY 2017-18.

Consequences of Problem

- If the requested reduction is not approved, Long Bill spending authority will not be aligned with projected revenue.

Proposed Solution

- The Department requests a reduction to the appropriation to the Cancer, Cardiovascular Disease, and Chronic Pulmonary Disease Grants line item by $4,291,432. This request will more closely align Long Bill spending authority with anticipated available funds.



Colorado Department of Public Safety

FY 2018-19 Governor's Request

$126.3 million General Fund

Share of Statewide General Fund: 1.1%

$449.7 million Total Funds

Share of Statewide Total Funds: 1.5%

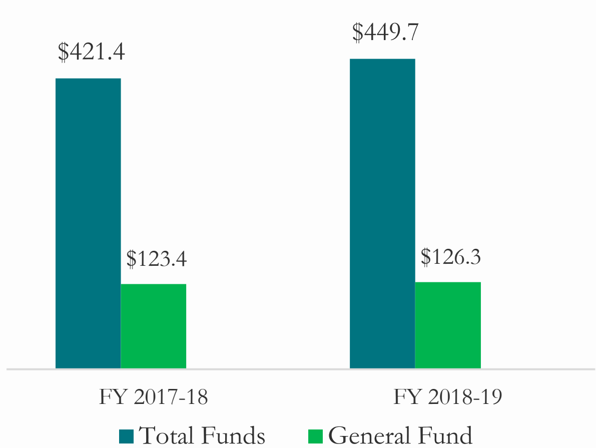
Mission Statement

Engaged employees working together to provide diverse public safety services to local communities and safeguard lives.

Department Description

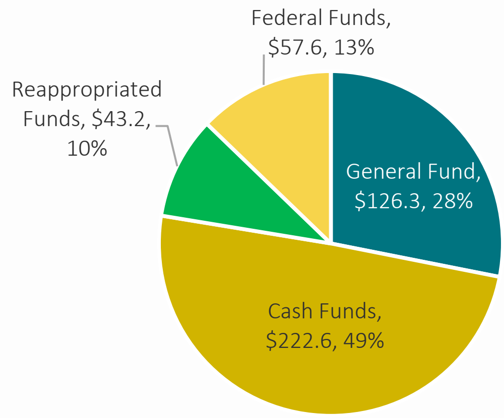
The Colorado Department of Public Safety (CDPS) promotes, maintains, and enhances public safety through law enforcement, criminal investigations, fire and crime prevention, emergency management, recidivism reduction, and victim advocacy. The Department also provides professional support of the criminal 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.

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+6.7% ($28.3 M) +2.3% ($2.9 M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



STRATEGIC POLICY INITIATIVES

COLORADO
Department of Public Safety

1 Keep Colorado Communities Safe

The Department demonstrates its commitment to ensuring safe Colorado communities by aiming to reduce the number of fatal and injury crashes on Colorado roadways, and the impact or occurrence of large wildland fires.

- As of March 31, 2017, the Colorado State Patrol has seen a 4.5% increase in fatal and injury crashes from March 31, 2016. This is largely attributed to population growth and an increase in vehicle miles traveled. The Department intends to diminish this growth over the next fiscal year and ultimately reduce the number from 3,532 in 2017 to 3,003 in 2020.
- As of June 1, 2017, the actual number of large wildfires was 39. The Department has a goal of reducing the number to 37 by June 30, 2018, and 35 by June 30, 2020.

2 Provide Excellent Customer Service to Local Partners and Stakeholders

In an effort to provide excellent customer service to local partners and stakeholders, the Department has identified three areas for continuous improvement. The Department aims to:

- Reduce the average turnaround time for forensic analysis from 110 days to 90 days over FY 2017-18.
- Identify high-risk sub-recipients of federal and state grants by increasing the number of on-site monitoring visits from 37 to 45 over FY 2017-18. This effort is intended to mitigate the risk of communities losing grant funding.
- Increase the percentage of DPS boards, commissions and task forces using evidence-informed decision-making from 15 percent to 50 percent over FY 2017-18.

3 Maintain an Engaged and Supported Workforce

CDPS realizes that its employees require a sense of belonging and clear organizational direction in order to provide excellent customer service to the public. Therefore, CDPS is committed to measuring and improving employees' satisfaction and connection with the agency's mission.

- The Department intends to increase the percentage of CDPS employees responding favorably on an annual employee engagement survey.
- The Department's goal is to increase the percentage of employees having a clear sense of organizational direction from 31% to 41% over FY 2017-18.

FY 2018-19 Change Requests

COLORADO
Department of Public Safety

R-01 Request for Additional Troopers and Support Staff	
	$1.96 million Total Funds, $0 General Fund
1 Keep Colorado Communities Safe	• The Department requests $1.89 million HUTF off the top and $76,512 reappropriated funds for 14.5FTE in FY 2018-19, and $2.08 million total funds for 18 FTE ongoing to add additional troopers and support staff to the Colorado State Patrol (CSP). • The goal is to bolster the CSP's proactive policing effort in order to prevent accidents, reduce injuries and ultimately save lives. Adding additional troopers will help the division attain a 50/50 time split between reactive and proactive policing, which is a promising practice for law enforcement agencies nationwide. • This request will bring the total CSP road patrol employees from 358 to 373.

R-02 Reduce Salary Disparities for Criminal Investigators	
	$148,575 Total Funds, $119,117 General Fund
3 Maintain an Engaged and Supported Workforce	• The Department requests $119,117 General Fund, $28,078 Cash Funds and $1,380 reappropriated funds in FY 2018-19 and ongoing to increase pay for the Colorado Bureau of Investigation's Criminal Investigator III series. • Criminal Investigator IIIs are undercompensated when their salaries are compared to similar positions in other local, state and federal law enforcement agencies. The compensation gap is making it difficult to recruit and retain qualified criminal investigators, and this request aims to bring 17 employees to the midpoint of the State's salary range for this position.

R-03 Safe2Tell Communications Officers Funding	
	$365,977 Total Funds, $365,977 General Fund
2 Excellent Customer Service	• The Department requests $365,977 General Fund and 5.2 FTE in FY 2018-19 and $468,277 GF and 7.5 FTE ongoing to add additional Communications Officers to expand capacity for the Safe2Tell program. • The Safe2Tell Program empowers students and the community to provide anonymous tips about unsafe, harmful, or violent criminal activities and has experienced significant increases in the volume of tips received in recent years. • Moreover, S.B. 17-193 provided additional funds for the program to distribute information to public schools across the state, therefore the department is expecting the growth to increase even more in future years.

R-04 Officer Safety Equipment Package Funding

$1.48 million Total Funds, $0 General Fund

3
Maintain an Engaged and Supported Workforce

- The Department requests $1.48 million off the top of the Highway Users Tax Fund (HUTF) in FY 2018-19, and $181,859 HUTF ongoing to enhance and expand the Colorado State Patrol's Officer Safety Equipment Package.
- The requested funds will better prepare the State Patrol to mitigate the impacts of rifle-level active shooters by upgrading helmets, body armor, and other first aid survival equipment included in the Officer Safety Equipment Package.
- Additionally, the funding will allow the Colorado State Patrol to include naloxone in the Officer Safety Equipment Package to help prevent opioid related deaths statewide.

R-05 Planning and Communications Office Capacity Building

$178,661 Total Funds, $0 General Fund

- The Department requests $178,661 Reappropriated Funds in FY 2018-19 and $173,958 Reappropriated Funds ongoing to strengthen the Planning and Communications Office within the Executive Director's Office.
- The requested funding will help to complement the realignment request from 2016-17, and also provide 1.0 FTE dedicated to LEAN process improvement. The Department expects to be able to complete at least 7 process improvement events per year after adding a Lean Specialist in the Planning and Communications Office.

R-06 Additional Leased Space

$56,469 Total Funds, $56,469 General Fund

- The Department requests $56,469 Total Funds/General Fund in FY 2018-19 and ongoing to cover the costs associated with leased space for the Center of Excellence for Advanced Aerial Firefighting in Rifle, Colorado.
- Garfield County incentivized the location decision for the Center of Excellence by providing 3 years of free rent, which expires on June 30th, 2018. The requested funds will cover leased space costs for 5,200 square feet at $10.86 per square foot. Federal law requires airports to charge market lease rates to renters utilizing their space, and that is how this figure was determined.
- The Center of Excellence's space at Garfield County Airport is comprised of 28 total units: 1 Director's office, 1 conference room, 1 Manager's office, 16 cubicles, 1 shared airport training room, 1 copy center and 1 server room. This building serves 14 Division of Fire Prevention and Control personnel.

FY 2018-19 Change Requests

COLORADO
Department of Public Safety

R-07 Black Market Marijuana Interdiction

$1.23 million Total Funds, $0 General Fund

1 Keep Colorado Communities Safe	• The Department requests $1.23 million Marijuana Tax Cash Fund (MTCF) and 8.0 FTE in FY 2018-19 and $1.1 million and 8.0 FTE in 2019-20 and ongoing to establish a special unit within the Colorado Bureau of Investigation to investigate black market marijuana operations across Colorado. • Black market cultivation, distribution and exportation of Colorado marijuana continues to increase in prevalence, especially in rural communities where local law enforcement lack resources to organize an effective response. • Rural agencies have requested help from CBI; however, issues have been largely unresolved due to CBI's limited resources. The requested funds will staff a special unit within CBI to investigate black market operations and the nexus to organized crime.

R-08 Colorado Commission on Criminal and Juvenile Justice

$255,443 Total Funds, $255,443 General Fund

2 Excellent Customer Service	• The Department requests $255,443 total funds/General Fund and 2.5 FTE in FY 2018-19 and beyond to continue funding for the Colorado Commission on Criminal and Juvenile Justice (CCJJ) which is set to repeal in July of 2018. The CCJJ requires legislative approval via special bill to continue. • The work of the CCJJ largely focuses on evidence-informed recidivism reduction initiatives and improving cost-effective usage of criminal justice funds.

R-09 2013 Flood Recovery Transfer

$12.5 million Total Funds, $12.5 million General Fund

2 Excellent Customer Service	• The Department requests $12.5 million total funds/General Fund in 2018-19 through 2020-21 to cover costs associated with the 2013 flood response and recovery. Additionally, the department requests the redirection and encumbrance of $14.0 million in the existing balance of the Disaster Emergency Fund. • SB 17-261 created the Flood Recovery Account and initiated a transfer of $12.5 million in 2017; however, a new bill is required to initiate funding through 2020-2021. The requested funds are necessary for the Governor and the Legislature to provide the appropriate match for federal aid provided to assist with the recovery effort for the 2013 flood.

FY 2018-19 Change Requests

R-10 Community Corrections Provider Rate Increase

$683,604 Total Funds, $630,898 General Fund

- The Department requests $630,898 General Fund and $52,706 reappropriated funds in FY 2018-19 and ongoing to account for a community provider rate increase of 1.0 percent for the Division of Criminal Justice's (DCJ)Community Corrections contractors.
- The DCJ contracts with 36 community corrections providers, which provide services to transitioning offenders housed in facilities offering case management services, substance abuse treatment, intensive residential treatments, and outpatient therapeutic community programs.
- The 1.0 percent increase represents an increase of per diem rates paid to providers in both the standard and specialized community corrections line items.

R-11 Office of Prevention Spending Authority Reduction

($634,549) Total Funds, $0 General Fund

- The Department requests a reduction of ($634,549) reappropriated Funds from the Office of Prevention and Security Personal Services and operating line items. The Office of Prevention and Security's operations are supported by its General Fund and federal funds appropriations, and the spending authority for reappropriated funds is not eligible for use by the program, and is reverted every fiscal year.
- This budget reduction does not include any FTE, and has no impact on the Department or its stakeholders.

Cost and FTE

- The Department requests $1,886,180 Highway User Tax Fund "Off-the-Top" (HUTF), and $76,512 re-appropriated funds spending authority and 14.5 FTE for FY 2018-19, and $2,010,843 HUTF and $71,809 re-appropriated funds spending authority and 18.0 FTE for FY 2019-20 and beyond for the purpose of acquiring and maintaining additional troopers, staff support and operations.

Current Program

- The Colorado State Patrol (CSP) was created to "…promote safety, protect human life and preserve the highways of this state by the courteous and strict enforcement of the laws and regulations of this state relating to highways and the traffic on such highways." (24-33.5-201, C.R.S.).
- The division utilizes a trooper allocation model to measure the current and projected impact CSP troopers have on public safety. This model shows that CSP requires 405 road troopers to optimally patrol the state, promote public safety, and reduce traffic accidents.

Problem or Opportunity

- The Colorado State Patrol (CSP) has seen increases in the State's overall population, driver licenses, vehicle miles traveled, demand for county road coverage, Colorado Department of Transportation (CDOT) road closures, special events, road construction safety support requests, and natural disaster assistance, all of which increase the demand for trooper services.
- Fatal and injury crashes continue to increase, subsequently straining trooper resources. This increase limits the ability of the CSP to effectively implement proactive policing strategies across the state.
- With the increased demand and overall State population, the ratio of troopers to Colorado residents on highways is decreasing, crash response times are increasing, and safety coverage requests are being left unfilled. The manpower allocation model shows that the CSP is approximately 48.0 FTE short in the number of road troopers needed to increase proactive patrolling and overall visibility.
- Although CSP was approved for 15.0 FTE troopers (prorated 11.0 FTE in FY 2017-18) last legislative session via budget action, the trooper allocation model shows additional troopers are needed.

Consequences of Problem

- If the request is not approved, the CSP will struggle to maintain standard operating levels and fail to address the increased demand for trooper services.
- Without additional trooper support, the CSP will have to continue prioritizing reactive policing with less time devoted to proactive services that prevent crashes, reduce injuries, and save lives.

Proposed Solution

- The additional 15.0 troopers and 3.0 support staff (18.0 FTE) positions are necessary to increase the amount of visibility and proactive traffic enforcement across Colorado. This will help the CSP meet their departmental performance measures by decreasing traffic accidents and promoting public safety on Colorado roadways.

Cost and FTE

- The Department requests $148,575 total funds ($119,117 General Fund, $28,078 cash funds and $1,380 reappropriated funds) in FY 2018-19 and ongoing to reduce pay disparities among Colorado Bureau of Investigation (CBI) criminal investigator III series.

Link to Operations

- 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 strategic performance plan includes initiatives for decreasing the average turnaround time for the forensic analysis of evidence.

Problem or Opportunity

- CBI employees who are classified as Criminal Investigator III are significantly undercompensated. Nearly 90 percent of the employees are paid less than the highest paid Criminal Investigator IIs whom they are charged with supervising. This disparity is attributed to the State's transition from a step-based compensation system to a merit-based system in 2002.

Consequences of Problem

- The average pay rate for leadership positions in similar sized law enforcement agencies in Colorado is $9,263/month which is 25 percent higher than the average rate of CBI Criminal Investigator IIIs.
- The disparity affects the ability to recruit and retain qualified law enforcement leaders. In the past two years, two agents accepted positions for higher salary, and there are up to five agents who are actively seeking higher paid positions with other agencies.
- CBI experiences difficulty recruiting for leadership positions outside of Denver due to lower than market rate salaries, limited opportunity for cost-of-living adjustments, and overtime expemption.

Proposed Solution

- The Department requests $148,575 total funds to adjust the Criminal Investigator III salaries to the mid-point of the range, or $8,484/month. Doing so would decrease the salary disparity from 25 percent to 7.8 percent when compared to market-based wages.
- Using the mid-point of the salary range for the Criminal Investigator IIIs will be consistent with statute at 24-50-104(1), C.R.S. which states the policy of the state is to provide prevailing compensation to officers and employees in the state personnel system.

COLORADO
Department of Public Safety

Priority: R-03
Safe2Tell Communications Officers Funding
FY 2018-19 Change Request

Cost and FTE

- The Department requests $365,977 General Funds and 5.2 FTE for FY 2018-19, and $468,277 General Fund and 7.5 FTE for FY 2019-20 and beyond for the purpose of acquiring and maintaining additional Communications Officers dedicated to the Safe2Tell program.

Current Program

- Safe2Tell empowers students and the community to provide anonymous information about unsafe, potentially harmful, dangerous, violent, or criminal activities to law enforcement and public safety agencies and school officials. The tips can range from concerns around cyber-bullying and drugs to suicide threats. Since its inception in 2004, the Colorado Trust contracted with the Colorado State Patrol to field calls and tips for the Safe2Tell program.
- In 2014, S.B. 14-002 moved the program to the Department of Law, Attorney General's Office. This bill also provided $48,676 in reappropriated funds and 0.5 FTE for the Colorado State Patrol (CSP) Communications Program. The Department received $23,492 for dispatch services and 0.5 FTE and $25,184 for the newly added text message tip reporting.
- Tips are answered by the CSP's Denver and Pueblo Regional Communication Centers.

Problem or Opportunity

- Safe2Tell call, web, and mobile app volume has increased over 67% from FY 2014-15 to FY 2015-16, and continues to increase significantly.
- Data for FY 2016-17 shows another 57% increase in reports and tips fielded. This is a 164% rise from FY 2014-15 to FY 2016-17.
- There has not been any increase in staff to address the increased volume, and existing staff are brought in to assist in an overtime capacity.
- Adequately staffing the Safe2Tell program to include 1.5 FTE and a Supervisor for 24/7/365 would require a minimum of 8.0 FTE, which includes 1.0 FTE as supervisor. The current 0.5 FTE is inadequate.

Consequences of Problem

- If the request is not approved, the Communications Branch will continue to struggle with handling the additional demands of the Safe2Tell program while providing dispatch and communication services for the CSP and other federal, state, and local agencies.
- The Communications Branch will have to continue to use overtime pay to support the increased call volume, which creates a strain on the separately funded Branch budget.

Proposed Solution

- The Department requests 5.2 FTE for FY 2018-19, and 7.5 FTE for FY 2019-20 and beyond to establish a unit of Communications Officers dedicated to fielding Safe2Tell calls, tips, and reports 24 hours/day, 7 days/week, 365 days/year.
- The increase in Communications Officers will ensure that the Department is able to continually handle the increasing volume with staff dedicated to supporting the Safe2Tell program.

COLORADO
Department of Public Safety

Priority: R-04
Officer Safety Equipment Package Funding
FY 2018-19 Change Request

Cost and FTE

- The Department requests $1,478,589 Highway User Tax Fees "Off the Top" (HUTF) for FY 2018-19, and $181,849 HUTF for FY 2019-20 and beyond for the purpose of upgrading, expanding and maintaining the Officer Safety Equipment Package (OSP) for the Colorado State Patrol (CSP).

Current Program

- The CSP Officer Safety Package provides lifesaving and protective equipment for CSP troopers. The OSP budget is currently $543,000, or about 5 percent of the HUTF operating budget.
- Items currently paid for by the OSP budget are: firearms, soft body armor, Electro-Muscular Disruption Technology (EMDT; i.e. Taser), EMDT supplies, ammunition, and other officer safety supplies (stop sticks, first aid equipment, Personal Protective Equipment (PPE)).

Problem or Opportunity

- Recent active shooter events in Colorado and around the U.S. have shed light that CSP troopers are under-protected and under-equipped to handle rifle-level active-shooter situations.
- CSP has determined several gaps in properly equipping troopers to protect themselves during rifle-level active-shooter events. The items needed are: modern patrol rifles and ammunition, rifle protective hard body armor, ballistic rated helmets, and trauma care packs.
- Opioid overdose deaths have outnumbered homicides in Colorado every year since 2011. In 2015, 472 people in Colorado have died from an opiate-related overdose.
- Fentanyl, a synthetic opioid up to 50 times more potent than heroin, is particularly dangerous to law enforcement and first responders due to the risk of accidental exposure.
- Although CSP troopers are equipped with first aid kits, and are trained in first aid and CPR, they do not have the training or supplies to address accidental exposure to fentanyl or assist someone experiencing an opioid overdose.

Consequences of Problem

- Failure to approve this request will limit the ability of the CSP to achieve its primary objective to save lives and promote public safety. Officers will continue to be underprepared for facing the unfortunate threats of modern society, such as rifle-level attacks and opioid abuse. Additionally, failure to expand the OSP will force reductions to other administrative and training expenses to ensure that troopers receive sufficient safety equipment.

Proposed Solution

- The Colorado State Patrol requests $1,478,589 for FY 2018-19 and $181,849 for FY 2019-20 and beyond to allow for the purchase and maintenance of modern patrol rifles and ammunition, hard body armor, ballistic helmets, trauma care packs and naloxone to administer for opioid exposure emergencies.
- All of these items meet current demands to protect and save lives of the public and troopers.

COLORADO
Department of Public Safety

Cost and FTE

- The Department requests $178,661 reappropriated funds spending authority and 1.0 FTE in FY 2018-19 and $173,958 reappropriated funds spending authority and 1.0 FTE in FY 2019-20 and beyond to right-size and build capacity in the Planning and Communications Office (PCO) within the Executive Director's Office by centralizing essential skills and leadership development funds and by implementing a focused Lean and process improvement practice. The total need of this request is $208,449, however of this amount $29,833 is a net neutral General Fund transfer from division budgets and therefore is not included in the total amount requested.

Current Program

- The PCO staff assists the Department's 1,750 employees with performance planning, public information, open records requests, internal communications, intergovernmental affairs, and professional and organizational development.
- The PCO currently includes 4.0 FTE: The Chief Planning and Communications Officer, the Public Information Officer, the Training and Organizational Development Manager, and the Legislative Liaison.
- The Office has three key priorities that support the Colorado Department of Public Safety's (CDPS) mission, vision, and performance plan: improving communication within the Department, providing leadership development and skill-building activities to CDPS employees, and increasing employee recognition opportunities.
- This request centralizes existing funding used for internal training and organizational development purposes, and also adds 1.0 FTE to formalize and support an ongoing Lean/process improvement function in the Department.

Problem or Opportunity

- The Department is investing significantly in its human capital, and this request would supplement existing efforts by allowing the Department to develop an internal process improvement program. With 1.0 FTE dedicated to the process improvement program, the Department anticipates being able to conduct at least seven process improvement events per year.

Consequences of Problem

- Without additional resources, the PCO will not be able to expand into process improvement.

Proposed Solution

- The proposed budget request of $178,661 reappropriated funds would build capacity in the PCO by centralizing essential skills and leadership development funds in the EDO and instituting a Department-wide process improvement effort.

COLORADO
Department of Public Safety

Priority: R-06
Additional Leased Space
FY 2018-19 Change Request

Cost and FTE

- The Department requests $56,469 General Fund in FY 2018-19 and on-going to cover leased space costs associated with the Center of Excellence for Advanced Technology Aerial Firefighting (CoE) in Rifle, Colorado.

Current Program

- The Center of Excellence is authorized by Section 24-33.5-1228, C.R.S. which mandates that the CoE perform science-based evaluations of the effectiveness, efficiency, and sustainability of current and proposed aerial firefighting technologies.

Problem or Opportunity

- Garfield County provided leased space for the CoE at no cost for three years and that agreement expires June 30, 2018.
- Research done by the CoE research contributes to the Division of Fire Prevention and Control's Strategic Policy Initiative which is to "reduce the number of large wildland fires that threaten lives or property by 5 percent by June 30, 2017 and by 10 percent by June 30, 2019 for the people of Colorado." The research and technology transfer coming out of the CoE directly contribute to the State's ability to meet this mission by finding fires early and fighting the fires more efficiently so that they never become large wildland fires.
- The CoE research also contributes to firefighter safety, cost-effectiveness, and promoting innovation in public safety.

Consequences of Problem

- If this request is not approved, the CoE will lose the office space in Rifle Colorado and will not have sufficient leased space appropriations.

Proposed Solution

- The Department requests $56,469 General Fund in FY 2018-19 to cover on-going leased space needs for the Center of Excellence in Rifle.
- Approval of this request will provide the necessary funding to pay for existing leased space for CoE employees.
- The anticipated outcome is the CoE will have the ability to continue working on the projects assigned by the legislature and CoE stakeholder groups.

COLORADO
Department of Public Safety

Priority: R-07
Black Market Marijuana Interdiction
FY 2018-19 Change Request

Cost and FTE

- The Department requests $1,225,202 Marijuana Tax Cash Funds and 8.0 FTE in FY 2018-19 and $1,187,578 and 8.0 FTE in FY 2019-20 to establish a special unit within CBI to investigate black market marijuana operations.

Current Program

- The CBI employs 41 agents among its three regional offices in Denver, Pueblo and Grand Junction to assist local law enforcement. CBI agents have statewide jurisdiction to target organized crime.

Problem or Opportunity

- According to Police Chiefs, Sheriffs, and the DEA, black market cultivation, distribution, and exportation of marijuana continues to be a prevalent and under-addressed problem throughout Colorado.
- Criminal enterprises continue to move into Colorado to establish grow operations for exportation outside of the state. These criminal enterprises are poly-crime in nature, frequently committing crimes related to identity theft and fraud. Acts of violence perpetrated by these groups are not uncommon as three homicides investigated by the CBI in southern Colorado in the past two years have been linked to illegal marijuana cultivation and distribution operations.
- Interdiction of marijuana cultivated in Colorado but seized in other states continues at a significant rate according to the Colorado Information Analysis Center. In 2016, there were 458 interdictions of exported Colorado marijuana in 42 other states.
- The U.S. Postal Service reports that from 2012 to 2015, the number of inter-state parcels intercepted for marijuana has increased from an average of 70 to 369 which is an average increase of 427 percent.

Consequences of Problem

- Rural law enforcement agencies have requested assistance from CBI but the requests have been unresolved due to limited resources and the CBI's mandate to investigate other priority matters.
- Without effective statewide enforcement, these organized enterprises move freely from metro to rural areas.

Proposed Solution

- Approval of the request will provide the necessary funding to establish a special unit within CBI to investigate black market marijuana operations and the nexus to organized criminal elements.

Cost and FTE

- The Department requests $255,443 General Fund in FY 2018-19 and every year thereafter to continue funding for the Colorado Commission on Criminal and Juvenile Justice (CCCJJ). This provides funding for 2.5 FTE to staff the CCCJJ and an experienced consultant who provides a national perspective and overall guidance to the CCCJJ and CCCJJ working groups.

Current Program

- H.B. 07-1358 created the CCCJJ within the Department of Public Safety in 2008. The CCCJJ consists of 26 members and is tasked with conducting comprehensive, evidence-based analysis of offenders being sentenced to Department of Corrections (DOC), alternatives to incarceration, the effectiveness of prevention programs, and the effectiveness of the criminal code and sentencing laws.
- The work of CCCJJ focuses on evidence based recidivism reduction initiatives and the cost effective expenditure of limited criminal justice funds. The CCCJJ and staff prepare an annual report for the Legislature and make recommendations for system improvements.

Problem or Opportunity

- H.B. 07-1358 requires the Division of Criminal Justice (DCJ) to work in consultation with the DOC, to provide resources for data collection, research and analysis, and publication of the CCCJJ's findings and recommendations. As the primary criminal justice research entity in Colorado, the Office of Research and Statistics (ORS) within DCJ is responsible for this requirement. Without this funding the ORS would no longer be able to support the CCCJJ.
- The CCCJJ is repealed on July 1, 2018. Continuance of the CCCJJ requires legislative approval through a special bill that the Department intends to seek in the 2018 session. It is anticipated that funding for CCCJJ will be provided through this decision item, and that the companion legislation will have no fiscal impact. Should the legislation fail, the Department will withdraw this change request.

Consequences of Problem

- If this request is not funded DCJ would not have the resources to support the CCCJJ which inclues: research support for conducting studies of sentencing policies and practices, recidivism, and programs to reduce recidivism; and resources to conduct the analysis required to develop the CCCJJ recommendations.
- The CCCJJ would not have the resources to prepare an annual report for the General Assembly.

Proposed Solution

- Continue to fund the staff and resources that support the CCCJJ. The work of CCCJJ is intended to enhance public safety and ensure the protection of the rights of victims through the cost-effective and evidence based use of public resources. The CCCJJ promotes effective collaboration between all criminal justice stakeholders.
- The proposed solution requires a legislative change.

Cost and FTE

- The Department of Public Safety requests $12.5 million General Fund for FY 2018-19 through FY 2020-21 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 Disaster Emergency Fund (DEF) to pay for costs associated with the response and recovery from the September 2013 flooding.

Current Program

- The Division of Homeland Security and Emergency Management 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 $111.5 million would provide sufficient funding for Federal Emergency Management Agency (FEMA) matching obligations, and set it aside through an Executive Order.
- As rebuilding efforts have progressed, it has become apparent that $111.5 million is insufficient to cover the costs associated with the response and recovery from the September 2013 flooding.
- The Department requested $12.5 million General Fund per year for four years from FY 2017-18 through FY 2020-21 to address the shortfall, and $12.5 million was approved for one year in S.B. 17-261. The bill created the 2013 Flood Recovery Account in the Disaster Emergency Fund and directs the State Treasurer to transfer $12.5 million from the General Fund to this account on July 1, 2017.

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 remaining anticipated $50 million shortfall, the Department proposes redirecting and encumbering $14.0 million in the existing balance of the DEF to pay for costs associated with the September 2013 floods and a $12,500,000 General Fund appropriated and transferred into the DEF each fiscal year beginning FY 2018-19 through FY 2020-21.

Cost and FTE

- The Department requests an increase of $630,898 General Fund and $52,706 reappropriated funds for FY 2018-19 and beyond to account for a community provider rate increase of 1.0 percent, which includes the Community Corrections Providers who contract with the Department of Public Safety (DPS).

Current Program

- The Community Corrections Program provides funding to 36 community corrections providers, 22 boards, 53 programs, and all referral agencies. The recipients of the services are offenders housed in correctional facilities that are transitioning out into the community, diversion programs, and specialized services such as substance abuse treatment, offender assessments, intensive residential treatments and outpatient therapeutic community programs.
- For FY 2017-18, the Department was budgeted $65,679,544 in Community Corrections Program that is eligible for the provider rate decrease.

Problem or Opportunity

- The Office of Community Corrections seeks to address continued inflationary increases and to provide the same standard of supervision, treatment, and housing for offenders placed in community corrections programs. The 1.0 percent community provider rate increase represents an increase of per diem rates paid to providers in both the standard and specialized community corrections line items.

Consequences of Problem

- Should this request not be funded, community corrections providers will be forced to continue to absorb cost increases, potentially inhibiting the ability to offer treatment and education programs that help offenders stabilize in the community.

Proposed Solution

- Approval of this request will address continued inflationary pressures of basic necessities associated with community corrections provider services.

COLORADO
Department of Public Safety

Priority: R-11
Office of Prevention Spending Authority Reduction
FY 2018-19 Change Request

Cost and FTE

- The Department of Public Safety (CDPS) Division of Homeland Security and Emergency Management (DHSEM) requests a budget reduction in FY 2018-19 and ongoing in the amount of $634,549 reappropriated funds from the Office of Prevention and Security Personal Services ($588,784) and Operating Expenses ($45,765) line items.

Current Program

- In FY 2011-12, spending authority for reappropriated funds was added to existing federal funds in the Office of Preparedness, Security, and Fire Safety; Office of Anti-Terrorism Planning and Training (OATPT) Personal Services and Operating Expenses line items. However, this funding is not eligible for use by the program.
- Special bill H.B. 12-1283 (Consolidate Homeland Security Functions Under CDPS created the DHSEM and the Office of Prevention and Security. The bill eliminated the Office of Preparedness, Security, and Fire Saftey, and moved the existing reappropriated and federal funds from the OATPT line items to the newly created line items in the Office of Prevention and Security.
- For fiscal years 2012-2015, the Office of Prevention and Security utilized federal funds from the State Homeland Security Program to support its operations. However, the federal grant dollars were significantly reduced in FY 2013-14. To ensure continued operations, the CDPS requested and the legislature approved decision item R-3, Homeland Security and Emergency Management Sustainability of State Fusion Center for $542,263 General Fund.

Problem or Opportunity

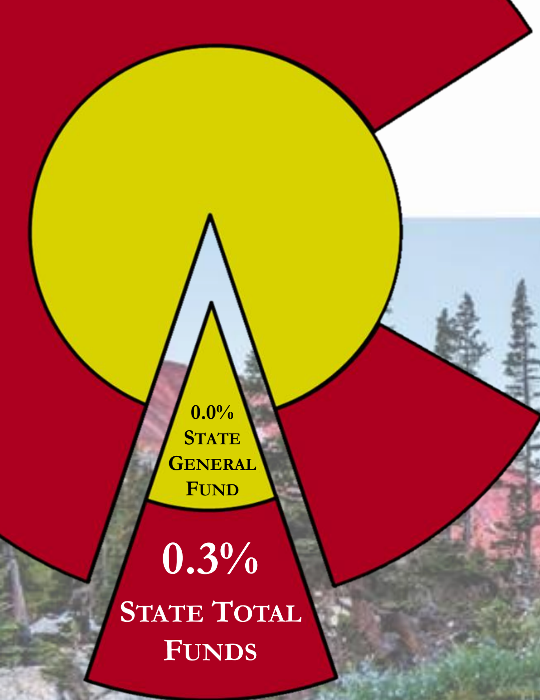
- The Office of Prevention and Security's operations are supported by its General Fund and federal funds appropriations, and the spending authority for reappropriated funds is not eligible for use by the program.

Consequences of Problem

- The reappropriated spending authority can not be used and is reverted every fiscal year.

Proposed Solution

- The DHSEM requests a budget reduction in FY 2018-19 and ongoing in the amount of $634,549 reappropriated funds appropriated in the Office of Prevention and Security.
- The budget reduction does not include any FTE, and has no impact on the division, the department or its stakeholders.



Colorado Department of Regulatory Agencies

FY 2018-19 Governor's Request

$1.9 million General Fund

Share of Statewide General Fund: 0.0%

$101.2 million Total Funds

Share of Statewide Total Funds: 0.3%

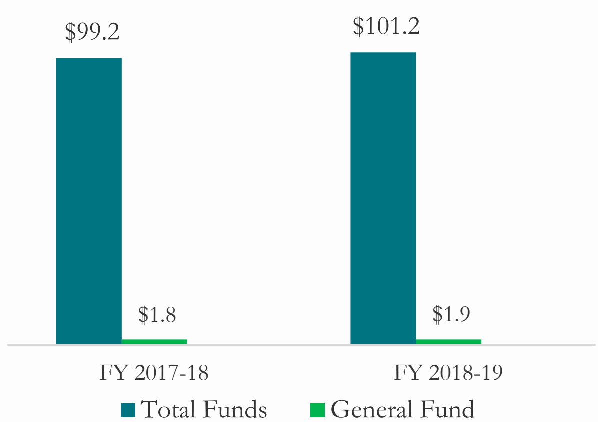
Mission Statement

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

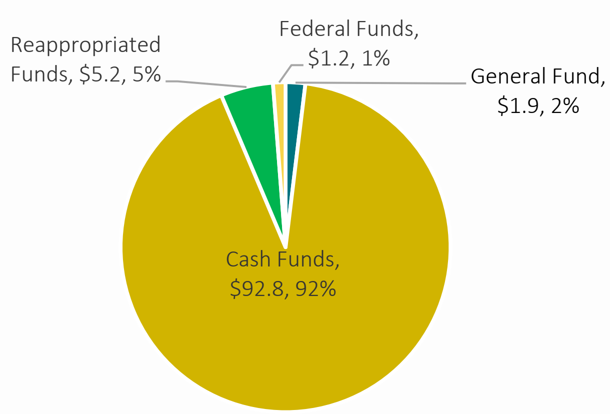
The Colorado Department of Regulatory Agencies (DORA) protects the citizens of Colorado from fraudulent or dangerous businesses and professionals by regulating state-chartered financial institutions, public utilities, insurance providers, and a host of professional occupations, and it enforces state 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.

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+2.0% ($2.0 M) +5.6% ($0.1 M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



STRATEGIC POLICY INITIATIVES

COLORADO
Department of Regulatory Agencies

1 Improve Public Protection Through Effective Enforcement & Regulatory Activities

DORA is dedicated to ensuring that it provides the public with professional, accessible and reliable service. The Department strives to continually improve operations, streamline processes and improve interfaces with the public. Examples of metrics for Q1 this fiscal year include:

- 99% of public utilities complaints and inquiries were resolved within 15 days.
- 100% of Citizen's Advocate requests resolved within 3 days .
- The Division of Real Estate's Expedited Settlement Program has saved approximately $48,600 in legal fees.
- Colorado Civil Rights Division is on target to reach its 2018 goal of increasing cases pursuing alternative dispute resolution by 10%.

2 Enhance Education and Outreach

DORA seeks to strengthen statewide and online opportunities for Coloradans to interact with the Department. Examples of metrics for this initiative include:

- 40% increase in dissemination of consumer alerts Department-wide.
- 50% increase in Boards and Commissions meetings held outside of the metro area.
- 100% increase in online public comment on sunrise/sunset reports, providing critical input on regulatory programs under review.

3 Improve Processes to Better Engage with Regulated Entities

Though its primary responsibility is to protect the public, DORA also has a duty to treat the industries they regulate fairly and in a way that doesn't create unnecessary administrative burden. Examples include:

- Reducing the average time to process occupational license applications from 37 in 2017 to 30 in 2018. This will help the Department provide simple and fast licensing to Colorado professionals.
- The Division of Professions and Occupations received the Tom Clements Award in recognition of its efforts to improving licensing timelines, and for responding to the Department's mission of eliminating red tape, for partnering with key employer and applicant stakeholders and identifying areas of improvement.
- In response to stakeholder feedback with regard to implementation of HB17- 1196, Regarding Credit Hours Required for Barbers and Cosmetologists, the Director adopted and issued a revised policy to streamline the credit hour requirements for examination.
- The 2017 grant cycle opened on July 11, allowing up to $9.4 million available for grants related to promoting rural broadband connectivity throughout Colorado.

FY 2018-19 Change Requests

COLORADO
Department of Regulatory Agencies

R-01 Vehicles for PUC State Safety Oversight Program	
	$3,207 Total Funds, $0 General Fund
Improve Public Protection	• The Department requests $3,207 (80% federal funds and 20% cash funds), and $9,621 ongoing, to support the addition of 2 new vehicles in order to carry out additional inspections, investigations, and enforcement actions associated with safety oversight of rail fixed guideway systems. • This request represents a 1.8% increase for FY 2018-19 (and a 5.5% increase ongoing) in the Vehicle Lease Payments line item. • Passage of the federal *Moving Ahead for Progress in the 21st Century* ("MAP-21") legislation to fund surface transportation programs in 2012 has required significant enhancements to the current SSO program. A corresponding federal grant award will help support this increased workload. • To meet the demands of the federal MAP-21 legislation, the 3.5 FTE allocated to this program must spend 50% of their time in the field. Facilitating this in the least costly manner requires the addition of 2 SUV vehicles for travel on and off paved roads to railroad offices and job sites.

COLORADO
Department of Regulatory Agencies

Priority: R-01
Vehicles for PUC Enhanced State Safety Oversight Program
FY 2018-19 Change Request

Cost and FTE

- The Department requests $3,207 (80% federal funds and 20% cash funds), and $9,621 ongoing, to support the addition of 2 vehicles in order to carry out additional inspections, investigations, and enforcement actions associated with safety oversight of rail fixed guideway systems.

Current Program

- The Public Utilities Commission is Colorado's State Safety Organization (SSO) responsible for safety oversight of rail fixed guideway systems in to prevent accidents and promote public safety.
- Rail fixed guideway systems in Colorado presently consist of the RTD light rail system, which includes 173 light rail vehicles and 110 miles of track, located throughout metro Denver.
- Currently, 1.0 FTE is assigned to investigate, inspect, enforce, and audit RTD's light rail operations.

Problem or Opportunity

- Passage of Federal MAP-21 legislation requires significant enhancements to the current SSO program. A corresponding federal grant award will help support this increased workload.
- Program staff will increase from 1.0 FTE to 3.5 FTE in order to perform an estimated 7,280 working hours of inspections, investigations, enforcement actions, and audits.
- 60% of these hours will involve travel within metro Denver to perform inspections and investigations. This continual field work throughout the entirety of RTD's light rail system is expected to result in 30 miles per day on average, or 7,800 miles annually, of vehicle travel.
- Current PUC vehicle resources (10 vehicles) are fully utilized.

Consequences of Problem

- Without an adequate inspector presence in the field to conduct the required work, the Colorado SSO program will not meet FTA certification requirements, with the potential result that Colorado could lose the FTA SSO Grant (approximately $500,000 to $750,000 per year) as well as potentially $750 million per year in federal transit funding to the State.

Proposed Solution

- To meet the demands of the federal MAP-21 legislation, meet its vision to reduce fatal and serious injury crashes, and achieve required federal certification by 2019, the 3.5 FTE allocated to this program must spend greater than 50% of their work week in the field. Facilitating this in the least costly manner requires the addition of 2 SUV vehicles for travel on and off paved roads to railroad offices and job sites to conduct required inspections, investigations, audits, and enforcement actions.

COLORADO
Department of Regulatory Agencies

Priority: R-02
Base Reduction DPO and PUC Personal Services
FY 2018-19 Budget Reduction Item

Summary of Budget Reduction

- The Department proposes an ongoing reduction of $483,885 Cash Funds prioritized between two Divisions beginning in FY 2018-19. More specifically, reductions of $189,944 are requested in the Public Utilities Commission (Personal Services) and $293,941 in the Division of Professions and Occupations (Personal Services).

Current Program or Service

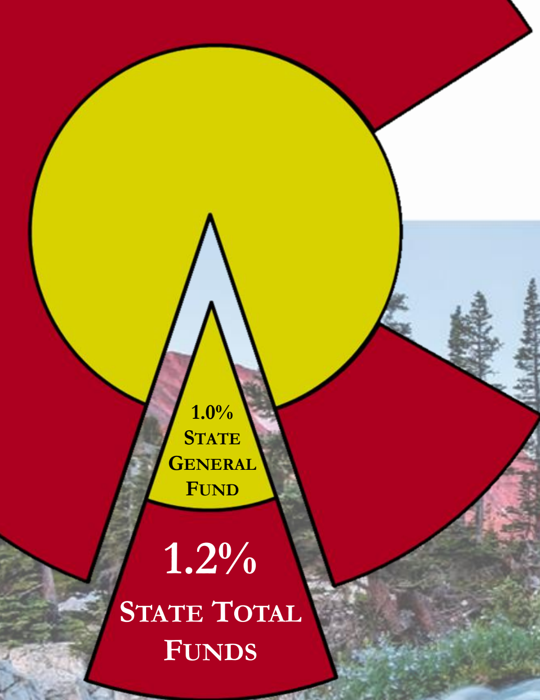
- The Department's largest two Divisions – the Division of Professions and Occupations ($24.4 million) and the Public Utilities Commission ($17.0 million) – collectively include approximately 300 FTE, over half the Department's total FTE appropriation.
- The Division of Professions and Occupations provides consumer protection via licensure of approximately 394,000 regulated professionals across more than 40 licensing boards and programs, and is entirely cash funded via license fees paid by regulated professionals and businesses.
- The Colorado Public Utilities Commission (PUC) serves the public interest by effectively regulating utilities and facilities so that the people of Colorado receive safe, reliable, and reasonably-priced services consistent with the economic, environmental and social values of our state. The PUC is funded via fee assessments on utilities.

Additional Discussion

- **Recent Experience with Temporary Cost-Cutting Efforts.** In seeking this reduction, the Department is prioritizing two areas that have recent experience in cost-cutting in order to live within available revenue.
- While any reductions have potential impact on a number of specific work activities (Investigations, Inspections, License/permit issuance, Rate Approvals, and Enforcement), the Department does not believe that the proposed incremental reductions will result in the failure to accomplish statutory directives. Consumers will remain protected and the Department will implement any necessary strategies to prioritize resources as circumstances warrant.

Assumptions and Calculations

- No specific FTE are proposed to be reduced associated with this request. Vacancy savings/attrition is expected to be the primary strategy for absorbing proposed Personal Services reductions



FY 2018-19 Governor's Request

$111.7 million General Fund

Share of Statewide General Fund: 1.0%

$366.6 million Total Funds

Share of Statewide Total Funds: 1.2%

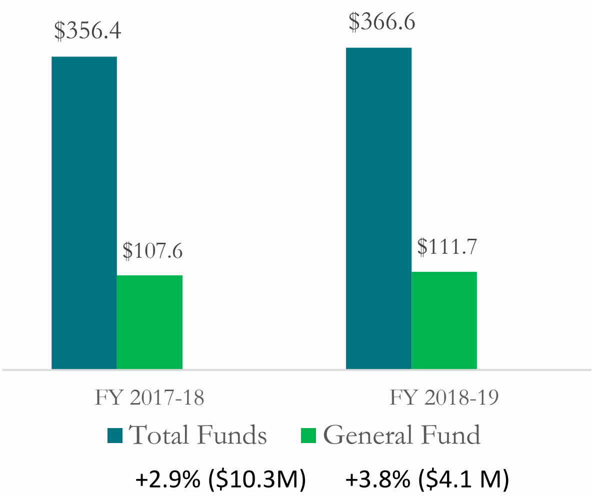
Mission Statement

To provide quality service to our customers in fulfillment of our fiduciary and statutory responsibilities while instilling public confidence through professional and responsive employees.

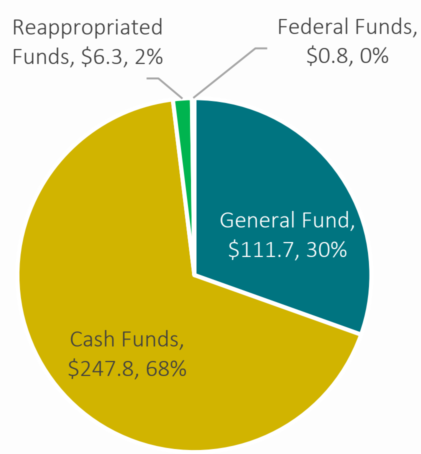
Department Description

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.

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



Breakdown of Total Funds, $s in Millions, FY 2018-19



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 3 of FY 2016-17, 70.4% of customers were served within 15 minutes. The 3-year goal is 80%.
- 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% for sales and 64% for income in FY 2009-10. The FY 2016-17 goal is 77% of sales tax returns, which the Department is exceeding so far with 81% filed online in quarter 3; and 84.5% of income tax filings with the Department so far at 88.7% for quarter 3. The 3-year goals are 84% 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 2016-17 actual was 99%, up from 93% in FY 2015-16.

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 ensure stakeholder engagement in rule promulgation and review and update all promulgated rules 100% of the time. The Department has met this goal.

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. Several strategies have been implemented to improve satisfaction in these areas.

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 2018-19 Change Requests

COLORADO
Department of Revenue

R-01 DRIVES System Maintenance and Support

$2.6 million Total Funds, $0 General Fund

1

Provide Simple & Timely Service

- The Department of Revenue requests $2.6 million cash funds from the Licensing Services Cash Fund (annualizing to $6.3 million in FY 2019-20) for the hosting, maintenance, and support services for the Driver License, Record, Identification, and Vehicle Enterprise Solution (DRIVES) system.
- DRIVES is a new technology system in the Division of Motor Vehicles to replace the Driver License System (DLS), Colorado State Titling and Registration System (CSTARS), and other supporting systems. In FY 2014-15 and FY 2015-16, the Department received funding for the DRIVES capital IT project.
- The DRIVES project will be completed and implemented in August 2018 with an additional warranty period extending through February 2019. There will be annual hosting, maintenance, and support services provided by the vendor, FAST Enterprises, LLC, beginning at the end of the warranty period.

R-02 Armored Car Appropriation Increase

$63,551Total Funds, $1,177 General Fund

2

Fiscal Manage-ment

- The Department of Revenue requests an increase of $63,551 total funds ($1,177 General Fund and $62,374 cash funds) related to an increase in armored car rates.
- The Department processes large amounts of cash, which must be transported to the bank for deposit. Using third-party armored car services allows the Department to transport money safely, economically, and efficiently, while eliminating risk to individual State employees who would otherwise have to transport deposits to the bank.
- The rate increase is related to schedule and volume requirements, including more frequent pick ups per week and higher liability coverage for larger deposit amounts. The previous vendor is also no longer available, and so the Department must negotiate a new contract.

R-03 Lottery Vendor Fees and Retail Compensation

$4.0 million Total Funds, $0 General Fund

2

Fiscal Manage-ment

- The Department requests a total increase of $4,028,785 to ensure adequate cash fund spending authority exists to pay retailer compensation on lottery sales.
- Lottery retailers are paid a 7% commission on all scratch sales, a 6% commission on all Jackpot sales, and a 1% cashing bonus on the amount of all prizes claimed at their store. They also receive bonuses, which when combined, can equal up to 0.5% of total sales.
- Sales levels for jackpot games are unpredictable, and can reach high dollar values. Total sales have increased by $101 million since FY 2008-19 (from $493.4 million to $594.4 million).
- These vendor payments vary directly with ticket sales, so the increase provides the ability to pay higher amounts if needed. The request is based on 120% of projected sales of $594.4 million, or $713.3 million, which allows for some flexibility if higher sales do occur.

FY 2018-19 CHANGE REQUESTS

COLORADO Department of Revenue

R-04 Liquor Enforcement Division Operating Increase

$43,734 Total Funds, $0 General Fund

5
Public Trust

- The Department requests an increase in cash fund spending authority of $43,734 in FY 2018-19 and thereafter in the Liquor Enforcement Division (LED) from the State Licensing Authority Cash Fund for operating expenses in the LED.
- Among other duties, the LED is responsible for licensing and regulating businesses selling alcohol in the by providing education, training, and outreach and carrying out inspections, background investigations, and enforcement actions. For the past four years, the LED has struggled to maintain a statewide enforcement presence due to pressure on the operating budget from increased costs.
- During enforcement operations, the LED uses several pieces of equipment including joeys, scanners, and radios. Much of the equipment that the LED currently uses is past end-of-life. To ensure equipment is current and operating within its lifespan, the LED requests replacement of two of the above items per year for a cost of $29,640. The remaining $14,094 of the request is for travel and lodging for traveling to remote parts of the state.

R-05 Enforcement Business Group Realignment

$0 Total Funds, $0 General Fund

5
Public Trust

- The Department of Revenue Enforcement Business Group requests to realign 2.0 FTE resulting in no net increase to total FTE. The request transfers the FTE from the Division of Gaming to Enforcement Administration and results in a net zero funding change.
- The Enforcement Business Group (EBG) is responsible for licensing and regulating a wide variety of businesses through its various divisions, which include the Divisions of Gaming, Racing, Liquor and Tobacco Enforcement, Auto Industry and Marijuana Enforcement.
- Two Division of Gaming positions were identified as positions that would not be exclusively supporting the Division of Gaming. The positions are being utilized by the Enforcement Administration section, to fulfill management and public information resource needs across all Enforcement Divisions.

R-06 and R-07 Budget Reduction Items

-$1.8 million Total Funds, -$1.8 million General Fund

- The Department of Revenue requests a reduction of $600,000 General Fund that was appropriated for the GenTax Dex Fraud Manager program, an add-on to the GenTax system. The Department and vendor were unable to reach agreement during the negotiations, so the service was not implemented.
- The Department of Revenue requests a reduction of $1.2 million General Fund that was originally appropriated through HB11-1300 for consultant work related to Gross Conservation Easement. Since then, the majority of the workload related to Gross Conservation Easement has been completed and this appropriation for consultant work is no longer used.

Cost and FTE

- The Department requests $2,600,000 in FY 2018-19, annualizing to $6,240,000 in FY 2019-20 and thereafter, in the License Service Cash Fund (LSCF)/CSTARS Account/ Colorado DRIVES Vehicle Services Fund for the hosting, maintenance, and support services for the Driver License, Record, Identification, and Vehicle Enterprise Solution (DRIVES). This request will include annual contractual increases for inflation based on Denver/Boulder Consumer Price Index (CPI).

Current Program

- In FY 2014-15 and FY 2015-16, the Department received funding for the DRIVES capital construction project, which pays for the replacement of the Driver's License System (DLS), Colorado State Titling and Registration System (CSTARS), and supporting systems.
- The DRIVES project will be completed and implemented in August 2018 with an additional warranty period extending through February 2019. There will be annual hosting, maintenance, and support services provided by the vendor, FAST Enterprises, LLC, beginning at the end of the warranty period.

Problem or Opportunity

- The DRIVES capital construction appropriation does not include ongoing funding for post-implementation hosting, maintenance, and support services after project completion.
- FAST Enterprises, LLC has a contract with the State for annual ongoing operations and maintenance of the system, which is dependent upon the annual appropriation and subject to an annual inflationary increase.

Consequences of Problem

- The Department will experience an estimated $6,240,000 shortfall in spending authority that will result in the Department's inability to adhere to the contract between the State and FAST Enterprises, LLC.

Proposed Solution

- An increase in spending authority of $2,600,000 in FY 2018-19, annualizing to $6,240,000 in FY 2019-20 and thereafter from the LSCF/CSTARS/ Colorado DRIVES Vehicle Services fund to pay for vendor hosting and maintenance support for the DRIVES system.
- Additionally, there is a contract provision by which the vendor may request an annual increase related to Denver-Boulder CPI inflationary index starting in FY 2019-20. This potentially would be a budgetary base adjustment each year for the duration of the contract.

Cost and FTE

- The Department requests an increase to its total appropriation of $63,551, beginning in FY 2018-19 and thereafter, to accommodate the new rates for armored car service. The change includes a $1,177 increase in General Fund appropriations in FY 2018-19 and thereafter and a $62,374 increase in Cash Fund appropriations in FY 2018-19 and thereafter.

Current Program

- The Department processes large amounts of cash, which must be transported to the bank for deposit.
- The Department has arranged for frequent armored car pick-ups from all satellite offices according to the volume of business conducted at each site. This prevents the offices from keeping cash on hand and supports the best practice of the timely deposit of State funds.
- Using third-party armored car services allows the Department to transport money safely, economically, and efficiently, while eliminating risk to individual State employees who would otherwise have to transport deposits to the bank.

Problem or Opportunity

- The costs associated with these armored car services have increased as the result of a recent solicitation process. The previous vendor did not provide a response during the solicitation therefore new vendors had to be selected.
- The new vendors provide services that meet the schedule requirements and volume requirements of the Department as the cash collections continue to increase in several divisions requiring more frequent pick-ups per week and higher liability coverage for larger deposit amounts.
- This request uses the contractually defined rates that are based on frequency, average amount of deposits, time spent on premise, and insurance coverage.

Consequences of Problem

- If this budget request is not approved, the Department could potentially decrease the frequency of the pick-ups. However, if the frequency is reduced, then the amount of money transported per pick-up will increase, which would drive up the rate for that location to provide the appropriate liability coverage for larger deposits. This would counteract the cost savings of reducing the frequency.
- If the coverage is not increased, and the lower liability limit remains in effect, then a portion of the deposit may not be covered for loss.
- Having more cash on hand at office locations resulting from fewer pick-ups per week may increase the likelihood of loss or theft.
- Delaying the depositing of cash will decrease the amount of interest that the State earns on each deposit.

Proposed Solution

- The Department requests an ongoing increase of $63,551 in the FY 2018-19 operating spending authority, to be distributed across the Executive Director's Office, the Division of Motor Vehicles, the Division of Gaming, and the Marijuana Enforcement Division.

COLORADO
Department of Revenue

Priority: R-03
Lottery Vendor Fees and Retail Compensation
FY 2018-19 Funding Request

Cost and FTE

- The Department requests an increase in cash fund spending authority of $4,028,785 in FY 2018-19 and thereafter. Of this total, an increase of $1,697,975 is needed in Vendor Fees and an increase of $2,330,810 is needed in Retailer Compensation. The Lottery is a cash-funded enterprise fund.

Current Program

- The Lottery's current vendor contract (paid out of Vendor Fees appropriation) has been in place since January 2014. The vendor contract provides for statewide support, a communications network, a central system, and other services for the Lottery's 3,100 retailers.
- Lottery retailers are paid a 7% commission on all scratch sales, a 6% commission on all Jackpot sales, and a 1% cashing bonus on the amount of all prizes claimed at their store. They also receive bonuses, which when combined, can equal up to 0.5% of total sales.

Problem or Opportunity

- Powerball and MegaMillions are nationwide games with jackpots that can reach very large dollar values. For example, in FY 2015-16 the Powerball game reached a jackpot of $1.5 billion. Sales levels for jackpot games are unpredictable.
- The Vendor Fee and Retailer Compensation line items vary directly with ticket sales; so the Lottery needs to ensure adequate spending authority exists to support unpredictable Jackpot ticket sales and the associated impact on these dependent budgetary line items. This request reflects an increase in spending authority to an amount that is 120% of projected sales.

Consequences of Problem

- The Lottery could be at risk of not being able to pay its vendors and/or retailers if there were to be a year of record jackpots for MegaMillions or Powerball, or a dramatic increase in Jackpot ticket sales (possibly from the addition of new retailers, such as Walmart).
- Vendors then might decide to turn off the Lottery machines, which would result in the Lottery not being able to sell its games. Retailers could choose to stop selling Lottery games as a result of not being paid commissions.
- The Lottery could face disciplinary actions from the Multi-State Lottery Association.
- There could be a loss of confidence and goodwill of players and beneficiaries.

Proposed Solution

- The Department requests a total increase of $4,028,785, beginning in FY 2018-19 and thereafter, to ensure adequate spending authority exists to support unpredictable Jackpot ticket sales.

Cost and FTE

- The Department requests an increase in cash fund spending authority of $43,734 in FY 2018-19 and thereafter in the Liquor Enforcement Division (LED) from the State Licensing Authority Cash Fund for operating expenses in the 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, and investigate complaints.
- Additionally, the LED engages in enforcement activities at numerous special events across the state, often at the request of local law enforcement agencies.

Problem or Opportunity

- The LED has 4.0 FTE stationed in Grand Junction covering the Western Slope. However, due to the size of this region, compliance checks and enforcement operations often result in additional travel expenses for the regional investigator or for the additional, necessary, Denver-based staff who travel to conduct enforcement operations at concerts, sporting events and other venues.
- Current funding for operating expenses is insufficient to support travel to remote locations and to adequately staff minor-in-possession operations at concerts, sporting events, and other venues.
- Costs for required equipment associated with enforcement operations have been increasing, and these costs have been funded in lieu of travel or other operational needs.

Consequences of Problem

- Compliance checks serve as a deterrent to retailers from serving alcohol to minors, and to minors from possessing alcohol. Without this request, the LED will conduct compliance checks and enforce underage drinking laws in a limited capacity in remote locations, and at events such as Country Jam, XGames, and Bands in the Backyard, compliance checks will be reduced or eliminated. Violations for underage liquor sales and minor-in-possession could increase if the industry and the public become aware that enforcement efforts have been reduced or eliminated.

Proposed Solution

- The Department requests $43,734 in LED operating expenses to improve compliance and enforcement operations statewide, especially in remote areas. Of this amount, $29,640 is for equipment replacement and $14,094 is for increased travel costs. The cash fund has sufficient revenue to fund this increase.
- Citizens, local law enforcement, and the liquor industry will benefit from the additional efforts.

Cost and FTE
• The Department of Revenue Enforcement Business Group requests to realign 2.0 FTE resulting in no net increase to total FTE. The request transfers the FTE from the Division of Gaming to Enforcement Administration and results in a net zero funding change.

Current Program
• The Enforcement Business Group (EBG) is responsible for licensing and regulating a wide variety of businesses through its various divisions, which include the Divisions of Gaming, Racing, Liquor and Tobacco Enforcement, Auto Industry and Marijuana Enforcement. • EBG Administration manages the daily enforcement of the laws and regulations, assists in developing policy, communicates with the legislature and the public, and assists in the financial oversight of the various divisions.

Problem or Opportunity
• Two Gaming Division positions that would not be filled in an exclusive Gaming role were identified and are currently being utilized by EBG's Administration section to fill management and public information resource needs across all Enforcement Divisions. • Compensation for the 2.0 FTE is not currently allocated through the Department indirect cost plan like other Enforcement Administration staff and must be managed manually.

Consequences of Problem
• The current alignment of the positions does not reflect the appropriate funding source nor exclusively support the division to which they are assigned.

Proposed Solution
• The Department requests a transfer of 2.0 FTE and associated personal services and operating spending authority from the Division of Gaming to Enforcement Administration. • The positions would be financed through the indirect cost model thereby allocating the costs proportionally across all EBG programs and funding sources. • Transfer of the positions provides transparency and aligns funding with the organizational structure. • This realignment would allow the Department to more efficiently manage these centralized resources to meet the operational needs of the EBG. • The positions would serve the broader goals of EBG's Administration section without an overall impact on the Department personal services and operating appropriations.

Cost and FTE

- This proposal would reduce the Taxation Division's appropriation by $600,000 in General Fund in the *Tax Administration IT System (GenTax) Support* Long Bill line item. There are no FTE affiliated with this reduction.

Current Program

- This budget was appropriated as a result of the Department's FY 2015-16 supplemental and FY 2016-17 Budget Amendment S-2/BA-1 to implement the GenTax Dex Fraud Manager, a new functional service within the GenTax system. The Department and vendor were unable to reach an agreement during the negotiations, so the service was not implemented. This $600,000 appropriation is restricted in CORE since the implementation never occurred; therefore, the reduction would have no operational impact.

Problem or Opportunity

- This budget is currently restricted in CORE because the Dex Fraud Manager program was never implemented. Therefore, this reduction would have no operational impact.

Consequences of Problem

- This reduction would have no operational impact.

Proposed Solution

- DOR proposes reducing the Taxation Division's appropriation by $600,000 in General Fund in the *Tax Administration IT System (GenTax) Support* Long Bill line item. This amount was appropriated as a portion of the Department's FY 2015-16 supplemental and FY 2016-17 Budget Amendment S-2/BA-1 request. Since the Dex Fraud Manager functionality was not implemented, the entire $600,000 appropriation can be reduced with no operational impact.

Cost and FTE

- This proposal would reduce the Taxation Division, Tax Conferee section's appropriation by $1,035,000 in General Fund personal services and the Hearings Division within EDO by $178,955 in General Fund personal services and $2,470 in General Fund operating. There are no FTE affiliated with this reduction.

Current Program

- This appropriation was originally awarded through HB11-1300 for consultant work related to Gross Conservation Easement. Since then, the majority of the case load related to Gross Conservation Easement has been completed and this appropriation for consultant work is no longer used. This budget is restricted in CORE and this reduction would have no operational impact.

Problem or Opportunity

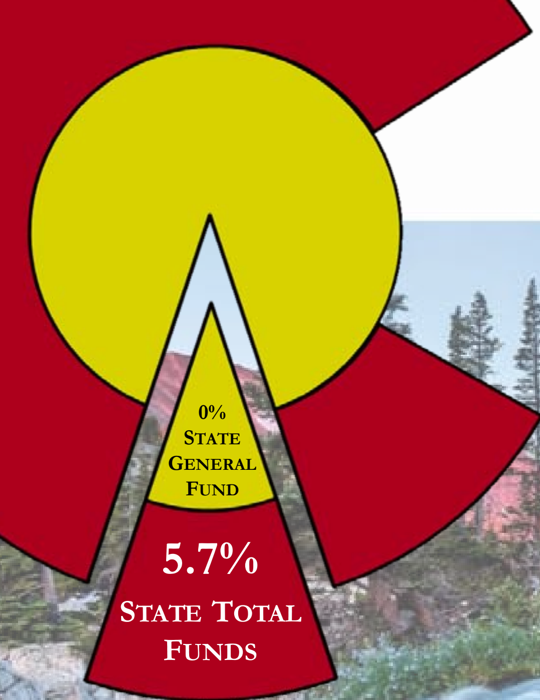
- This budget is restricted in CORE and is no longer used to pay for contracted services work on Gross Conservation Easement cases; therefore, the reduction would have no operational impact.

Consequences of Problem

- This reduction would have no operational impact.

Proposed Solution

- DOR proposes reducing the Taxation Division, Tax Conferee section's appropriation by $1,035,000 in General Fund personal services and the Hearings Division within EDO by $178,955 in General Fund personal services and $2,470 in General Fund operating. This reduction will have no operational impact.



COLORADO
Department of Transportation

FY 2018-19 GOVERNOR'S REQUEST

$0 General Fund

Share of Statewide General Fund: 0%

$1.75 billion Total Funds

Share of Statewide Total Funds: 5.7%

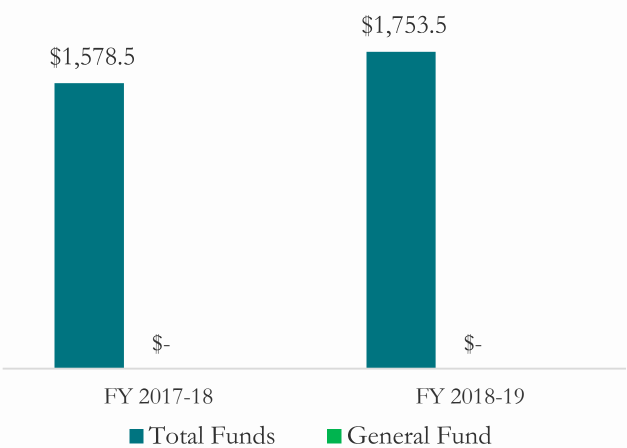
Mission Statement

To provide the best multi-modal transportation system for Colorado that most effectively and safely moves people, goods and information.

Department Description

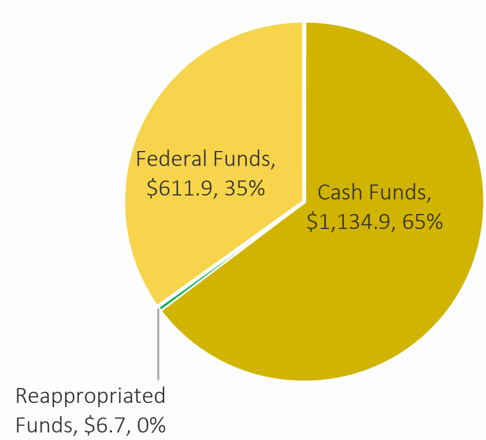
The Colorado Department of Transportation (CDOT) is the cabinet department that plans for, operates, maintains, and constructs the state-owned transportation system, including state highways and bridges. The Department coordinates modes of transportation and integrates governmental functions in order to reduce the costs incurred by the state and the public in transportation matters. CDOT is responsible for a state highway system that encompasses more than 9,100 center-lane miles (about 23,000 total lane miles) and includes more than 3,400 bridges. This system each year handles more than 28 billion vehicle miles of travel. 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.

Total Funds and General Fund, $s in Millions FY 2017-18 to FY 2018-19



+11.1% ($175.0 M) +0% ($0 M)

Breakdown of Total Funds, $s in Millions, FY 2018-19



STRATEGIC POLICY INITIATIVES

COLORADO
Department of Transportation

1 Safety

Limit the increase in roadway fatalities in Colorado, with the long-term goal of moving towards zero deaths.

- CDOT tracks fatalities on all Colorado roadways, not only those on highways the Department owns and maintains.
- In partnership with other safety stakeholders, CDOT aims to ensure roadway fatalities do not exceed 800 for calendar year 2018, compared to 608 in 2016.

2 Pavement Condition

Drivability Life is an indication of how long a stretch of highway will have acceptable driving conditions.

- CDOT aims to attain High or Moderate Drivability Life for 80% of sampled lane miles of pavement by 2025. CDOT also aims to achieve 73% High or Moderate Drivability Life in 2018.
- These goals are intended to mitigate the decline in condition stemming from the age of CDOT's pavement inventory.

3 Travel Time Reliability

Slow the increase in average travel times on Interstate 25, between Northwest Parkway and C-470, during peak weekday hours and Interstate 70, between Vail and C-470, during peak weekend hours.

- An example of the metrics used: reduce the average weekday travel time on northbound I-25 from a projected average of 51 minutes per trip to an actual average of 49 minutes in 2018.
- Longer travel times can result in significant economic and social costs for highway users.

4 Maintenance

Maintain CDOT's roadways and facilities to minimize the need for replacement or rehabilitation in a constrained funding environment.

- Achieve overall Maintenance Levels of Service (MLOS) grade of B- for the state highway system in fiscal year 2018 and a C for fiscal year 2020, compared to a C+ in fiscal year 2016.
- Maintaining roads, bridges, tunnels, and other infrastructure improve safety and mobility, while also minimizing the need for replacement and rehabilitation.

COLORADO
Office of State Planning
& Budgeting

111 State Capitol
Denver, Colorado 80203

November 1, 2017

The Honorable Randy Baumgardner
Chair, Capital Development Committee
029 State Capitol Building
Denver, CO 80203

RE: OSPB Submission of FY 2018-19 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 2018-19.

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 twenty-one capital construction projects for funding in FY 2018-19 (of which, nine are entirely cash funded). This recommendation includes the continuation of projects begun in prior years. These projects are prioritized based on 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.

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
Director

cc: Representative Daneya Esgar, Vice-Chair, CDC
Senator Jerry Sonnenberg, CDC
Senator John Kefalas, CDC
Representative Jon Becker, CDC
Representative Chris Hansen, 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. Jason Schrock, Deputy Director, OSPB
Mr. Nathaniel Pearson, Staff, OSPB
Mr. Larry Friedberg, Office of the State Architect

General Fund Transfer for Capital Construction and Information Technology Projects	
Capital Construction Projects	
Total Controlled Maintenance	($15,130,478)
Capital Construction Projects and Capital Renewal Projects Recommended for Funding	($84,307,204)
Subtotal Capital Projects Approved For Funding	**($99,437,682)**
Information Technology Projects	
IT Capital Projects Recommended for Funding	($17,537,760)
Subtotal IT Projects Approved For Funding and Supplementals	**($17,537,760)**
All Projects	**($116,975,442)**

FY 2018-19 Capital Construction Requests										
OSPB Priority	CCHE Priority	Recommend Funding	Department	Division or Institution	Request Title	CC/ CM/ CR	FY 2018-19 Request			
							TF	CCF	CF/RF	FF
1	N/A	Yes	Level I CM	Not Applicable	Level I Controlled Maintenance	CM	$15,130,478	$15,130,478	$0	$0
2	N/A	Yes	Human Services	Division of Youth Corrections	DYS Adams Youth Services Center Replacement, Ph 3 of 3	CC	$15,499,760	$15,499,760	$0	$0
3	N/A	Yes	Human Services	Division of Youth Corrections	DYC Facility Refurbishment for Safety and Risk Mitigation, Ph 5 of 6	CC	$5,904,772	$5,904,772	$0	$0
4	N/A	Yes	Governor	Office of Information Technology	Microwave Infrastructure Replacement	CR	$10,316,372	$10,316,372	$0	$0
5	N/A	Yes	Governor	Office of Information Technology	Public Safety Communications Network - Microwave Software Upgrade	CC	$7,184,143	$7,184,143	$0	$0
6	1	Yes	Higher Ed	CSM	Colorado School of Mines - Green Center Roof Replacement	CR	$13,183,586	$6,591,793	$6,591,793	$0
7	N/A	Yes	Corrections	N/A	AVCF Fire Alarm System Replacement, Ph 1 of 1	CR	$2,543,505	$2,543,505	$0	$0
8	N/A	Yes	Human Services	Services for People with Disabilities	Grand Junction Regional Center Move, Ph 1 of 1	CC	$6,673,932	$5,499,182	$1,174,750	$0
9	2	Yes	Higher Ed	FRCC	Larimer Campus Health Care Career Center	CC	$18,841,895	$14,118,684	$4,723,211	$0
10	2	Yes	Higher Ed	UC-Denver	CU Anschutz - Center for Personalized Medicine & Behavioral Health	CC	$156,659,999	$12,346,906	$144,313,093	$0
11	3	Yes	Higher Ed	CMU	Mesa - Health Sciences Phase II - PA/PT/OT Center	CC	$5,183,238	$4,302,087	$881,151	$0
12	N/A	Yes	Higher Ed	CSU-FC	CSU Water Resources Center and NWC Land Acquisition Program Plan	Other	$0	$0	$0	$0
Total Capital Construction Requests Recommended for Funding by the Governor							**$257,121,680**	**$99,437,682**	**$157,683,998**	**$0**

FY 2018-19 Capital Construction Requests										
OSPB Priority	CCHE Priority	Recommend Funding	Department	Division or Institution	Request Title	CC/ CM/ CR	FY 2018-19 Request			
							TF	CCF	CF/RF	FF
13	N/A	No	Human Services	Office of Behavioral Health	CMHIFL Campus Utility Infrastructure Upgrade, Ph 1 of 3	CR	$8,935,147	$8,935,147	$0	$0
14	N/A	No	Human Services	Office of Behavioral Health	CMHIP Campus Utility Infrastructure Upgrade, Ph 1 of 3	CR	$15,537,566	$15,537,566	$0	$0
15	N/A	No	Human Services	Office of Behavioral Health	CMHIFL Window Replacement	CC	$1,676,384	$1,676,384	$0	$0
16	N/A	No	Governor	Office of Information Technology	Replace Microwave Towers D Group, Ph 1 of 1	CR	$3,246,549	$3,246,549	$0	$0
17	N/A	No	Public Health and Environment	Administration and Support	State Lab Buildout, Ph 1 of 1	CC	$2,933,223	$2,933,223	$0	$0
18	N/A	No	Level II CM	Not Applicable	Level II Controlled Maintenance	CM	$53,371,897	$53,371,897	$0	$0
19	4	No	Higher Ed	University of Colorado System	Boulder - Hellems Arts and Sciences Building	CC	$7,245,000	$3,180,000	$4,065,000	$0
20	5	No	Higher Ed	Colorado State University - Fort Collins	Shepardson Addition and Renovation	CC	$4,527,223	$4,527,223	$0	$0
21	6	No	Higher Ed	Western State Colorado University	Maintenance Garage - Mountain Search and Rescue	CC	$3,662,912	$3,462,912	$200,000	$0
22	7	No	Higher Ed	Fort Lewis College	Whalen Gymnasium Expansion and Renovation for Exercise Science, South	CR	$3,336,956	$3,003,260	$333,696	$0
23	8	No	Higher Ed	University of Colorado System	Denver – Engineering and Physical Sciences Building	CC	$17,613,576	$13,210,182	$4,403,394	$0
24	8	No	Higher Ed	Colorado Mesa University	Electric Lineworker Building	CC	$3,212,486	$2,923,361	$289,125	$0
25	10	No	Higher Ed	Auraria Higher Education Center (AHEC)	King Center Renovation and Addition	CR	$46,314,564	$45,849,564	$465,000	$0
26	11	No	Higher Ed	University of Northern Colorado	Heat Plant Boiler #3 Replacement	CC	$3,533,110	$3,533,110	$0	$0
27	12	No	Higher Ed	Colorado State University –P	Psychology Building Renovation and Remodel	CC	$16,812,751	$16,812,751	$0	$0
28	13	No	Higher Ed	University of Colorado System	Boulder – Guggenheim Geography Building	CC	$2,464,028	$985,612	$1,478,416	$0
29	14	No	Higher Ed	Adams State University	Plachy Hall HVAC Upgrade	CC	$5,281,034	$5,281,034	$0	$0
30	14	No	Higher Ed	Colorado Mesa University	Performing Arts Expansion and Renovation	CR	$9,042,181	$8,228,384	$813,797	$0
31	15	No	Higher Ed	Community College of Denver	Boulder Creek	CC	$24,743,460	$23,258,852	$1,484,608	$0
32	16	No	Higher Ed	Trinidad State Junior College	Freudenthal Library Renovation	CC	$1,937,382	$1,918,008	$19,374	$0
33	17	No	Higher Ed	University of Northern Colorado	Gray Hall Mechanical Systems Replacement	CC	$3,287,659	$3,287,659	$0	$0
34	18	No	Higher Ed	Otero Junior College	Agriculture Science Remodel	CC	$1,393,800	$1,393,800	$0	$0

FY 2018-19 Capital Construction Requests										
OSPB Priority	CCHE Priority	Recommend Funding	Department	Division or Institution	Request Title	CC/ CM/ CR	FY 2018-19 Request			
							TF	CCF	CF/RF	FF
35	21	No	Higher Ed	Colorado Mesa University	Tri-generation (Combined Cooling, Heating and Power)	CC	$7,236,649	$6,585,350	$651,299	$0
36	22	No	Higher Ed	University of Colorado System	Anschutz – College of Nursing and Student Support/Services Renovation	CC	$16,290,432	$8,145,216	$8,145,216	$0
37	22	No	Higher Ed	Pueblo Community College	Welding Shop Expansion	CC	$1,412,446	$1,412,446	$0	$0
38	22	No	Higher Ed	Colorado State University - Fort Collins	Anatomy Zoology East Wing Revitalization	CC	$15,784,650	$15,784,650	$0	$0
39	25	No	Higher Ed	University of Colorado System	Anschutz – Building 500 Renovation	CC	$10,532,898	$5,266,449	$5,266,449	$0
40	26	No	Higher Ed	Colorado State University - Fort Collins	Chemistry B & C Wing Revitalization	CC	$24,951,150	$24,951,150	$0	$0
41	27	No	Higher Ed	Colorado School of Mines	Campus Infrastructure	CC	$6,000,000	$6,000,000	$0	$0
42	28	No	Higher Ed	Lamar Community College	Vocational Trades Building	CC	$1,996,733	$1,976,733	$20,000	$0
43	29	No	Higher Ed	University of Colorado System	Colorado Springs - Renovation of Existing Engineering Building	CC	$8,405,336	$8,405,336	$0	$0
44	30	No	Higher Ed	Pike's Peak Community College	Campus Emergency Notification and Power	CC	$524,865	$524,865	$0	$0
45	30	No	Higher Ed	Community College of Denver	Storage and Virtualization Project	CC	$1,129,604	$1,016,644	$112,960	$0
46	32	No	Higher Ed	Lamar Community College	Technology Infrastructure	CC	$784,886	$769,886	$15,000	$0
47	33	No	Higher Ed	Trinidad State Junior College	Technology Infrastructure	CC	$615,310	$615,310	$0	$0
48	34	No	Higher Ed	Pueblo Community College	Security (Intrusion Detection) and Internal Door Access	CC	$815,000	$815,000	$0	$0
49	34	No	Higher Ed	Otero Junior College	Technology/Communication Upgrades	CC	$543,300	$543,300	$0	$0
50	N/A	No	Human Services	N/A	Institute Facility Modernization	CC	$11,812,033	$11,812,033	$0	$0
51	N/A	No	Transportation	N/A	San Luis Valley Doppler Weather Radar Partnership	CC	$302,000	$302,000	$0	$0
52	N/A	No	Transportation	N/A	I-70 Vail Pass Rest Area Waste Water Renovation	CC	$1,000,000	$1,000,000	$0	$0
53	N/A	No	Transportation	N/A	Eisenhower Johnson Memorial Tunnels (EJMT) Electrical System	CC	$1,000,000	$1,000,000	$0	$0
							$351,246,180	**$323,482,846**	**$27,763,334**	**$0**

FY 2018-19 Prioritized Capital Construction Funds (CCF)																					
Row	**Request Title**	**Prior Appropriations**					**FY 2018-19**					**FY 2019-20 *Expected Impact***					**FY 2020-21 *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	Ongoing	Ongoing	Ongoing	$0	$0	$15,130,478	$15,130,478	$0	$0	$0	$10,480,192									
2	DHS: DYS Adams Youth Services Center Replacement, Ph 3 of 3	$4,982,833	$4,982,833	$0	$0	$0	$15,499,760	$15,499,760	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	DHS: DYC Facility Refurbishment for Safety and	$12,307,050	$12,307,050	$0	$0	$0	$5,904,772	$5,904,772	$0	$0	$0	$1,782,200	$1,782,200	$0	$0	$0	$0	$0	$0	$0	$0
4	OIT: Microwave Infrastructure Replacement	$30,949,116	$30,949,116	$0	$0	$0	$10,316,372	$10,316,372	$0	$0	$0	$10,316,372	$10,316,372	$0	$0	$0	$0	$0	$0	$0	$0
5	OIT: Public Safety Communications Network - Microwave Software Upgrade	$0	$0	$0	$0	$0	$7,184,143	$7,184,143	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6	Higher Education: Colorado School of Mines - Green Center Roof Replacement	$3,816,416	$1,908,208	$1,908,208	$0	$0	$13,183,586	$6,591,793	$6,591,793	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7	DOC: AVCF Fire Alarm System Replacement, Ph 1 of 1	$0	$0	$0	$0	$0	$2,543,505	$2,543,505	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	DHS: Grand Junction Regional Center Move, Ph 1 of 1	$0	$0	$0	$0	$0	$6,673,932	$5,499,182	$1,174,750	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
9	Higher Education: Larimer Campus Health Care Career Center	$0	$0	$0	$0	$0	$18,841,895	$14,118,684	$4,723,211	$0	$0	$15,623,484	$11,927,424	$3,696,060	$0	$0	$0	$0	$0	$0	$0
10	Higher Education: CU Anschutz - Center for Personalized Medicine & Behavioral Health	$0	$0	$0	$0	$0	$156,659,999	$12,346,906	$144,313,093	$0	$0	$0	$19,846,986	$11,405,000	$0	$0	$21,859,241	$21,859,241	$0	$0	$0
11	Higher Education: Mesa - Health Sciences Phase II - PA/PT/OT Center	$0	$0	$0	$0	$0	$5,183,238	$4,302,087	$881,151	$0	$0	$0	$4,302,087	$881,151	$0	$0	$0	$0	$0	$0	$0
12	Higher Education: CSU Water Resources Center and NWC Land Acquisition Program Plan	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Capital Construction Requests Recommended for Funding by the Governor		**$52,055,415**	**$50,147,207**	**$1,908,208**	**$0**	**$0**	**$257,121,680**	**$99,437,682**	**$157,683,998**	**$0**	**$0**	**$38,202,248**	**$48,175,069**	**$15,982,211**	**$0**	**$0**	**$21,859,241**	**$21,859,241**	**$0**	**$0**	**$0**

FY 2018-19 Prioritized Capital Construction Funds (CCF)																					
Row	Request Title	Prior Appropriations					FY 2018-19					FY 2019-20 *Expected Impact*					FY 2020-21 *Expected Impact*				
		TF	CCF	CF	RF	FF	TF	CCF	CF	RF	FF	TF	CCF	CF	RF	FF	TF	CCF	CF	RF	FF
13	DHS: CMHIFL Campus Utility Infrastructure Upgrade, Ph 1 of 3	$0	$0	$0	$0	$0	$8,935,147	$8,935,147	$0	$0	$0	$10,414,444	$10,414,444	$0	$0	$0	$6,862,309	$6,862,309	$0	$0	$0
14	DHS: CMHIP Campus Utility Infrastructure Upgrade, Ph 1 of 3	$0	$0	$0	$0	$0	$15,537,566	$15,537,566	$0	$0	$0	$5,679,412	$5,679,412	$0	$0	$0	$9,376,379	$9,376,379	$0	$0	$0
15	DHS: CMHIFL Window Replacement	$0	$0	$0	$0	$0	$1,676,384	$1,676,384	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
16	OIT: Replace Microwave Towers D Group, Ph 1 of 1	$0	$0	$0	$0	$0	$3,246,549	$3,246,549	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
17	CDPHE: State Lab Buildout, Ph 1 of 1	$0	$0	$0	$0	$0	$2,933,223	$2,933,223	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
18	Level II Controlled Maintenance	$0	$0	$0	$0	$0	$53,371,897	$53,371,897	$0	$0	$0	$34,137,876									
19	Higher Education: Boulder - Hellems Arts and Sciences Building	$0	$0	$0	$0	$0	$7,245,000	$3,180,000	$4,065,000	$0	$0	$22,860,000	$9,540,000	$13,320,000	$0	$0	$22,448,060	$9,540,000	$12,908,060	$0	$0
20	Higher Education: Shepardson Addition and Renovation	$0		$0	$0	$0	$4,527,223	$4,527,223	$0	$0	$0	$13,482,700	$13,482,700	$0	$0	$0	$24,794,996	$15,794,996	$9,000,000	$0	$0
21	Higher Education: Maintenance Garage - Mountain Search and Rescue	$0	$0	$0	$0	$0	$3,662,912	$3,462,912	$200,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
22	Higher Education: Whalen Gymnasium Expansion and Renovation for Exercise Science, South	$0	$0	$0	$0	$0	$3,336,956	$3,003,260	$333,696	$0	$0	$27,680,135	$24,912,122	$2,768,013	$0	$0	$0	$0	$0	$0	$0
23	Higher Education: Denver – Engineering and Physical Sciences Building	$0	$0	$0	$0	$0	$17,613,576	$13,210,182	$4,403,394	$0	$0	$37,453,644	$28,090,233	$9,363,411	$0	$0	$0	$10,670,472	$3,556,824	$0	$0
24	Higher Education: 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
25	Higher Education: King Center Renovation and Addition	$0	$0	$0	$0	$0	$46,314,564	$45,849,564	$465,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
26	Higher Education: Heat Plant Boiler #3 Replacement	$0	$0	$0	$0	$0	$3,533,110	$3,533,110	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
27	Higher Education: Psychology Building Renovation and Remodel	$0	$0	$0	$0	$0	$16,812,751	$16,812,751	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
28	Higher Education: Boulder – Guggenheim Geography Building	$0	$0	$0	$0	$0	$2,464,028	$985,612	$1,478,416	$0	$0	$22,258,034	$8,903,221	$13,354,813	$0	$0	$0	$0	$0	$0	$0
29	Higher Education: Plachy Hall HVAC Upgrade	$0	$0	$0	$0	$0	$5,281,034	$5,281,034	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
30	Higher Education: Performing Arts Expansion and Renovation	$0	$0	$0	$0	$0	$9,042,181	$8,228,384	$813,797	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
31	Higher Education: Boulder Creek	$0	$0	$0	$0	$0	$24,743,460	$23,258,852	$1,484,608	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
32	Higher Education: Freudenthal Library Renovation	$0	$0	$0	$0	$0	$1,937,382	$1,918,008	$19,374	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
33	Higher Education: Gray Hall Mechanical Systems Replacement	$0	$0	$0	$0	$0	$3,287,659	$3,287,659	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
34	Higher Education: 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
35	Higher Education: Tri-generation (Combined Cooling, Heating and Power)	$0	$0	$0	$0	$0	$7,236,649	$6,585,350	$651,299	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
36	Higher Education: Anschutz – College of Nursing and Student Support/Services Renovation	$0	$0	$0	$0	$0	$16,290,432	$8,145,216	$8,145,216	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

FY 2018-19 Prioritized Capital Construction Funds (CCF)																					
Row	Request Title	Prior Appropriations					FY 2018-19					FY 2019-20 *Expected Impact*					FY 2020-21 *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: Welding Shop Expansion	$0	$0	$0	$0	$0	$1,412,446	$1,412,446	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0
38	Higher Education: Anatomy Zoology East Wing Revitalization	$0	$0	$0	$0	$0	$15,784,650	$15,784,650	$0	$0	$0	$0	$0	$0		$0	$0	$0	$0	$0	$0
39	Higher Education: Anschutz – Building 500 Renovation	$0	$0	$0	$0	$0	$10,532,898	$5,266,449	$5,266,449	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
40	Higher Education: Chemistry B & C Wing Revitalization	$0	$0	$0	$0	$0	$24,951,150	$24,951,150	$0	$0	$0	$0	$0	$0	$0	$0	$0				
41	Higher Education: Campus Infrastructure	$0	$0	$0	$0	$0	$6,000,000	$6,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
42	Higher Education: Vocational Trades Building	$0	$0	$0	$0	$0	$1,996,733	$1,976,733	$20,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
43	Higher Education: Colorado Springs - Renovation of Existing Engineering Building	$0	$0	$0	$0	$0	$8,405,336	$8,405,336	$0	$0	$0	$24,261,773	$24,261,773	$0	$0	$0	$0	$0	$0	$0	$0
44	Higher Education: Campus Emergency Notification and Power	$0	$0	$0	$0	$0	$524,865	$524,865	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
45	Higher Education: Storage and Virtualization Project	$0	$0	$0	$0	$0	$1,129,604	$1,016,644	$112,960	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
46	Higher Education: Technology Infrastructure	$0	$0	$0	$0	$0	$784,886	$769,886	$15,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
47	Higher Education: Technology Infrastructure	$0	$0	$0	$0	$0	$615,310	$615,310	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
48	Higher Education: Security (Intrusion Detection) and Internal Door Access	$0	$0	$0	$0	$0	$815,000	$815,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
49	Higher Education: Technology/Communication Upgrades	$0	$0	$0	$0	$0	$543,300	$543,300	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
50	DHS: Institute Facility Modernization	$815,000	$815,000	$0	$0	$0	$11,812,033	$11,812,033	$0	$0	$0	$18,107,934	$18,107,934	$0	$0	$0	$352,975,016	$352,975,016	$0	$0	$0
51	CDOT: San Luis Valley Doppler Weather Radar Partnership	$0	$0	$0	$0	$0	$302,000	$302,000	$0			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
52	CDOT: I-70 Vail Pass Rest Area Waste Water Renovation	$0	$0	$0	$0	$0	$1,000,000	$1,000,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
53	CDOT: Eisenhower Johnson Memorial Tunnels (EJMT) Electrical System	$0	$0	$0	$0	$0	$1,000,000	$1,000,000	$0			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		$815,000	**$815,000**	**$0**	**$0**	**$0**	**$350,246,180**	**$322,482,846**	**$27,763,334**	**$0**	**$0**	**$182,198,076**	**$143,391,839**	**$38,806,237**	**$0**	**$0**	**$430,684,056**	**$405,219,172**	**$25,464,884**	**$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	Human Services	Services for People with Disabilities	VCLC-Homelake McCandless Fall Prevention, Fire Control, Video Ph 1 of 1	VCLC-Homelake McCandless Fall Prevention, Fire Control, Video Ph 1 of 1	$781,900	$0	$781,900	$0	$0	$0
2	Human Services	Services for People with Disabilities	DRCO Depreciation Fund Capital Improvements, Ph-ongoing	DRCO Depreciation Fund Capital Improvements, Ph-ongoing	$728,271	$0	$728,271	$0	$0	$0
3	Human Services	Services for People with Disabilities	VCLC - Fitzsimons Infrastructure Upgrades, Ph 1 of 1	VCLC - Fitzsimons Infrastructure Upgrades, Ph 1 of 1	$343,812	$0	$343,812	$0	$0	$0
4	Human Services	Services for People with Disabilities	VCLC-Rifle Infrastructure Upgrades	VCLC-Rifle Infrastructure Upgrades	$269,189	$0	$269,189	$0	$0	$0
5	Corrections	Correctional Industries	Cci Small Projects	Cci Small Projects	$660,000	$0	$660,000	$0	$0	$0
6	Higher Education	History Colorado	Regional Property Preservation Projects	Regional Property Preservation Projects	$700,000	$0	$700,000	$0	$0	$0
7	Natural Resources	Parks and Wildlife	Wildlife Infrastructure	Wildlife Infrastructure	$6,859,315	$0	$6,859,315	$0	$0	$0
8	Natural Resources	Parks and Wildlife	Land and Water Acquisitions - Parks	Land and Water Acquisitions - Parks	$1,400,000	$0	$1,400,000	$0	$0	$0
9	Natural Resources	Parks and Wildlife	Parks Infrastructure and Facilities	Parks Infrastructure and Facilities	$16,805,025	$0	$16,805,025	$0	$0	$0
Total Cash Funded Requests Approved for Funding by the Governor					**$28,547,512**	**$0**	**$28,547,512**	**$0**	**$0**	**$0**

FY 2017-18 Capital 100% Cash and Federal Funds																					
Row	Request Title	Prior Appropriations					FY 2017-18					FY 2018-19 *Expected Impact*					FY 2019-20 *Expected Impact*				
		TF	CCF	CF	FF	HUTF	TF	CCF	CF/RF	FF	HUTF	TF	CCF	CF	FF	HUTF	TF	CCF	CF	FF	HUTF
1	VCLC-Homelake McCandless Fall Prevention, Fire Control, Video Ph 1 of 1	$0	$0	$0	$0	$0	$781,900	$0	$781,900	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2	DRCO Depreciation Fund Capital Improvements, Ph-ongoing	$1,982,890	$0	$1,982,890	$0	$0	$728,271	$0	$728,271	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	VCLC - Fitzsimons Infrastructure Upgrades, Ph 1 of 1	$0	$0	$0	$0	$0	$343,812	$0	$343,812	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
4	VCLC-Rifle Infrastructure Upgrades	$0	$0	$0	$0	$0	$269,189	$0	$269,189	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
5	Cci Small Projects	$2,533,295	$0	$2,533,295	$0	$0	$660,000	$0	$660,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
6	Regional Property Preservation Projects	$2,587,015	$0	$2,587,015	$0	$0	$700,000	$0	$700,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
7	Wildlife Infrastructure	Ongoing				$0	$6,859,315	$0	$6,859,315	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
8	Land and Water Acquisitions - Parks	Ongoing				$0	$1,400,000	$0	$1,400,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
9	Parks Infrastructure and Facilities	Ongoing				$0	$16,805,025	$0	$16,805,025	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0
Total Cash Funded Requests Recommended for Funding by the Governor		**$7,103,200**	**$0**	**$7,103,200**	**$0**	**$0**	**$28,547,512**	**$0**	**$28,547,512**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

ATTACHMENT A: Fiscal Affairs and Audit Committee Capital Priority Ranking for FY2018-19 --					
Ranking	**Institution Name**	**Project Name**	**Score**	**CCF**	**CF**
N/A	Colorado State University - Fort Collins	CSU Water Resources Center and NWC Land Acquisition Program Plan**	N/A - Legislative Mandate	N/A	N/A
** National Western Center COP requests pending approval of project implementation conditioned upon the payments beginning July 1, 2019.					
CONTINUATION PROJECTS					
1	Colorado School of Mines	Green Center Roof Replacement	Continuation Project	$ 6,591,793	$ 6,591,793
PREVIOUSLY UNFUNDED STATE PROJECT PRIORITIZATION					
2	Front Range Community College	Larimer Campus Health Care Career Center	94.82%	$ 25,161,760	$ 8,419,272
	University of Colorado System	Anschutz - Center for Personalized Medicine & Behavioral Health	94.82%	$ 25,262,562	$ 144,313,093
3	Colorado Mesa University	Health Sciences Phase II - PA/PT/OT Center	86.20%	$ 7,851,523	$ 1,608,144
4	University of Colorado System	Boulder - Hellems Arts and Sciences Building	85.29%	$ 3,180,000	$ 4,065,000
5	Colorado State University - Fort Collins	Shepardson Addition and Renovation	79.41%	$ 4,527,223	$ 9,000,000
6	Western State Colorado University	Maintenance Garage - Mountain Search and Rescue	79.31%	$ 3,462,912	$ 200,000
7	Fort Lewis College	Whalen Gymnasium Expansion and Renovation for Exercise Science, South	75.00%	$ 3,003,260	$ 333,696
8	University of Colorado System	Denver – Engineering and Physical Sciences Building	74.13%	$ 13,210,182	$ 4,403,394
	Colorado Mesa University	Electric Lineworker Building	74.13%	$ 2,923,361	$ 289,125
10	Auraria Higher Education Center (AHEC)	King Center Renovation and Addition	72.05%	$ 45,849,564	$ 465,000
11	University of Northern Colorado	Heat Plant Boiler #3 Replacement	68.96%	$ 3,533,110	$ -
12	Colorado State University –P	Psychology Building Renovation and Remodel	67.64%	$ 16,812,751	$ -
13	University of Colorado System	Boulder – Guggenheim Geography Building	66.17%	$ 985,612	$ 1,478,416
14	Adams State University	Plachy Hall HVAC Upgrade	65.51%	$ 5,281,034	$ -
	Colorado Mesa University	Performing Arts Expansion and Renovation	65.51%	$ 8,228,384	$ 813,797
15	Community College of Denver	Boulder Creek	64.70%	$ 23,258,852	$ 1,484,608
16	Trinidad State Junior College	Freudenthal Library Renovation	60.29%	$ 1,918,008	$ 19,374
17	University of Northern Colorado	Gray Hall Mechanical Systems Replacement	60.34%	$ 3,287,659	$ -
18	Otero Junior College	Agriculture Science Remodel	57.35%	$ 1,393,800	$ -
			TOTAL	**$ 205,723,350**	**$ 183,484,712**
-------- OSPB CUT-OFF --------					
21	Colorado Mesa University	Tri-generation (Combined Cooling, Heating and Power)	56.89%	$ 6,585,350	$ 651,299
22	University of Colorado System	Anschutz – College of Nursing and Student Support/Services Renovation	55.88%	$ 8,145,216	$ 8,145,216
	Pueblo Community College	Welding Shop Expansion	55.88%	$ 1,412,446	$ -
	Colorado State University - Fort Collins	Anatomy Zoology East Wing Revitalization	55.88%	$ 15,784,650	$ -
25	University of Colorado System	Anschutz – Building 500 Renovation	54.41%	$ 5,266,449	$ 5,266,449

FY17-18 Capital Priority Ranking Process

Ranking	Institution Name	Project Name	Score	CCF	CF
26	Colorado State University - Fort Collins	Chemistry B & C Wing Revitalization	51.47%	$ 24,951,150	$ -
27	Colorado School of Mines	Campus Infrastructure	50.00%	$ 6,000,000	$ -
28	Lamar Community College	Vocational Trades Building	43.10%	$ 1,976,733	$ 20,000
29	University of Colorado System	Colorado Springs - Renovation of Existing Engineering Building	41.17%	$ 8,405,336	$ -
30	Pike's Peak Community College	Campus Emergency Notification and Power	36.20%	$ 524,865	$ -
	Community College of Denver	Storage and Virtualization Project	36.20%	$ 1,016,644	$ 112,960
32	Lamar Community College	Technology Infrastructure	32.75%	$ 769,886	$ 15,000
33	Trinidad State Junior College	Technology Infrastructure	27.58%	$ 615,310	$ -
34	Pueblo Community College	Security (Intrusion Detection) and Internal Door Access	25.86%	$ 815,000	$ -
	Otero Junior College	Technology/Communication Upgrades	25.86%	$ 543,300	$ -
			TOTAL	**$ 82,812,335**	**$ 14,210,924**
			TOTALS	**$ 288,535,685**	**$ 197,695,636**

COLORADO
Office of State Planning & Budgeting

111 State Capitol
Denver, Colorado 80203

November 1, 2017

The Honorable Beth Martinez Humenik
Chair, Joint Technology Committee
State Capitol Building
Denver, Colorado 80203

RE: OSPB Submission of FY 2018-19 Prioritized Information Technology Requests

Dear Senator Martinez Humenik:

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 2018-19.

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 all seven information technology projects submitted for funding for FY 2018-19. This recommendation will continue projects begun in previous years.

Please feel free to contact my office at (303) 866-3317 with any 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. Jason Schrock, Deputy Director, OSPB
Ms. Andrea Day, OSPB Staff

STATE OF COLORADO 1876

General Fund Transfer for Capital Construction and Information Technology Projects	
Capital Construction Projects	
Total Controlled Maintenance	($15,130,478)
Capital Construction Projects and Capital Renewal Projects Recommended for Funding	($84,307,204)
Subtotal Capital Projects Approved For Funding	**($99,437,682)**
Information Technology Projects	
IT Capital Projects Recommended for Funding	($17,537,760)
Subtotal IT Projects Approved For Funding and Supplementals	**($17,537,760)**
All Projects	**($116,975,442)**

FY 2018-19 Capital Construction IT Requests								
OSPB Priority	**Recommend Funding**	**Department**	**Request Title**	**CC-IT**	**FY 2018-19 Request**			
					TF	**CCF**	**CF/RF**	**RF/FF**
DHS-1	Yes	Human Services	IT Systems Interoperability Phase 4 of 5	CC-IT	$500,000	$50,000	$0	$450,000
GOV-3	Yes	Governor	HRWorks	CC-IT	$7,414,260	$7,414,260	$0	$0
GOV-4	Yes	Governor	Strategic IT Infrastructure Needs	CC-IT	$5,122,000	$5,122,000	$0	$0
CDE-1	Yes	Education	Information Management System	CC-IT	$2,331,000	$2,331,000	$0	$0
CDPHE-1	Yes	Public Health and Environment	Colorado Vital Information System Replacement	CC-IT	$2,440,000	$745,000	$1,695,000	$0
GOV-5	Yes	Governor	Colorado Health IT Roadmap Initiatives	CC-IT	$6,605,000	$1,875,500	$0	$4,729,500
DNR-1	Yes	Natural Resources	CPW Law Enforcement Records	CC-IT	$2,523,326	$0	$2,523,326	$0
Total Information Technology Requests Recommended for Funding by the Governor					**$26,935,586**	**$17,537,760**	**$4,218,326**	**$5,179,500**

FY 2018-19 Information Technology Requests																					
OSPB Priority	**Request Title**	**Prior Appropriations**					**FY 2018-19**					**FY 2019-20 *Expected Impact***					**FY 2021-22 *Expected Impact***				
		TF	**CCF**	**CF**	**RF**	**FF**	**TF**	**CCF**	**CF**	**RF**	**FF**	**TF**	**CCF**	**CF**	**RF**	**FF**	**TF**	**CCF**	**CF**	**RF**	**FF**
DHS-1	IT Systems Interoperability Phase 4 of 5	$35,363,060	$3,536,306	$0	$0	$31,826,754	$500,000	$50,000	$0	$0	$450,000	$20,723,760	$2,072,376	$0	$0	$18,651,384	$0	$0	$0	$0	$0
GOV-3	HRWorks	$31,288,801	$31,288,801	$0	$0	$0	$7,414,260	$7,414,260	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
GOV-4	Strategic IT Infrastructure Needs	$0	$0	$0	$0	$0	$5,122,000	$5,122,000	$0	$0	$0	$5,264,000	$5,264,000	$0	$0	$0	$0	$0	$0	$0	$0
CDE-1	Information Management System	$0	$0	$0	$0	$0	$2,331,000	$2,331,000	$0	$0	$0	$223,000	$223,000	$0	$0	$0	$137,500	$137,500	$0	$0	$0
CDPHE-1	Colorado Vital Information System Replacement	$0	$0	$0	$0	$0	$2,440,000	$745,000	$1,695,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
GOV-5	Colorado Health IT Roadmap Initiatives	$0	$0	$0	$0	$0	$6,605,000	$1,875,500	$0	$0	$4,729,500	$11,508,333	$1,150,833	$0	$0	$10,357,500	$4,450,000	$445,000	$0	$0	$4,005,000
DNR-1	CPW Law Enforcement Records	$0	$0	$0	$0	$0	$2,523,326	$0	$2,523,326	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Information Technology Requests Recommended for Funding by the Governor		**$66,651,861**	**$34,825,107**	**$0**	**$0**	**$31,826,754**	**$26,935,586**	**$17,537,760**	**$4,218,326**	**$0**	**$5,179,500**	**$37,719,093**	**$8,710,209**	**$0**	**$0**	**$29,008,884**	**$4,587,500**	**$582,500**	**$0**	**$0**	**$4,005,000**