

STATE OF COLORADO

OFFICE OF THE GOVERNOR

January 15, 2019



Jared Polis
Governor

To the Joint Budget Committee, General Assembly, and the people of Colorado,

It is with great pleasure that I submit to you my first budget proposal as Colorado's 43rd Governor. This budget, one of the first official documents of my administration, lays a strong foundation for a bold vision for our state. This is the first of many steps our administration will take to establish economic security for children, families, and small businesses. Although we continue to be a national model for economic growth, bipartisanship, and opportunity — far too many Coloradans are still barely getting by or are falling behind.

We must ensure that our state's success is working for everybody, whether you are a farmer whose livelihood is in danger due to drought, a young professional whose income isn't keeping up with housing costs, or a parent barely able to afford paying tuition to keep your child in full-day kindergarten.



Together, we're going to build an economy where Coloradans from all walks of life don't just get by, but thrive.

- Governor Polis

Education

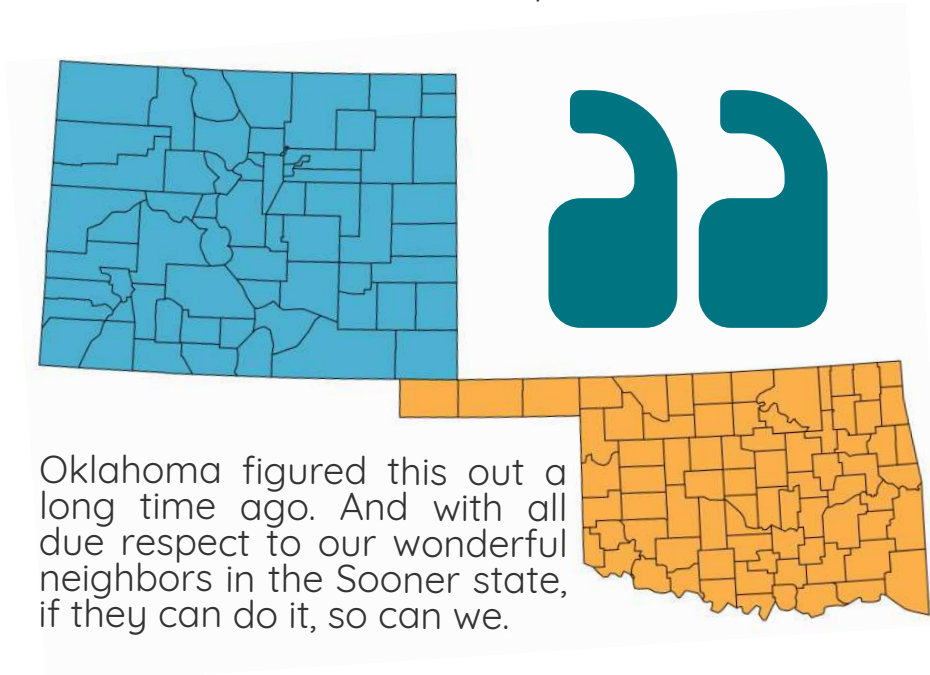


It's time for Colorado to build an education system that gives every single child — regardless of zip code, race, ethnicity, gender, sexual orientation, socioeconomic, or any other status — the tools to build a great life and succeed.

My top priority this year is to take the first step in building this system by providing access to free, full-day kindergarten to every child in Colorado. We have made progress over the years, through hard work and tough decisions by local school districts, but there are still 13,000 children without access to full-day kindergarten.

Education, cont'd

For those children who do have access, many are charged tuition – sometimes more than \$500 each month. As a result, our system of early education is uneven and costly and deprives some children of educational opportunity at a crucial time in their development.



- Governor Polis

Saving parents as much as

\$500+

IN MONTHLY TUITION FOR FULL-DAY KINDERGARTEN

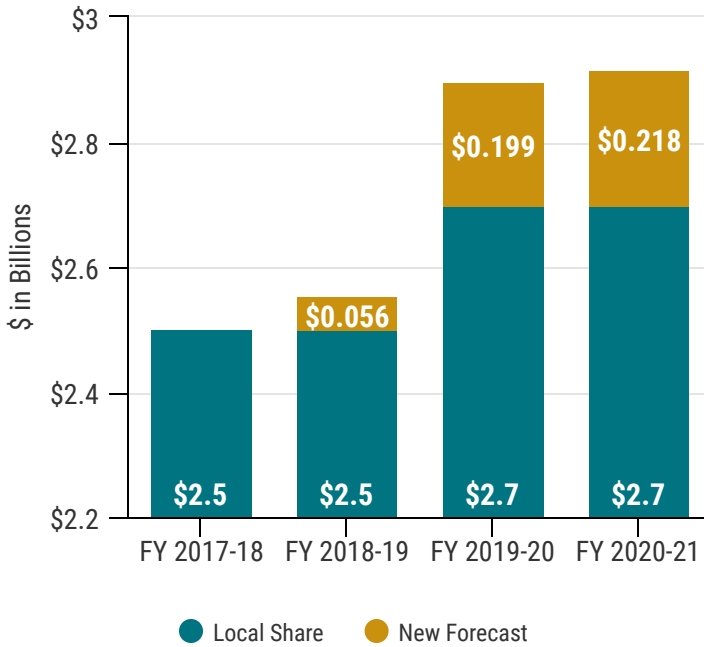


It is time for the state to step up and fund free, full-day kindergarten for all districts. This is the time to do so. Local funding for school districts has increased substantially because property values are increasing more than was forecast. The most recent economic forecast from Legislative Council indicated that the local share of K-12 education funding, derived from local property taxes, is projected to save the state hundreds of millions of dollars each year.

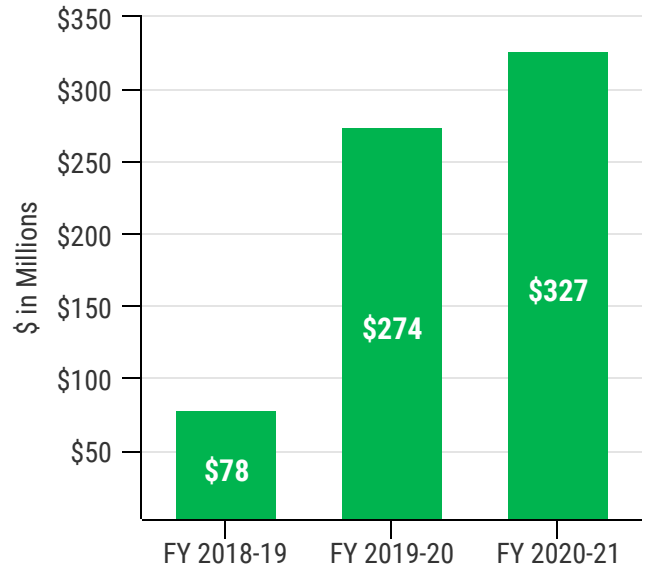
Education, cont'd

These resources, combined with lower forecasted growth in enrollment and inflation, have helped free up the funds for full-day kindergarten. The shift creates room in the current year's budget and in all the years of the budget forecast. See charts below.

Additional Local Revenue for School Districts

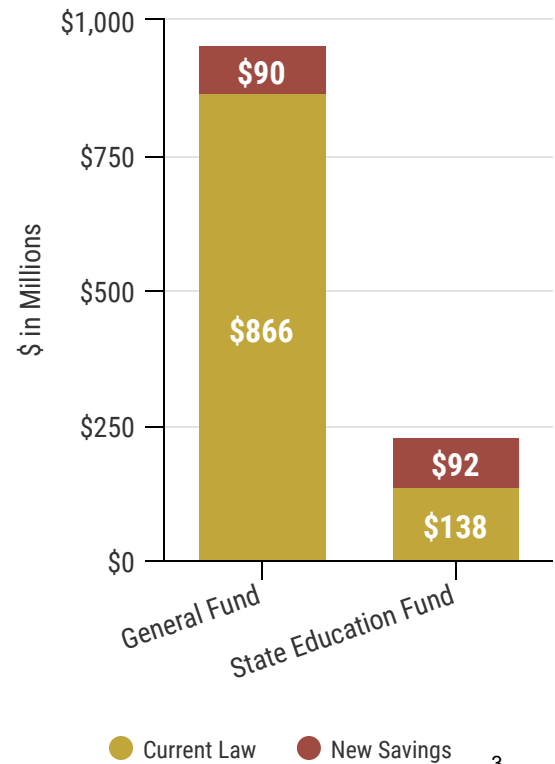


Freed Up State Resources from New Forecasts



We can leverage our state's improved economy to benefit our schools without sacrificing other budget priorities, including the \$77 million reduction in the Budget Stabilization Factor requested by the previous administration, and the prudent increase in the General Fund reserve to 8% (+\$90 million), bringing savings in the General Fund to nearly \$1 billion. In addition, my proposal doubles the budget's increase to rainy day savings by transferring \$92 million of unspent General Fund to the \$138 million in reserves in the State Education Fund. This will help protect our top priority, our children's future, in less robust economic times.

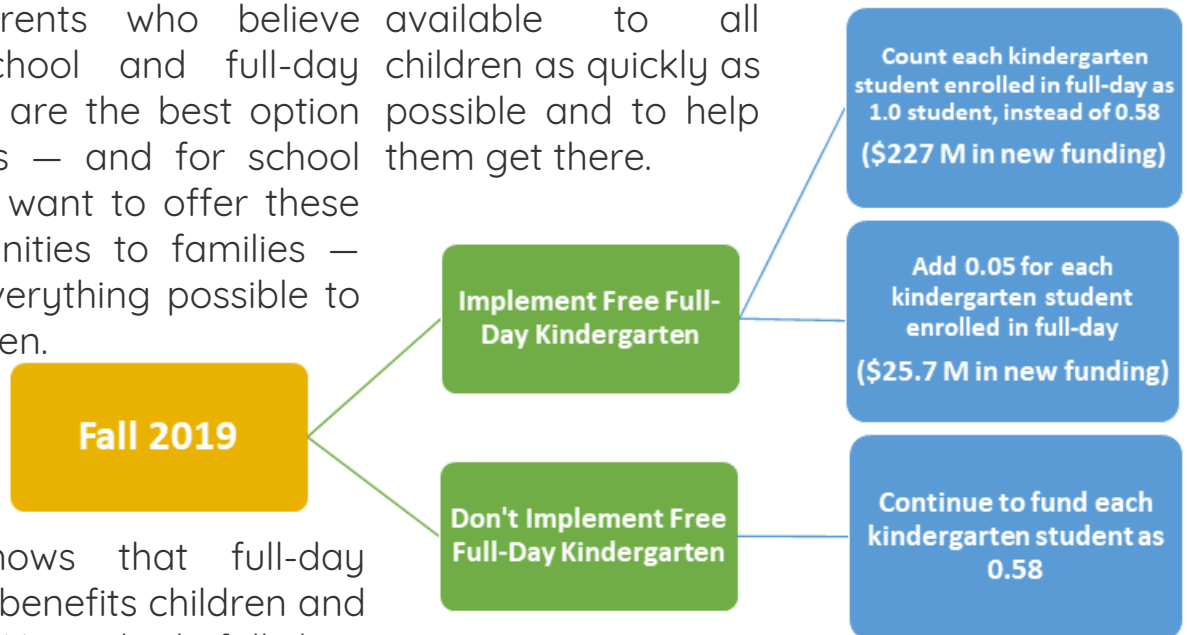
Adding to Reserves



Education, cont'd

My proposal includes \$227 million to empower every community in Colorado to provide free full-day kindergarten to every child, instead of the half-day kindergarten that the state currently funds. And I want to be clear: this is not a mandate, either for parents or for school districts. But for parents who believe public preschool and full-day kindergarten are the best option for their kids — and for school districts who want to offer these vital opportunities to families — we will do everything possible to make it happen.

The budget includes additional funding for implementation costs at \$25.7 million. This equates to an additional 5% bonus per student enrolled in full-day kindergarten to ensure curriculum, supplies, and classroom space can be made available for Fall of 2019. I have included implementation funding to encourage school districts to make free full-day kindergarten available to all children as quickly as possible and to help them get there.



Research shows that full-day kindergarten benefits children and their families. Not only do full-day

programs help improve young children's learning in both math and reading, they also can produce long-term educational gains for low-income and minority students, reduce the time parents/guardians spend transporting children between home, school, and child care, and give teachers more time to identify and address children's learning challenges.

The economic benefits of full-day kindergarten have the potential to save taxpayers money over the long term — both through increased parental participation in the labor market, and stronger academic outcomes for children. Full-day kindergarten has also been shown to instill self-confidence in young students and improve their ability to get along with others. Our education system should be one that focuses on the whole child, with support systems that build well-rounded, engaged citizens, not just good test-takers. My proposal will make significant progress in making this comprehensive approach to education a reality.

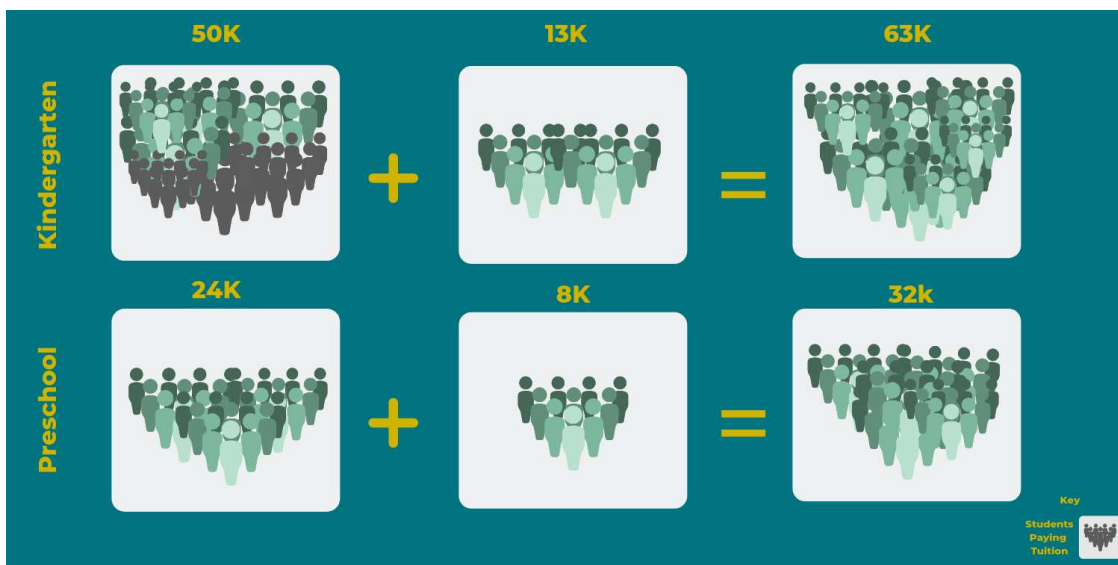
Education, cont'd

Because many schools are already providing full-day kindergarten programs within their existing budgets, our new investment will allow these districts to redirect those funds to new priorities, freeing up formerly dedicated resources to be invested elsewhere.

\$100 Million

MAY NOW BE REDIRECTED TO OTHER DISTRICT PRIORITIES, SUCH AS INCREASING TEACHER PAY AND REDUCING CLASS SIZES

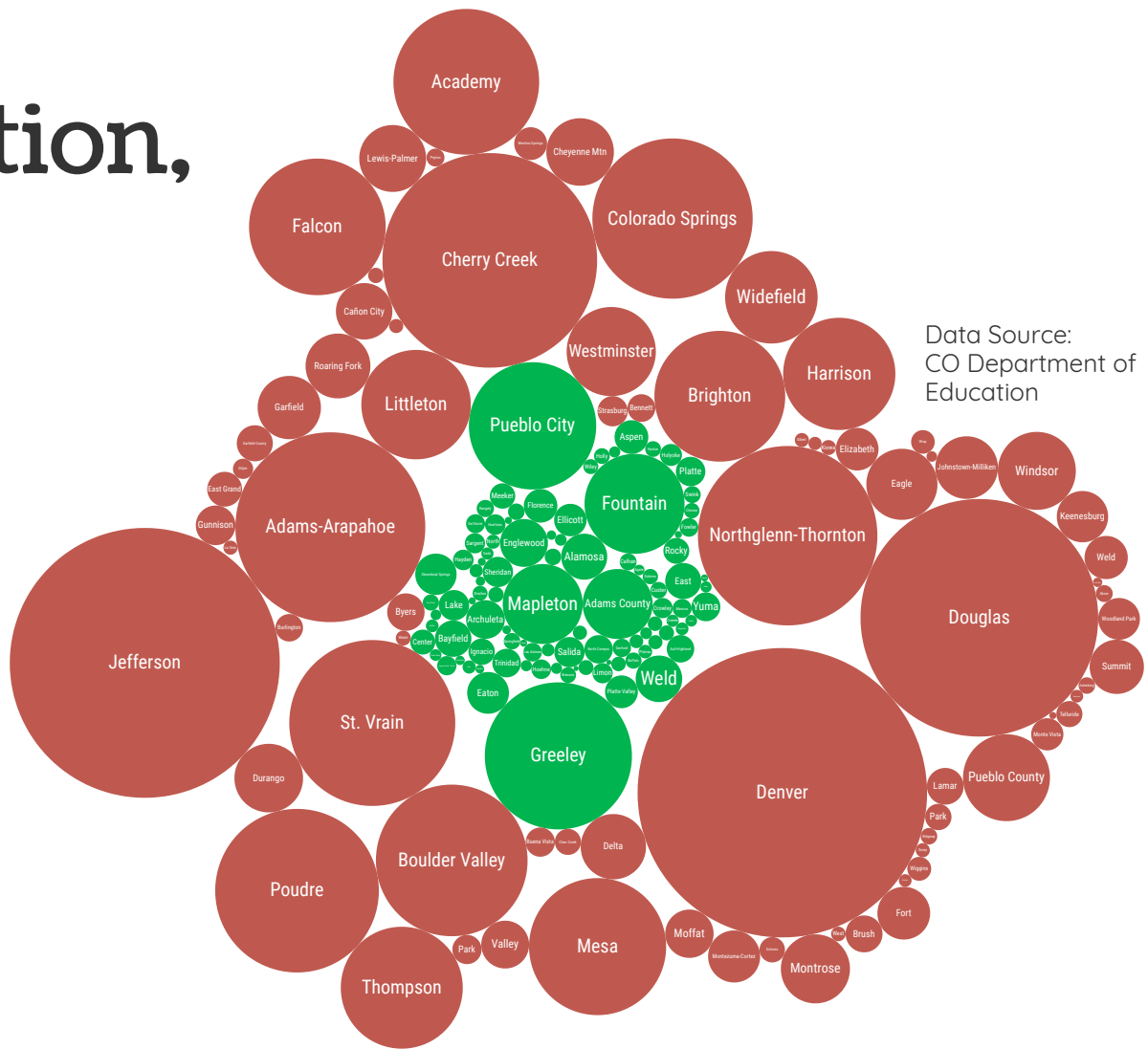
In addition to saving Colorado families the several hundred dollars per month in tuition they are commonly paying, this \$227 million investment frees up approximately \$100 million of their own funds that school districts are currently diverting to provide full-day kindergarten. This \$100 million in freed up resources can be used flexibly, including to increase teacher pay and reduce class size. Moreover, providing state funding for full-day kindergarten will make room to enroll an additional 5,136 at-risk children into preschool. Because the estimate of at-risk children currently on waitlists or otherwise eligible is more than 8,000, my proposal includes an additional \$13 million to fund preschool for the additional 3,066 children, eliminating this gap and providing high-quality preschool to more children. Preschool and full-day kindergarten help with earlier special needs identification and intervention. Early interventions reduce special education costs over time and ensure all learners achieve.



Our total investment allows an additional 13,000 children to access all day kindergarten, approximately 30,000 families to stop paying tuition for full-day kindergarten, and an additional 8,000 children to attend preschool. Combined, my proposal saves tens of thousands of families hundreds of hard-earned dollars each month.

Education, cont'd

The chart on the right shows all of Colorado's school districts, by the number of kindergartners they serve. The bubble is colored green if the district offers full-day kindergarten to at least 90% of their population, AND it is offered tuition-free.



Although continuing the buy-down of the Budget Stabilization Factor and funding early childhood education is a major investment in public education, we also carve out some room for targeted and impactful programmatic investments. Colorado's Education Leadership Council has done admirable work in a number of areas, including suggesting ways to build and strengthen community partnerships to address schoolwide mental and behavioral health. My budget continues the \$10 million proposed by Governor Hickenlooper to support proposals aligned with the Council's recommendations, including professional development for principals.

My budget also continues the \$6.5 million proposed for teachers' education costs, using these funds to support and expand the legislature's efforts to provide teacher loan forgiveness and incentives to teach in rural areas. These priorities will help address our educator shortage, which is having a devastating effect on public schools across the state. Loan forgiveness helps teachers increase their take-home pay so they can afford to live in the communities they serve.

Education, cont'd

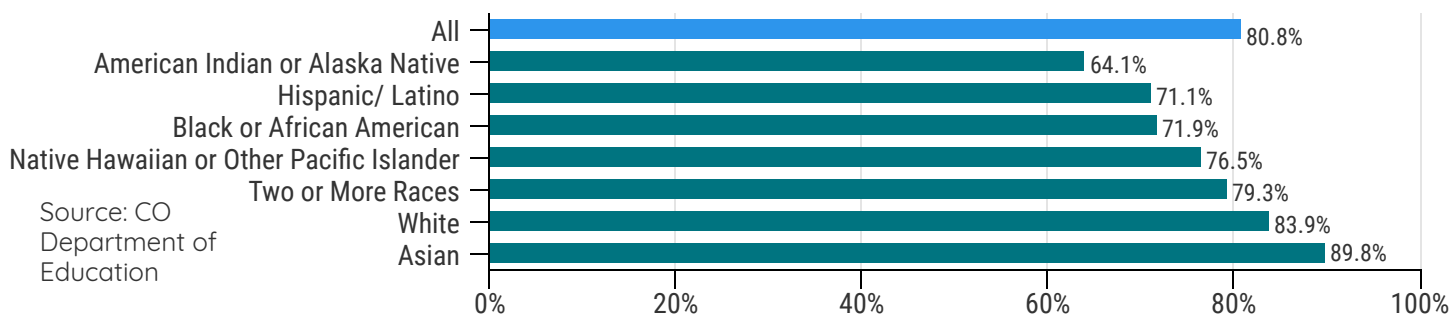
In addition, despite incremental progress in the past few years, Colorado's high school graduation rate lags well below our peers, and is particularly low for low-income and minority students. In support of this work, I am including \$2 million dedicated to data-driven programs that help freshmen in our high schools with the highest dropout rates stay on-track and develop the skills they need to graduate and go on to live healthy and productive lives.

10,421

Colorado
DROPOUTS
IN 2017

One of the best ways to make higher education more affordable is to make it easier for students to finish their degree programs as quickly as possible, particularly in our 15 community colleges across the state. My budget sets aside funding to provide community colleges with a program coordinator to increase dual and concurrent enrollment opportunities statewide, helping students get to the finish line quickly and reduce their total cost of attendance.

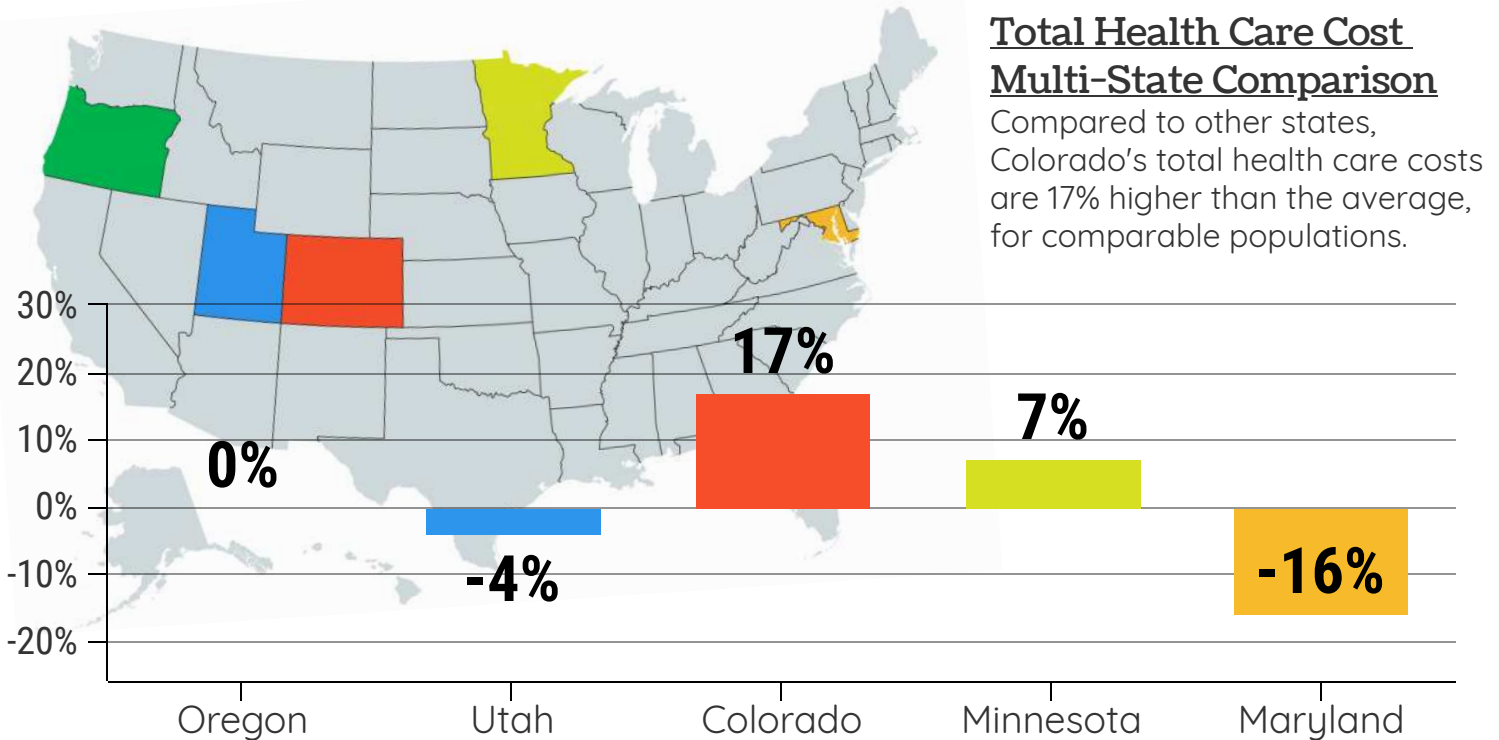
Colorado High School Graduation Rate by Race



My administration's budget continues Governor Hickenlooper's proposal to fund higher education at \$121 million to hold tuition flat. Holding tuition flat for one year is a step in the right direction, but we cannot simply throw more money at the problem and expect things to change. So let me be clear, this money is to relieve the pressure on our current students, it is not a substitute for a serious policy and stakeholder process to get a grip on the cost drivers of higher education that are leaving our students saddled with debt they cannot afford. A one-year tuition freeze is not a solution. Over 700,000 Coloradans are carrying over \$19 billion of student loan debt — this is simply unacceptable. Student loan debt is crushing Colorado middle class families and preventing Coloradans from earning enough for a good life. My administration will lead on this front. Much like the conversations we have initiated about unchecked health care costs, trends in ballooning student loan debt and tuition costs must be addressed if we want all Colorado families to thrive.

Health Care

Thanks to the leadership of Governor Hickenlooper and our legislature, our state has made significant progress over several years toward expanding access to affordable health care and reproductive health services, and cutting the uninsured rate to an unprecedented 6.5%. But despite the progress we've made, health care costs continue to rise and many families are being left behind.



Source: Network for Regional Healthcare Improvement



Headed by one of the fiercest patient advocates our state has ever known, Lieutenant Governor Primavera will lead our efforts, working closely with the legislature to increase price transparency, reduce costs for hospital stays, and make health insurance more affordable.

This begins with the immediate establishment of the first-ever Office of Saving People Money on Health Care, and this budget includes the modest resources in both FY 2018-19 and FY 2019-20 to give this office the power to make real change.

We aren't giving this office a fancy name to make it SOUND important. Instead we're giving it a simple name because it IS important.



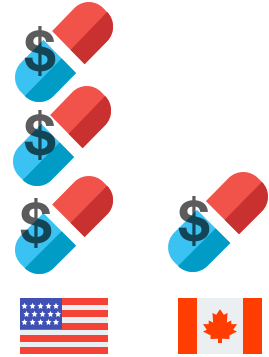
- Governor Polis

Health Care, cont'd

Our first step is to address prescription drug prices. Canada has the same drugs from the same manufacturing plants that we have here in the United States - but at a fraction of the cost. Together, with the General Assembly, we will design a program to allow our state to import prescription drugs from Canada. The budget sets aside \$1.3 million to get this program started and explore other innovative solutions.

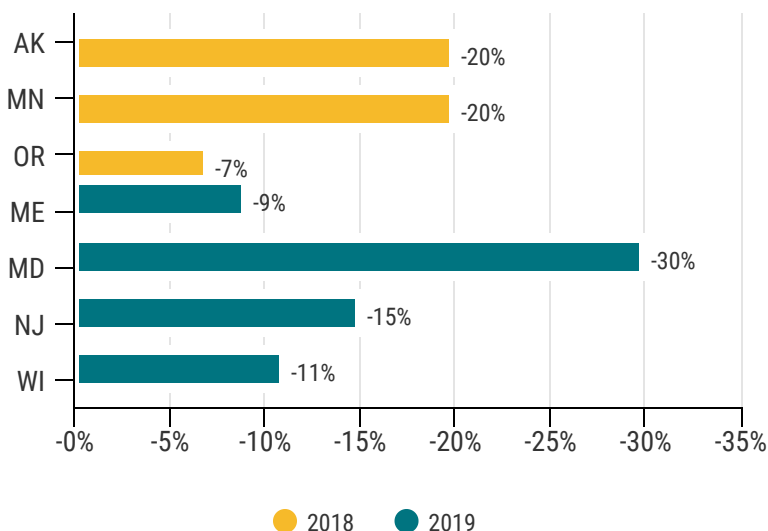


A 90-day prescription for Atorvastatin, more commonly known as Lipitor™ can cost \$150 or more in the United States. Just a few hundred miles North, the same exact drug can be filled for 1/3 the cost.



Another solution to reduce health care costs is to establish a reinsurance program. It has worked in other states, and can work for Colorado as well. The program, which essentially provides insurance for insurance companies, helps cover health care costs for patients with the most expensive ailments, reducing premiums in the individual market. Currently, there is a gap in the system for Coloradans who earn too much to qualify for premium subsidies through Advanced Premium Tax Credits, but still struggle to afford the high cost of premiums in the private market.

Projected Premium Reductions in States with Reinsurance Programs



Source: Centers for Medicare & Medicaid Services, Center for Consumer Information & Insurance Oversight

The reinsurance program would lower premiums for Coloradans hardest hit by sky-rocketing prices and the federal dollars saved on tax credits will, in part, fund the reinsurance pool. Lower premiums will benefit everyone, further encouraging healthy individuals to enroll, while reducing the significant strain on hospitals and safety net providers serving the uninsured. Working closely with the General Assembly, we will work to establish a program by 2020 that lowers expenses for all Coloradans.

Health Care, cont'd

The Lieutenant Governor's Office of Saving People Money on Health Care will also work to develop an opportunity for any Coloradan to purchase an option to be insured through the state. A competitive state health insurance option will add more choice to the health care insurance market.



It's time to establish a paid family and medical leave program in Colorado - so that employees aren't having to choose between keeping their paycheck and caring for their child, a sick relative, an aging parent, or themselves. This budget takes the first step in realizing that vision, by including resources from the state to help cover paid parental leave for state employees, which will improve the morale and effectiveness of the state workforce. We look forward to working with the legislature to pass legislation that establishes a more comprehensive paid family medical leave program that will benefit all Colorado workers, including state employees, because we are all part of one Colorado.

We plan to continue working closely with the legislature to address ongoing health concerns — including the opioid epidemic, which took more than 550 Colorado lives last year. We must take bold action to address this and other behavioral health crises. Legislation last year invested \$174 million, including \$34 million General Fund, to add residential and inpatient substance use disorder treatment as a Medicaid benefit. Upon federal approval, this will expand treatment to approximately 17,000 Coloradans.



It's time for us to build a health care system where no person has to choose between losing their life savings and losing their life.

- Governor Polis

The Colorado Way of Life

Here in Colorado, we pride ourselves on our unbeatable quality of life and the breathtaking beauty of the state we proudly call home. Protecting this special way of life for ourselves and future generations is one of the most sacred responsibilities we share.

100%

RENEWABLE

ENERGY BY 2040

I am committed to preserving, protecting and providing for this quality of life throughout my service. We're going to confront climate change head-on, to ensure that we fully benefit from all of the opportunities associated with being a leader in the quickly growing clean energy economy. Our commitment to reaching 100% renewable energy by 2040 and advancing the electrification of other sectors will protect the health of our communities, save consumers money, and ensure that the good-paying green jobs of the future are created here in Colorado.

Water is perhaps the natural resource most closely intertwined with the Colorado way of life. My budget continues the \$30 million investment proposed by Governor Hickenlooper for insulating our state from the risk of drought. Now is the time to build on the momentum established by the previous administration and do our part by committing to a bipartisan, sustainable funding source for our state's first comprehensive Water Plan.



We must also expand access to capital for businesses in rural Colorado. We are currently doing this through the existing Greater Colorado Venture Fund (a rural venture capital fund). My budget also supports the creation of a Rural Economic Grant Program under consideration of the legislature. This \$2.5 million grant program would provide seed money to support early stage businesses in small rural communities.

While the outdoor recreation economy continues to expand opportunities in rural Colorado, we must double down on supporting our rich farming and ranching tradition.



- Governor Polis

Finally, as one component of our expanded efforts to put health and safety first when it comes to protecting our communities from oil and gas operations, my budget adds field inspectors and resources at the Colorado Oil and Gas Conservation Commission.

Opportunity for All

So many of the important issues Coloradans face today boil down to opportunity; the opportunity to grow and start a business, the opportunity to enjoy Colorado's special way of life and majestic outdoors, the opportunity to get a great education that leads to a successful future. For Colorado to be a place where these opportunities are available to all, and not just some, we need to make our economy work better for middle-class families.



State of the State Video Clip

One way we'll do this is by working with the legislature to make our tax code more fair, so that we can reduce rates for Colorado families and small businesses. This will not have any budget implications and will be revenue neutral, and produce greater economic growth and prosperity over time. Our tax code gives too much power to special interests who can afford expensive lobbyists, while forcing ordinary families to pay more. We need a tax code that reflects today's realities rather than yesterday's distortions. Let people keep more of their hard-earned money rather than give it away to corporate interests. The legislature and the Auditor have gotten off to a good start by closely examining which deductions and credits are benefiting our economy, and which are being exploited by corporations at Colorado's expense. I want to work with you to close these loopholes and pass the savings on to families by lowering the income tax rate.

My tax reform proposal does not change how much money the state collects nor does it harm our investment in public priorities. It simply asks the largest, most profitable corporations to start paying their fair share so that individuals, families, and small businesses can pay less.



Our tax reform proposal simply asks the largest, most influential corporations to start paying their fair share so that individuals, families, and small businesses can pay less.

- Governor Polis

Opportunity for All, cont'd

If we want our communities to thrive, it means providing opportunities for every single person within that community to thrive, regardless of their immigration status. That's why this budget also includes funding to expand a program established in 2013 to provide driver's licenses and identification cards to undocumented immigrants, expanding program locations, and adding needed access in the southwestern part of the state for the first time.



My team will continue to work with legislative partners and community stakeholders to effectively manage the increase in court-ordered referrals for competency restoration. Our budget delays a request from the prior administration to turn Ridge View Academy into a facility for competency restoration, withdrawing the request for FY 2018-19 and FY 2019-20. Two other capital construction requests in the Department of Human Services are continued, which together would add capacity for 86 new beds. We are committed to working with all partners in the judicial system, community, and Department of Human Services to expand the use of community-based competency restoration. This budget sets aside \$2.5 million to augment other funds for community-based restoration services. These resources must be coupled with a comprehensive, system-wide approach to reduce wait-times for restorative treatment programming, which includes legislative reforms.

Every Coloradan wants the opportunity to earn a good life, and we can break down the barriers that hold them back. As we address the inequities in our tax code and reduce the income tax rate, so too must we address the inequities in our criminal justice system. That means tackling discriminatory practices that make people of color, individuals living with mental health disorders, and Coloradans experiencing poverty more likely to face incarceration. We are committed to working collaboratively with legislators and stakeholders from all walks of life to aggressively pursue criminal justice reform. We seek holistic reform that will avoid unnecessary incarceration, safely reduce the critical capacity issues facing our prison system, provide opportunities to minimize the use of private prisons, and better prepare individuals for life beyond bars. Our budget for the Department of Corrections, to be submitted by January 31, 2019, will propose reforms to reduce costs and recidivism, while improving public safety.

Opportunity for All, cont'd

Finally, as we consider our State workforce and the critical work they do every day to better the lives of Coloradans, we must ensure that their compensation keeps pace with the growth in cost of living that impacts us all. For that reason, I am proposing that State employees receive a 3% across the board salary increase for FY 2019-20 instead of the 3% merit pay increase that was proposed on November 1, 2018. While it is important to reward performance, all employees need to receive a pay increase next year to address cost of living.

FY 2019-20 Budget Highlights

Education	
Free Full-day Kindergarten	CDE BA-02
Full-day Kindergarten Implementation	CDE BA-04
Additional Pre-school Access	CDE BA-03
Teacher Loan Forgiveness	Placeholder
High School Freshman Success Fund	Placeholder
Expand Dual and Concurrent Enrollment	Placeholder

Health Care	
Office of Saving People Money on Health Care	GOV BA-01
Prescription Drug Importation	Placeholder
Reinsurance Program	Placeholder
Competitive State-backed Health Insurance Study	Placeholder
Paid Parental Leave	DPA BA-02

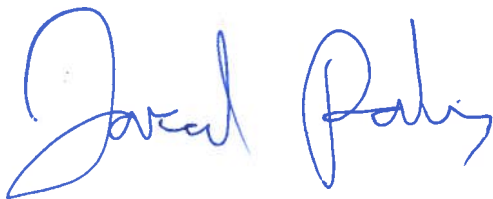
Colorado Way of Life	
COGCC Inspectors and Staff	DNR BA-02
Rural Economic Grant Program	Placeholder

Opportunity for All	
Immigrant Driver's License Program (CO Road and Community Safety Act, SB13-251)	DOR BA-01

Conclusion

What makes Colorado unique isn't just the boldness of our ideas. It is the resilience and the spirit of our people, who make change happen, who bring these bold ideas to life. Our shared responsibility is to turn challenges into opportunities and ideas into action. Now is the time to unite in our common purpose and move Colorado forward. Together, we can take this historic opportunity to build a Colorado that works for ALL.

Let's move boldly forward.



Jared Polis
Governor

Copy:

Senator Dominick Moreno, Joint Budget Committee Chair
Representative Daneya Esgar, Joint Budget Committee Vice Chair
Representative Chris Hansen, Joint Budget Committee
Senator Dennis Hisey, Joint Budget Committee
Representative Bob Rankin, Joint Budget Committee
Senator Rachel Zenzinger, Joint Budget Committee
Representative Kim Ransom
Senate President Leroy Garcia
Speaker of the House of Representatives KC Becker
Mr. John Ziegler, Joint Budget Committee Staff Director

Attachments

1. Summary of January 15 Budget Changes
2. January 15 Supplemental and Budget Amendment Requests by Department
3. Fund Sources by Department
4. General Fund Overview
5. Description of Department Requests

Summary of January 15 Budget Changes

Polis Administration Priority Department Requests							
Department	Request Name	FY 2018-19			FY 2019-20		
		Total Funds	FTE	General Fund	Total Funds	FTE	General Fund
Education	BA-02 Free Full Day Kindergarten	\$0	0.0	\$0	\$226,996,623	0.0	\$226,996,623
Education	BA-03 Additional CPP Slots (Preschool Access)	\$0	0.0	\$0	\$13,023,172	0.0	\$13,023,172
Education	BA-04 Full Day Kindergarten Implementation	\$0	0.0	\$0	\$25,719,814	0.0	\$25,719,814
Governor	S-01, BA-01 Lt. Governor Office Restructure	\$100,820	0.8	\$100,820	\$246,912	1.5	\$246,912
Governor	S-02, BA-02 Director of Operations and Cabinet Affairs Role	\$60,000	0.5	\$60,000	\$154,075	1.0	\$154,075
Natural Resources	BA-02 Additional Oil & Gas Field Inspectors & Support Staff	\$0	0.0	\$0	\$1,225,555	11.0	\$0
Personnel & Administration	BA-02 Paid Parental Leave - Statewide Impact	\$0	0.0	\$0	\$3,021,062	0.0	\$1,769,284
Revenue	BA-01 Colorado Road and Community Safety Act Expansion (Immigrant Driver's License Program - SB13-251)	\$0	0.0	\$0	\$262,978	3.6	\$0
Capital Construction	Delay Human Services CC-02 Secure Treatment Center for Mental Health Restoration Request (Ridge View)	(\$3,731,725)	0.0	(\$3,731,725)	(\$11,544,347)	0.0	(\$11,544,347)
Statewide	Change 3% Merit Increase to 3% Across the Board State Employee Salary Increase	\$0	0.0	\$0	\$0	0.0	\$0
Subtotal Priority Department Requests		(\$3,570,905)	1.3	(\$3,570,905)	\$259,105,844	17.1	\$256,365,533

Polis Administration Priority Placeholder Items							
Department	Placeholder Name	FY 2018-19			FY 2019-20		
		Total Funds	FTE	General Fund	Total Funds	FTE	General Fund
Education	High School Freshman Success Fund	\$0	0.0	\$0	\$2,000,000	0.0	\$2,000,000
Governor	Rural Economic Grant Program	\$0	0.0	\$0	\$2,500,000	0.0	\$2,500,000
Higher Education	Teacher Loan Forgiveness	\$0	0.0	\$0	\$6,500,000	0.0	\$6,500,000
Higher Education	Repurpose November 1 Budget Request (CDHE R-04, Colorado Teacher Scholarship)	\$0	0.0	\$0	(\$6,500,000)	0.0	(\$6,500,000)
Higher Education	Expand Dual and Concurrent Enrollment	\$0	0.0	\$0	\$1,500,000	0.0	\$1,500,000
Health Care Policy and Financing	Competitive State-backed Health Insurance Study	\$0	0.0	\$0	\$400,000	0.0	\$400,000
Health Care Policy and Financing	Prescription Drug Importation	\$0	0.0	\$0	\$1,300,000	0.0	\$1,300,000
Human Services	Community-based Competency Restoration Services	\$0	0.0	\$0	\$2,485,600	0.0	\$2,485,600
Regulatory Agencies	Reinsurance Program	\$0	0.0	\$0	\$1,148,000	0.0	\$1,148,000
Subtotal Placeholder Items		\$0	0.0	\$0	\$11,333,600	0.0	\$11,333,600

Technical/Caseload Requests							
Department	Request Name	FY 2018-19			FY 2019-20		
		Total Funds	FTE	General Fund	Total Funds	FTE	General Fund
Corrections	S-02 Correctional Officer Overtime	\$2,095,990	0.0	\$0	\$0	0.0	\$0
Education	S-01, BA-01 Total Program	(\$77,064,455)	0.0	(\$77,597,534)	(\$274,070,637)	0.0	(\$271,624,367)
Education	BA-05 Categorical Program Inflation Update	\$0	0.0	\$0	(\$923,224)	0.0	(\$425,296)
Human Services	S-09, BA-06 Youth Services Purchase of Contract Placements	(\$708,742)	0.0	(\$800,248)	(\$1,792,692)	0.0	(\$159,606)
Subtotal Technical/Caseload Requests		(\$75,677,207)	0.0	(\$78,397,782)	(\$276,786,553)	0.0	(\$272,209,269)

Total Polis Administration Budget Changes from January 2	(\$79,248,112)	1.3	(\$81,968,687)	(\$6,347,109)	17.1	(\$4,510,136)
<i>Total Incremental Request in Department Operating Budgets</i>	<i>(\$75,516,387)</i>	<i>1.3</i>	<i>(\$78,236,962)</i>	<i>(\$6,136,362)</i>	<i>17.1</i>	<i>(\$4,299,389)</i>
<i>Total Incremental Request to Capital Construction Budget</i>	<i>(\$3,731,725)</i>	<i>0.0</i>	<i>(\$3,731,725)</i>	<i>(\$11,544,347)</i>	<i>0.0</i>	<i>(\$11,544,347)</i>
<i>Total Placeholders for Legislation</i>	<i>\$0</i>	<i>0.0</i>	<i>\$0</i>	<i>\$11,333,600</i>	<i>0.0</i>	<i>\$11,333,600</i>

January 15 Supplemental and Budget Amendment Requests by Department

FY 2018-19 Supplemental Requests by Department							
Request Name	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	
						Federal Funds	Federal Funds
Department of Corrections							
Prioritized Request							
S-02 Correctional Officer Overtime	Yes	\$2,095,990	0.00	\$0	\$2,095,990	\$0	\$0
Total Jan 15 Incremental - Department of Corrections		\$2,095,990	0.00	\$0	\$2,095,990	\$0	\$0
Department of Education							
Prioritized Request							
S-01, BA-01 Total Program	Yes	(\$77,064,455)	0.0	(\$77,597,534)	\$533,079	\$0	\$0
Total Jan 15 Incremental - Department of Education		(\$77,064,455)	0.0	(\$77,597,534)	\$533,079	\$0	\$0
Office of the Governor							
Prioritized Request							
S-01 (LG) Lt. Governor Office Restructure	No	\$100,820	0.8	\$100,820	\$0	\$0	\$0
S-02 (GOV) Director of Operations and Cabinet Affairs Role	No	\$60,000	0.5	\$60,000	\$0	\$0	\$0
Total Jan 15 Incremental - Office of the Governor		\$160,820	1.3	\$160,820	\$0	\$0	\$0
Department of Human Services							
Prioritized Request							
S-09 Youth Services Purchase of Contract Placements	No	(\$708,742)	0.0	(\$800,248)	\$0	\$49,656	\$41,850
Total Jan 15 Incremental - Department of Human Services		(\$708,742)	0.0	(\$800,248)	\$0	\$49,656	\$41,850
Total Jan 15 Incremental FY 2018-19 Supplemental Requests by Department		(\$75,516,387)	1.3	(\$78,236,962)	\$2,629,069	\$49,656	\$41,850

FY 2019-20 Budget Amendment Requests by Department							
Request Name	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	
						Federal Funds	Federal Funds
Department of Agriculture							
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$23,185	0.0	\$2,201	\$20,984	\$0	\$0
Total Jan 15 Incremental - Department of Agriculture		\$23,185	0.0	\$2,201	\$20,984	\$0	\$0
Department of Corrections							
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$1,006,950	0.0	\$977,839	\$29,111	\$0	\$0
Total Jan 15 Incremental - Department of Corrections		\$1,006,950	0.0	\$977,839	\$29,111	\$0	\$0
Department of Education							
Prioritized Request							
BA-02 Free Full Day Kindergarten	Yes	\$226,996,623	0.0	\$226,996,623	\$0	\$0	\$0
BA-03 Additional CPP Slots (Preschool Access)	Yes	\$13,023,172	0.0	\$13,023,172	\$0	\$0	\$0
BA-04 Full Day Kindergarten Implementation	Yes	\$25,719,814	0.0	\$25,719,814	\$0	\$0	\$0
BA-05 Categorical Program Inflation Update	No	(\$923,224)	0.0	(\$425,296)	(\$497,928)	\$0	\$0
S-01, BA-01 Total Program	Yes	(\$274,070,637)	0.0	(\$271,624,367)	(\$2,446,270)	\$0	\$0
Subtotal Prioritized Requests		(\$9,254,252)	0.0	(\$6,310,054)	(\$2,944,198)	\$0	\$0
Non-Prioritized Request							
NPBA-02: Paid Parental Leave	No	\$37,450	0.0	\$13,642	\$5,707	\$3,437	\$14,664
Subtotal Non-Prioritized Requests		\$37,450	0.0	\$13,642	\$5,707	\$3,437	\$14,664
Total Jan 15 Incremental - Department of Education		(\$9,216,802)	0.0	(\$6,296,412)	(\$2,938,491)	\$3,437	\$14,664
Office of the Governor							
Prioritized Request							
BA-01 (GOV) Lt. Governor Office Restructure	No	\$246,912	1.5	\$246,912	\$0	\$0	\$0
BA-02 (GOV) Director of Operations and Cabinet Affairs Role	No	\$154,075	1.0	\$154,075	\$0	\$0	\$0
Subtotal Prioritized Requests		\$400,987	2.5	\$400,987	\$0	\$0	\$0
Non-Prioritized Request							
NPBA-02 (GOV) Paid Parental Leave	No	\$3,336	0.0	\$3,336	\$0	\$0	\$0
NPBA-02 (OIT) Paid Parental Leave	No	\$21,376	0.0	\$220	\$0	\$21,156	\$0
Subtotal Non-Prioritized Requests		\$24,712	0.0	\$3,556	\$0	\$21,156	\$0
Total Jan 15 Incremental - Office of the Governor		\$425,699	2.5	\$404,543	\$0	\$21,156	\$0

January 15 Supplemental and Budget Amendment Requests by Department, continued

FY 2019-20 Budget Amendment Requests by Department							
Request Name	Requires Legislation	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Department of Health Care Policy and Financing							
Non-Prioritized Request							
NPBA-07 Paid Parental Leave	No	\$172,826	0.0	\$84,232	\$962	\$275	\$87,357
Total Jan 15 Incremental - Department of Health Care Policy and Financing		\$172,826	0.0	\$84,232	\$962	\$275	\$87,357
Department of Higher Education							
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$353,378	0.0	\$0	\$1,506	\$351,872	\$0
Total Jan 15 Incremental - Department of Higher Education		\$353,378	0.0	\$0	\$1,506	\$351,872	\$0
Department of Human Services							
Prioritized Request							
S-09, BA-06 Youth Services Purchase of Contract Placements	No	(\$1,792,692)	0.0	(\$159,606)	\$0	(\$172,005)	(\$1,461,081)
Subtotal Prioritized Requests		(\$1,792,692)	0.0	(\$159,606)	\$0	(\$172,005)	(\$1,461,081)
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$724,317	0.0	\$471,981	\$38,080	\$156,006	\$58,250
Subtotal Non-Prioritized Requests		\$724,317	0.0	\$471,981	\$38,080	\$156,006	\$58,250
Total Jan 15 Incremental - Department of Human Services		(\$1,068,375)	\$0	\$312,375	\$38,080	(\$15,999)	(\$1,402,831)
Judicial							
Non-Prioritized Request							
NPBA-01 Paid Parental Leave	No	\$85,530	0.0	\$85,530	\$0	\$0	\$0
NPBA-01 Paid Parental Leave QCPO	No	\$104	0.0	\$104	\$0	\$0	\$0
NPBA-02 Paid Parental Leave	No	\$729	0.0	\$729	\$0	\$0	\$0
NPBA- 02 Paid Parental Leave Ind. Jud	No	\$17,815	0.0	\$17,815	\$0	\$0	\$0
Total Jan 15 Incremental - Judicial		\$104,178	0.0	\$104,178	\$0	\$0	\$0
Department of Labor and Employment							
Non-Prioritized Request							
NPBA - 02 Paid Parental Leave	No	\$132,608	0.0	\$13,747	\$55,192	\$0	\$63,669
Total Jan 15 Incremental - Department of Labor and Employment		\$132,608	0.0	\$13,747	\$55,192	\$0	\$63,669
Department of Law							
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$10,859	0.0	\$10,859	\$0	\$0	\$0
Total Jan 15 Incremental - Department of Law		\$10,859	0.0	\$10,859	\$0	\$0	\$0
Legislature							
Non-Prioritized Request							
NPBA-02 Parental Leave	No	\$8,347	0.0	\$8,347	\$0	\$0	\$0
Total Jan 15 Incremental - Legislature		\$8,347	0.0	\$8,347	\$0	\$0	\$0
Department of Local Affairs							
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$3,958	0.0	\$1,148	\$555	\$1,465	\$790
Total Jan 15 Incremental - Department of Local Affairs		\$3,958	0.0	\$1,148	\$555	\$1,465	\$790
Department of Military Affairs							
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$3,248	0.0	\$1,494	\$0	\$0	\$1,754
Total Jan 15 Incremental - Department of Military Affairs		\$3,248	0.0	\$1,494	\$0	\$0	\$1,754
Department of Natural Resources							
Prioritized Request							
BA-02 Additional Oil & Gas Field Inspectors & Support Staff	No	\$1,225,555	11.0	\$0	\$1,225,555	\$0	\$0
Subtotal Prioritized Requests		\$1,225,555	11.0	\$0	\$1,225,555	\$0	\$0
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	Yes	\$95,868	0.0	\$7,021	\$86,150	\$1,985	\$712
Subtotal Non-Prioritized Requests		\$95,868	0.0	\$7,021	\$86,150	\$1,985	\$712
Total Jan 15 Incremental - Department of Natural Resources		\$1,321,423	11.0	\$7,021	\$1,311,705	\$1,985	\$712

January 15 Supplemental and Budget Amendment Requests by Department, continued

FY 2019-20 Budget Amendment Requests by Department							
Request Name	Requires	Total Funds	FTE	General Fund	Cash Funds	Reappropriated	
	Legislation					Funds	Federal Funds
Department of Personnel and Administration							
Prioritized Request							
BA-02 Paid Parental Leave	Yes	\$0	0.0	\$0	\$0	\$0	\$0
Subtotal Prioritized Requests		\$0	0.0	\$0	\$0	\$0	\$0
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$17,642	0.0	\$7,612	\$213	\$9,817	\$0
Subtotal Non-Prioritized Requests		\$17,642	0.0	\$7,612	\$213	\$9,817	\$0
Total Jan 15 Incremental - Department of Personnel and Administration		\$17,642	0.0	\$7,612	\$213	\$9,817	\$0
Department of Public Health and Environment							
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$128,615	0.0	\$19,047	\$44,872	\$13,660	\$51,036
Total Jan 15 Incremental - Department of Public Health and Environment		\$128,615	0.0	\$19,047	\$44,872	\$13,660	\$51,036
Department of Public Safety							
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$65,828	0.0	\$41,509	\$24,319	\$0	\$0
Total Jan 15 Incremental - Department of Public Safety		\$65,828	0.0	\$41,509	\$24,319	\$0	\$0
Department of Regulatory Agencies							
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$23,237	0.0	\$454	\$21,559	\$1,224	\$0
Total Jan 15 Incremental - Department of Regulatory Agencies		\$23,237	0.0	\$454	\$21,559	\$1,224	\$0
Department of Revenue							
Prioritized Request							
BA-01 Colorado Road and Community Safety Act Expansion	No	\$262,978	3.6	\$0	\$262,978	\$0	\$0
Subtotal Prioritized Requests		\$262,978	3.6	\$0	\$262,978	\$0	\$0
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$80,583	0.0	\$0	\$80,583	\$0	\$0
Subtotal Non-Prioritized Requests		\$80,583	0.0	\$0	\$80,583	\$0	\$0
Total Jan 15 Incremental - Department of Revenue		\$343,561	3.6	\$0	\$343,561	\$0	\$0
Department of State							
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$2,613	0.0	\$0	\$2,613	\$0	\$0
Total Jan 15 Incremental - Department of State		\$2,613	0.0	\$0	\$2,613	\$0	\$0
Department of Transportation							
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$0	0.0	\$0	\$0	\$0	\$0
Total Jan 15 Incremental - Department of Transportation		\$0	0.0	\$0	\$0	\$0	\$0
Department of Treasury							
Non-Prioritized Request							
NPBA-02 Paid Parental Leave	No	\$660	0.0	\$417	\$243	\$0	\$0
Total Jan 15 Incremental - Department of Treasury		\$660	0.0	\$417	\$243	\$0	\$0
Total Jan 15 Incremental FY 2019-20 Budget Amendments by Department		(\$6,136,362)	\$17	(\$4,299,389)	(\$1,043,016)	\$388,892	(\$1,182,849)

Total Funds				
	2018-19	2019-20		
	Revised	Jan 15	\$	%
	Appropriation	Governor's	Change	Change
		Request		
Department of Agriculture	\$51,566,428	\$54,641,819	\$3,075,391	5.96%
Department of Corrections	\$910,055,030	\$981,734,574	\$71,679,544	7.88%
Department of Education	\$5,914,512,502	\$6,234,459,028	\$319,946,526	5.41%
Governor - Lt. Governor - State Planning and Budgeting	\$354,025,770	\$407,234,605	\$53,208,835	15.03%
Department of Health Care Policy and Financing	\$10,393,660,785	\$10,633,712,640	\$240,051,855	2.31%
Department of Higher Education	\$4,590,060,977	\$4,869,637,597	\$279,576,620	6.09%
Department of Human Services	\$2,182,889,319	\$2,281,530,445	\$98,641,126	4.52%
Judicial Department	\$760,176,128	\$800,764,872	\$40,588,744	5.34%
Department of Labor and Employment	\$259,539,481	\$276,705,059	\$17,165,578	6.61%
Department of Law	\$83,443,162	\$87,886,027	\$4,442,865	5.32%
Legislative Department	\$51,720,061	\$54,691,775	\$2,971,714	5.75%
Department of Local Affairs	\$316,851,010	\$318,546,514	\$1,695,504	0.54%
Department of Military and Veterans Affairs	\$232,124,223	\$233,085,172	\$960,949	0.41%
Department of Natural Resources	\$304,843,248	\$292,813,906	(\$12,029,342)	(3.95%)
Department of Personnel	\$205,399,820	\$211,433,788	\$6,033,968	2.94%
Department of Public Health and Environment	\$591,250,086	\$599,546,415	\$8,296,329	1.40%
Department of Public Safety	\$514,136,761	\$508,677,390	(\$5,459,371)	(1.06%)
Department of Regulatory Agencies	\$99,551,949	\$102,826,622	\$3,274,673	3.29%
Department of Revenue	\$370,844,296	\$394,837,332	\$23,993,036	6.47%
Department of State	\$25,377,772	\$32,148,831	\$6,771,059	26.68%
Department of Transportation	\$1,827,600,400	\$2,112,097,553	\$284,497,153	15.57%
Department of the Treasury	\$814,099,929	\$818,720,144	\$4,620,215	0.57%
Subtotal Department Operating Requests	\$30,853,729,137	\$32,307,732,108	\$1,454,002,971	4.71%
Placeholders for Legislation and Budget Adjustments	\$8,000,000	\$17,071,600	\$9,071,600	113.40%
1331 Approved Supplementals - Treasury	\$300,000	\$0	(\$300,000)	(100.00%)
Subtotal Operating Requests	\$30,862,029,137	\$32,324,803,708	\$1,462,774,571	4.74%

	2018-19	2019-20		
	Revised	Jan 15	\$	%
	Appropriation	Governor's	Change	Change
		Request		
Transfer to Capital Construction Fund	\$180,025,448	\$209,924,126	\$29,898,678	16.61%
TABOR Refund	\$394,425,754	\$529,553,570	\$135,127,816	34.26%
Old Age Pension Fund / Older Coloradans Fund	\$98,995,625	\$102,841,204	\$3,845,579	3.88%
Interest on School Loans	\$7,695,669	\$8,465,236	\$769,567	10.00%
Transfers to Transportation	\$495,000,000	\$200,000,000	(\$295,000,000)	(59.60%)
Transfers to State Education Fund (SB 13-234)	\$24,991,739	\$0	(\$24,991,739)	(100.00%)
Transfers to Other Funds	\$183,056,573	\$403,232,806	\$220,176,233	120.28%
Transfers to Controlled Maintenance	\$0	\$40,000,000	\$40,000,000	0.0%
Forecast Adjustments	(\$63,950,283)	(\$155,176,810)	(\$91,226,527)	142.65%
Total Other Obligations	\$1,320,240,525	\$1,338,840,132	\$18,599,607	1.41%
TOTAL FUNDS Requests	\$32,182,269,662	\$33,663,643,840	\$1,481,374,178	4.60%

Total General Fund

	2018-19 Revised Appropriation	2019-20 Jan 15 Governor's Request	\$ Change	% Change
Department of Agriculture	\$11,080,974	\$12,075,295	\$994,321	8.97%
Department of Corrections	\$811,798,086	\$881,163,463	\$69,365,377	8.54%
Department of Education	\$4,102,684,542	\$4,443,780,329	\$341,095,787	8.31%
Governor - Lt. Governor - State Planning and Budgeting	\$42,496,755	\$50,242,156	\$7,745,401	18.23%
Department of Health Care Policy and Financing	\$2,928,935,826	\$3,105,978,713	\$177,042,887	6.04%
Department of Higher Education	\$1,003,622,998	\$1,115,411,509	\$111,788,511	11.14%
Department of Human Services	\$970,369,300	\$1,019,911,893	\$49,542,593	5.11%
Judicial Department	\$553,056,004	\$597,438,846	\$44,382,842	8.03%
Department of Labor and Employment	\$19,475,174	\$24,271,023	\$4,795,849	24.63%
Department of Law	\$16,607,075	\$18,274,642	\$1,667,567	10.04%
Legislative Department	\$50,287,893	\$53,259,607	\$2,971,714	5.91%
Department of Local Affairs	\$37,793,684	\$42,764,327	\$4,970,643	13.15%
Department of Military and Veterans Affairs	\$11,210,655	\$11,836,012	\$625,357	5.58%
Department of Natural Resources	\$31,984,883	\$33,438,463	\$1,453,580	4.54%
Department of Personnel	\$14,074,381	\$14,957,454	\$883,073	6.27%
Department of Public Health and Environment	\$52,128,667	\$56,361,031	\$4,232,364	8.12%
Department of Public Safety	\$183,563,009	\$155,995,217	(\$27,567,792)	(15.02%)
Department of Regulatory Agencies	\$1,951,431	\$2,118,081	\$166,650	8.54%
Department of Revenue	\$113,253,340	\$116,258,460	\$3,005,120	2.65%
Department of State	\$0	\$6,300,000	\$6,300,000	0.0%
Department of the Treasury	\$400,329,817	\$354,165,519	(\$46,164,298)	(11.53%)
Subtotal Department Operating Requests	\$11,356,704,494	\$12,116,002,040	\$759,297,546	6.69%
Placeholders for Legislation and Budget Adjustments	\$8,000,000	\$17,071,600	\$9,071,600	113.40%
Subtotal Operating Requests	\$11,364,704,494	\$12,133,073,640	\$768,369,146	6.76%

	2018-19 Revised Appropriation	2019-20 Jan 15 Governor's Request	\$ Change	% Change
Transfer to Capital Construction Fund	\$180,025,448	\$209,924,126	\$29,898,678	16.61%
TABOR Refund	\$394,425,754	\$529,553,570	\$135,127,816	34.26%
Old Age Pension Fund / Older Coloradans Fund	\$98,995,625	\$102,841,204	\$3,845,579	3.88%
Interest on School Loans	\$7,695,669	\$8,465,236	\$769,567	10.00%
Transfers to Transportation	\$495,000,000	\$200,000,000	(\$295,000,000)	(59.60%)
Transfers to State Education Fund (SB 13-234)	\$24,991,739	\$0	(\$24,991,739)	(100.00%)
Transfers to Other Funds	\$183,056,573	\$403,232,806	\$220,176,233	120.28%
Transfers to Controlled Maintenance	\$0	\$40,000,000	\$40,000,000	0.0%
Forecast Adjustments	(\$63,950,283)	(\$155,176,810)	(\$91,226,527)	142.65%
Total Other Obligations	\$1,320,240,525	\$1,338,840,132	\$18,599,607	1.41%

TOTAL General Fund Requests	\$12,684,945,019	\$13,471,913,772	\$786,968,753	6.20%
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General Fund Subject to the Limit

	2018-19	2019-20		
	Revised	Jan 15	\$	%
	Appropriation	Governor's	Change	Change
		Request		
Department of Agriculture	\$11,080,974	\$12,075,295	\$994,321	8.97%
Department of Corrections	\$811,798,086	\$881,163,463	\$69,365,377	8.54%
Department of Education	\$4,102,684,542	\$4,443,780,329	\$341,095,787	8.31%
Governor - Lt. Governor - State Planning and Budgeting	\$42,496,755	\$50,242,156	\$7,745,401	18.23%
Department of Health Care Policy and Financing	\$2,928,505,917	\$3,105,592,173	\$177,086,256	6.05%
Department of Higher Education	\$1,003,622,998	\$1,115,411,509	\$111,788,511	11.14%
Department of Human Services	\$970,369,300	\$1,019,911,893	\$49,542,593	5.11%
Judicial Department	\$553,056,004	\$597,438,846	\$44,382,842	8.03%
Department of Labor and Employment	\$19,475,174	\$24,271,023	\$4,795,849	24.63%
Department of Law	\$16,607,075	\$18,274,642	\$1,667,567	10.04%
Legislative Department	\$50,287,893	\$53,259,607	\$2,971,714	5.91%
Department of Local Affairs	\$33,493,684	\$38,359,327	\$4,865,643	14.53%
Department of Military and Veterans Affairs	\$11,210,655	\$11,836,012	\$625,357	5.58%
Department of Natural Resources	\$31,984,883	\$33,438,463	\$1,453,580	4.54%
Department of Personnel	\$14,074,381	\$14,957,454	\$883,073	6.27%
Department of Public Health and Environment	\$51,698,758	\$55,974,491	\$4,275,733	8.27%
Department of Public Safety	\$183,563,009	\$155,995,217	(\$27,567,792)	(15.02%)
Department of Regulatory Agencies	\$1,951,431	\$2,118,081	\$166,650	8.54%
Department of Revenue	\$79,140,684	\$84,578,644	\$5,437,960	6.87%
Department of State	\$0	\$6,300,000	\$6,300,000	0.0%
Department of the Treasury	\$237,523,356	\$197,854,781	(\$39,668,575)	(16.70%)
Subtotal Department Operating Requests	\$11,154,625,559	\$11,922,833,406	\$768,207,847	6.89%
Placeholders for Legislation and Budget Adjustments	\$8,000,000	\$17,071,600	\$9,071,600	113.40%
TOTAL	\$11,162,625,559	\$11,939,905,006	\$777,279,447	6.96%

General Fund Exempt from the Limit

	2018-19 Revised Appropriation	2019-20 Jan 15 Governor's Request	\$ Change	% Change
Department of Health Care Policy and Financing	\$429,909	\$386,540	(\$43,369)	(10.09%)
Department of Local Affairs	\$4,300,000	\$4,405,000	\$105,000	2.44%
Department of Public Health and Environment	\$429,909	\$386,540	(\$43,369)	(10.09%)
Department of Revenue	\$34,112,656	\$31,679,816	(\$2,432,840)	(7.13%)
Department of the Treasury	\$162,806,461	\$156,310,738	(\$6,495,723)	(3.99%)
Subtotal Department Operating Requests	\$202,078,935	\$193,168,634	(\$8,910,301)	(4.41%)
Transfer to Capital Construction Fund	\$180,025,448	\$209,924,126	\$29,898,678	16.61%
TABOR Refund	\$394,425,754	\$529,553,570	\$135,127,816	34.26%
Old Age Pension Fund / Older Coloradans Fund	\$98,995,625	\$102,841,204	\$3,845,579	3.88%
Interest on School Loans	\$7,695,669	\$8,465,236	\$769,567	10.00%
Transfers to Transportation	\$495,000,000	\$200,000,000	(\$295,000,000)	(59.60%)
Transfers to State Education Fund (SB 13-234)	\$24,991,739	\$0	(\$24,991,739)	(100.00%)
Transfers to Other Funds	\$183,056,573	\$403,232,806	\$220,176,233	120.28%
Transfers to Controlled Maintenance	\$0	\$40,000,000	\$40,000,000	0.0%
Forecast Adjustments	(\$63,950,283)	(\$155,176,810)	(\$91,226,527)	142.65%
Total Other Obligations	\$1,320,240,525	\$1,338,840,132	\$18,599,607	1.41%
TOTAL	\$1,522,319,460	\$1,532,008,766	\$9,689,306	0.64%

Cash Funds				
	2018-19	2019-20		
	Revised	Jan 15		
	Appropriation	Governor's	\$	%
		Request	Change	Change
Department of Agriculture	\$34,082,132	\$36,160,497	\$2,078,365	6.10%
Department of Corrections	\$40,404,360	\$45,466,460	\$5,062,100	12.53%
Department of Education	\$1,155,247,490	\$1,127,342,450	(\$27,905,040)	(2.42%)
Governor - Lt. Governor - State Planning and Budgeting	\$47,889,843	\$50,110,090	\$2,220,247	4.64%
Department of Health Care Policy and Financing	\$1,421,197,015	\$1,418,606,237	(\$2,590,778)	(0.18%)
Department of Higher Education	\$2,744,061,460	\$2,829,178,556	\$85,117,096	3.10%
Department of Human Services	\$414,311,483	\$434,791,880	\$20,480,397	4.94%
Judicial Department	\$165,722,088	\$161,822,224	(\$3,899,864)	(2.35%)
Department of Labor and Employment	\$80,841,770	\$84,128,248	\$3,286,478	4.07%
Department of Law	\$18,042,023	\$18,414,431	\$372,408	2.06%
Legislative Department	\$470,869	\$470,869	\$0	0.0%
Department of Local Affairs	\$186,097,459	\$181,889,195	(\$4,208,264)	(2.26%)
Department of Military and Veterans Affairs	\$1,203,530	\$1,258,232	\$54,702	4.55%
Department of Natural Resources	\$238,360,805	\$225,141,830	(\$13,218,975)	(5.55%)
Department of Personnel	\$14,336,731	\$16,802,542	\$2,465,811	17.20%
Department of Public Health and Environment	\$192,667,743	\$193,755,105	\$1,087,362	0.56%
Department of Public Safety	\$217,279,782	\$230,449,398	\$13,169,616	6.06%
Department of Regulatory Agencies	\$91,139,400	\$93,965,901	\$2,826,501	3.10%
Department of Revenue	\$250,384,658	\$271,397,366	\$21,012,708	8.39%
Department of State	\$25,377,772	\$25,848,831	\$471,059	1.86%
Department of Transportation	\$1,209,009,051	\$1,483,552,633	\$274,543,582	22.71%
Department of the Treasury	\$396,084,849	\$447,120,375	\$51,035,526	12.88%
Subtotal Department Operating Requests	\$8,944,212,313	\$9,377,673,350	\$433,461,037	4.85%
1331 Approved Supplementals - Treasury	\$300,000	\$0	(\$300,000)	(100.00%)
TOTAL Cash Funds	\$8,944,512,313	\$9,377,673,350	\$433,161,037	4.84%

Reappropriated Funds

	2018-19 Revised Appropriation	2019-20 Jan 15 Governor's Request	\$ Change	% Change
Department of Agriculture	\$2,494,460	\$2,497,165	\$2,705	0.11%
Department of Corrections	\$54,336,517	\$51,529,339	(\$2,807,178)	(5.17%)
Department of Education	\$39,385,509	\$44,921,040	\$5,535,531	14.05%
Governor - Lt. Governor - State Planning and Budgeting	\$256,871,897	\$299,984,323	\$43,112,426	16.78%
Department of Health Care Policy and Financing	\$82,931,714	\$82,765,470	(\$166,244)	(0.20%)
Department of Higher Education	\$819,590,900	\$901,773,585	\$82,182,685	10.03%
Department of Human Services	\$188,233,492	\$195,326,151	\$7,092,659	3.77%
Judicial Department	\$36,973,036	\$37,078,802	\$105,766	0.29%
Department of Labor and Employment	\$7,521,018	\$9,849,133	\$2,328,115	30.95%
Department of Law	\$46,792,120	\$49,148,818	\$2,356,698	5.04%
Legislative Department	\$961,299	\$961,299	\$0	0.0%
Department of Local Affairs	\$12,146,466	\$12,776,212	\$629,746	5.18%
Department of Natural Resources	\$7,931,928	\$7,539,178	(\$392,750)	(4.95%)
Department of Personnel	\$176,988,708	\$179,673,792	\$2,685,084	1.52%
Department of Public Health and Environment	\$47,437,562	\$47,532,406	\$94,844	0.20%
Department of Public Safety	\$43,455,354	\$52,222,190	\$8,766,836	20.17%
Department of Regulatory Agencies	\$5,211,298	\$5,476,636	\$265,338	5.09%
Department of Revenue	\$6,381,910	\$6,149,515	(\$232,395)	(3.64%)
Department of Transportation	\$6,672,645	\$7,078,096	\$405,451	6.08%
Department of the Treasury	\$17,685,263	\$17,434,250	(\$251,013)	(1.42%)
TOTAL Reappropriated Funds	\$1,860,003,096	\$2,011,717,400	\$151,714,304	8.16%

Federal Funds

	2018-19 Revised Appropriation	2019-20 Jan 15 Governor's Request	\$ Change	% Change
Department of Agriculture	\$3,908,862	\$3,908,862	\$0	0.0%
Department of Corrections	\$3,516,067	\$3,575,312	\$59,245	1.68%
Department of Education	\$617,194,961	\$618,415,209	\$1,220,248	0.20%
Governor - Lt. Governor - State Planning and Budgeting	\$6,767,275	\$6,898,036	\$130,761	1.93%
Department of Health Care Policy and Financing	\$5,960,596,230	\$6,026,362,220	\$65,765,990	1.10%
Department of Higher Education	\$22,785,619	\$23,273,947	\$488,328	2.14%
Department of Human Services	\$609,975,044	\$631,500,521	\$21,525,477	3.53%
Judicial Department	\$4,425,000	\$4,425,000	\$0	0.0%
Department of Labor and Employment	\$151,701,519	\$158,456,655	\$6,755,136	4.45%
Department of Law	\$2,001,944	\$2,048,136	\$46,192	2.31%
Department of Local Affairs	\$80,813,401	\$81,116,780	\$303,379	0.38%
Department of Military and Veterans Affairs	\$219,710,038	\$219,990,928	\$280,890	0.13%
Department of Natural Resources	\$26,565,632	\$26,694,435	\$128,803	0.48%
Department of Public Health and Environment	\$299,016,114	\$301,897,873	\$2,881,759	0.96%
Department of Public Safety	\$69,838,616	\$70,010,585	\$171,969	0.25%
Department of Regulatory Agencies	\$1,249,820	\$1,266,004	\$16,184	1.29%
Department of Revenue	\$824,388	\$1,031,991	\$207,603	25.18%
Department of Transportation	\$611,918,704	\$621,466,824	\$9,548,120	1.56%
TOTAL Federal Funds	\$8,692,809,234	\$8,802,339,318	\$109,530,084	1.26%

General Fund Overview

The request reflects January 15th supplemental requests and budget amendments based on the OSPB December 2018 revenue forecast. The FY 2019-20 reserve is based on a reserve requirement of 8.0 percent as requested in the November 1 request.

Governor's General Fund Request	FY 2018-19	FY 2019-20	Change over FY 2018-19	% Change
Total General Fund Available	\$13,878,931,470	\$14,427,106,172	\$548,174,702	3.9%
Total General Fund Expenditures	\$12,684,945,019	\$13,471,913,772	\$786,968,753	6.2%
General Fund Expenditures Subject to Reserve	\$11,162,625,559	\$11,939,905,006	\$777,279,447	7.0%
General Fund Expenditures Exempt from Reserve	\$1,522,319,460	\$1,532,008,766	\$9,689,306	0.6%
Ending General Fund	\$1,193,986,451	\$955,192,401	-\$238,794,051	-20.0%
Required/Requested Reserve	7.25%	8.00%	0.75%	10.3%
Required/Requested Reserve Amount	\$809,290,353	\$955,192,400	\$145,902,047	18.0%
Above/ (Below) Reserve Level	\$384,696,098	\$0	-\$384,696,098	N/A

Relative to the January 2 request, the request for FY 2018-19 represents a reduction in General Fund spending of \$81.9 million. For FY 2019-20, the request is for \$94.6 million in additional General Fund, which includes a \$3.0 million increase to General Fund expenditures and a transfer of \$91.6 million to the State Education Fund.

FY 2018-19	January 2nd Request	January 15th Request	Difference
Total General Fund Available	\$13,865,205,705	\$13,878,931,470	\$13,725,765
Total General Fund Expenditures	\$12,766,913,706	\$12,684,945,019	-\$81,968,687
Ending General Fund	\$1,098,291,999	\$1,193,986,451	\$95,694,452

FY 2019-20	January 2nd Request	January 15th Request	Difference
Total General Fund Available	\$14,331,411,720	\$14,427,106,172	\$95,694,452
Total General Fund Expenditures	\$13,377,264,983	\$13,380,291,433	\$3,026,450
January 15th Transfer to State Education Fund	\$0	\$91,622,339	\$91,622,339
Ending General Fund	\$954,146,737	\$955,192,401	\$1,045,663

General Fund Discussion for FY 2018-19

FY 2018-19 General Fund Revenue Available (\$13,878.9 million)

The FY 2018-19 total available General Fund is \$13,878.9 million. This figure is based on a beginning balance of \$1,366.0 million, General Fund revenues of \$12,480.0 million, and \$19.2 million in transfers to the General Fund as outlined in our December 2018 OSPB forecast. Additionally, the total available General Fund includes \$13.7 million that the State

received from a multi-state settlement reached with Wells Fargo. This amount represents the portion paid to the State of Colorado as a penalty and deposited into the General Fund.

FY 2018-19 General Fund Expenditures (\$12,684.9 million)

General Fund expenditures requested for FY 2018-19 total \$12,684.9 million. This amount includes \$11,162.6 million subject to the General Fund limit and reserve requirement in Section 24-75-201.1, C.R.S. and \$1,522.3 million that is not subject to these requirements. Of this amount, \$244.8 million is associated with the December OSPB forecasted rebates and expenditures, \$394.4 million is associated with the TABOR refund and \$883.1 million is for transfers for capital construction, transportation, State Education Fund and other transfers.

Our General Fund request for FY 2018-19 supplementals totals a net \$81.9 million decrease relative to the January 2 request, of which \$78.2 million is subject to the limit and reserve requirement and \$3.7 million is not subject to these requirements. The \$3.7 million decrease is attributable to a FY 2018-19 capital construction request that was delayed by the Department of Human Services.

This FY 2018-19 supplemental request includes a net increase of \$11,356.7 million General Fund in department budgets. We are continuing to set aside \$8.0 million for a Department of Corrections request that will be forthcoming. This request will address prison capacity, including medical costs, for both FY 2018-19 and FY 2019-20.

As mentioned above, the Ridge View request for competency restoration beds was delayed by the Department of Human Services, resulting in a reduction of \$3.7 million General Fund transferred to the Capital Construction Fund to cover FY 2018-19 capital construction requests.

FY 2018-19 General Fund Ending Balance (\$1,194.0 million)

The ending balance for FY 2018-19 represents the difference between the General Fund available of \$13,878.9 million and General Fund expenditures of \$12,684.9 million. This amounts to an ending balance of \$1,194.0 million, or 10.7 percent of the General Fund expenditures subject to the reserve. This sum is \$384.7 million above the reserve requirement of \$809.3 million, which represents 7.25 percent of General Fund expenditures subject to the reserve.

FY 2018-19 General Fund Summary

General Fund Available	\$13,878.9 million
General Fund Expenditures	<u>\$12,684.9 million</u>
Preliminary Ending Balance	\$1,194.0 million
Preliminary Ending Balance	\$1,194.0 million
General Fund 7.25% Reserve Calculation	\$809.3 million <1>
Moneys Above Reserve Calculation	\$384.7 million

<1> Reserve is calculated based on appropriations subject to the General Fund limit and reserve requirement totaling \$11,162.6 million.

General Fund Discussion for FY 2019-20

FY 2019-20 General Fund Revenue Available (\$14,427.1 million)

The FY 2019-20 total available General Fund is \$14,427.1 million. This figure is based on a beginning balance of \$1,194.0 million, General Fund revenues of \$13,213.0 million and transfers to the General Fund of \$20.1 million identified in the December OSPB forecast.

FY 2019-20 General Fund Expenditures (\$13,471.9 million)

General Fund expenditures requested for FY 2019-20 total \$13,471.9 million. This amount includes \$11,939.9 million subject to the General Fund limit and reserve requirement in Section 24-75-201.1, C.R.S. and \$1,532.0 million that is exempt from these requirements. Of the \$1,532.0 million amount, \$149.3 million is associated with the December OSPB forecasted rebates and expenditures, \$529.6 million is associated with the TABOR refund and \$853.2 million is for transfers for capital construction, transportation, State Education Fund and other transfers.

Relative to the January 2 request, this January 15th request seeks \$94.6 million in additional General Fund, with \$13.1 million General Fund that is subject to the General Fund limit and reserve requirement and an increase of \$81.6 million that is not subject to these requirements. The \$81.6 million increase is attributable to three adjustments:

- 1) The Ridge View request for competency restoration beds was delayed by the Department of Human Services, resulting in a reduction of \$11.5 million General Fund transferred to the Capital Construction Fund to cover FY 2019-20 capital construction requests. This reduction is reflected in the \$853.2 million amount of total transfers from the General Fund noted above.
- 2) Two cash fund proposals are anticipated to increase cash fund revenue to the State in FY 2019-20. This will increase the TABOR refund by an estimated \$1.5 million General Fund. This \$1.5 million amount is reflected in the \$529.6 million total TABOR refund amount noted above.
- 3) The budget includes a proposed transfer of \$91.6 million to increase the reserve level in the State Education Fund. This \$91.6 million amount is reflected in the \$853.2 million amount of total transfers from the General Fund noted above.

This request includes a net decrease of \$4.3 million in department budgets and a net increase of \$11.3 million to FY 2019-20 placeholders for legislative initiatives. Please see the following table for a final list of placeholders for FY 2019-20, which includes revised placeholders with the January 2nd request and new placeholders with this January 15th request.

Final Legislative Placeholders for FY 2019-20	
Revised FY 2019-20 Placeholders with Jan 2 Request	
Opioid Initiatives	\$5,000,000
CO Improving Outcomes for Youth Taskforce - Juvenile Justice Initiatives	\$500,000
DMVA Update State Awards	\$8,000
DOR E-file	\$20,000
DPS Community Corrections Performance Based Contracting	\$25,000
Tax Credit Implementation Resources	\$185,000
Total Placeholders with Jan 2 Request	\$5,738,000
New Placeholders for FY 2019-20 with Jan 15 Request	
Teacher Loan Forgiveness	\$6,500,000
Repurpose Nov 1 Budget Request (CDHE R-04, Colorado Teacher Scholarship)	-\$6,500,000
High School Freshman Success Fund	\$2,000,000
Expand Dual and Concurrent Enrollment	\$1,500,000
Prescription Drug Importation	\$1,300,000
Reinsurance Program	\$1,148,000
Competitive State-backed Health Insurance Study	\$400,000
Community-based Competency Restoration Services	\$2,485,600
Rural Economic Grant Program	\$2,500,000
Additional Placeholders with Jan 15 Request	\$11,333,600
Total FY 2019-20 Placeholders for Legislation with General Fund Impact	\$17,071,600

FY 2019-20 General Fund Ending Balance (\$955.2 million)

Our ending FY 2019-20 General Fund reserve is \$955.2 million. This amount represents the difference between the \$14,427.1 million in net available revenue less the \$13,471.9 million in General Fund expenditures. The \$955.2 million reserve calculation represents 8.0 percent of the \$11,939.9 million subject to the General Fund reserve.

FY 2019-20 General Fund Summary

General Fund Available	\$14,427.1 million
General Fund Expenditures	<u>\$13,471.9 million</u>
General Fund Ending Balance	\$955.2 million
General Fund Ending Balance	\$955.2 million
General Fund 8.0% Reserve Calculation	<u>\$955.2 million</u> <1>
Balance Above Reserve	\$0 million

<1> Reserve is calculated based on General Fund appropriations of \$11,939.9 million subject to the General Fund limit and reserve requirement. The FY 2019-20 General Fund reserve calculates to an 8.0 percent General Fund reserve.



Cost and FTE

- The Department of Corrections (DOC) requests a supplemental funding increase of \$2,095,990 cash funds from the State Employee Reserve Fund (SERF) for FY 2018-19 in the Housing and Security Subprogram personal services appropriation.

Current Program

- Vacancy savings funds correctional officer overtime.
- Overtime may be authorized: (a) in an emergency; (b) to cover a station or assignment of another DOC employee not available to work; (c) to provide essential services when they cannot be provided by overlapping work schedules; and (d) to carry out short-range assignments in which the utilization of regular DOC employees is more advantageous than the hiring of additional DOC employees.
- Overtime covers minimal correctional facility staffing patterns and does not bring facilities up to normal staffing patterns.
- Senate Bill 13-210 essentially requires the payment of overtime versus using compensatory time for correctional officers.

Problem or Opportunity

- The FY 2018-19 overtime is projected to exceed the existing personal services appropriations by \$2,095,990.
- The overtime projection for FY 2018-19 was set to \$18,000,000 based on FY 2017-18 actual overtime.
- Overtime has exceeded the forecasted need for the first five months of FY 2018-19.
- The FY 2018-19 correctional officers' turnover rate is projecting to be 4.1% higher than FY 2017-18.

Consequences of Problem

- If the requested funding changes are not implemented, it will limit the Department of Corrections' ability to ensure the safety and security of its facilities.

Proposed Solution

- The Department of Corrections (DOC) requests a funding increase of \$2,095,990 cash funds from the State Employee Reserve Fund (SERF) for FY 2018-19 in the Housing and Security Subprogram personal services appropriation. Legislation will be required to utilize funds from the SERF for this purpose, and the Department respectfully requests that the Joint Budget Committee introduce such legislation.



Cost and FTE

- The Department requests a decrease of \$77 million total funds, in FY 2018-19. In addition, the Department requests a decrease of \$274 million total funds in FY 2019-20 for the *state share* portion of the Public School Finance Act.

Current Program

- By January of each fiscal year, school districts and the Department know the actual funding pupil count, at-risk pupil count, and local revenues available to support school finance (Total Program). Based upon these changes, the Department is submitting a FY 2018-19 supplemental request and a FY 2019-20 Budget Amendment to reflect updated data.

Problem or Opportunity

- In FY 2018-19, the actual funded pupils decreased from the original appropriation estimate of 871,141 to 870,084 funded pupils, a decrease of 1,057 pupils or 0.12 percent. Based on the FY 2018-19 pupil counts, the funded pupil estimate for FY 2019-20 is decreased from 876,386 funded pupils to 872,201 funded pupils, a decrease of 4,185 pupils or 0.48 percent.
- For FY 2018-19, the local share for the School Finance Act is approximately \$56.1 million more than the amount assumed in the current appropriation.
- For FY 2019-20, Legislative Council staff estimates that local share will be \$2.851 billion. This amount includes \$2.640 billion from property taxes and \$210.6 million from specific ownership taxes. The updated local share estimate included in the FY 2019-20 Budget Amendment is \$199.4 million higher than the local share amount included in the November 1 request.
- The budget amendment for FY 2019-20 also includes an adjustment for the inflation rate from 3% to 2.7% to reflect the recently published increase in Consumer Price Index for 2018.

Consequences of Problem

- The decrease in the funded pupil count and the at-risk student count reduces the amount of funding needed for Total Program by \$21.5 million in FY 2018-19 and by \$74.6 million in FY 2019-20 from the original November 1, 2018 estimate.
- Updates to the pupil counts, property valuations, and the inflation rate results in reduction in the state share for Total Program by \$77 million in FY 2018-19 and \$274 million in FY 2019-20.

Proposed Solution

- The requested adjustments for FY 2018-19 and FY 2019-20 will provide the necessary resources for funding of the Total Program requirements after the application of the Budget Stabilization Factor.



Cost and FTE

- The Governor’s office is requesting \$226,996,623 on-going General Fund to increase the kindergarten enrollment funding from 0.58 FTE to 1.0 FTE. This amendment also includes a request to repurpose the current funding for Hold-Harmless Kindergarten in the State Education Fund for this program.

Current Program

- There is abundant evidence that moving from half-day to full-day kindergarten sets kids up to be more successful in school and in life – improving performance, reducing inequities, narrowing achievement gaps, even increasing high school graduation rates.
- Despite this evidence, 13,000 children across the state are not enrolled in full-day kindergarten. While some parents may choose not to send their children to full-day kindergarten, and may continue to choose a half day under this proposal, all families should have access to a free, full-day option.

Problem or Opportunity

- Increasing state funding from .58 FTE to 1.0 FTE for all children enrolled in full-day kindergarten will ensure that all school districts have the opportunity to offer full-day kindergarten without charging tuition or cutting other programs.

Consequences of Problem

- Studies have shown that full-day kindergarten improves child outcomes, increases labor participation, and helps to close achievement gaps.
- Enrollment in full-day kindergarten varies across the state.
- Fully funding full-day kindergarten will help ensure that all children have the opportunity to attend full-day learning opportunities.

Proposed Solution

- All school districts that provide full-day kindergarten will receive 1.0 FTE for each child enrolled in full-day kindergarten.
- Increasing the kindergarten factor from 0.58 FTE to 1.0 FTE will also free up resources for school districts to spend on other priorities.
- Approximately 5,136 slots from the Early Childhood At-Risk Enhancement (ECARE) program can be repurposed for the Colorado Preschool Program.
- READ act funds currently spent on full-day kindergarten can be repurposed for additional early literacy programs such as tutoring services or other evidence-based early learning interventions.
- Any funding that is not distributed for full-day kindergarten at the end of FY 2019-20 will be transferred to the State Education Fund.



Cost and FTE

- The Governor’s Office requests \$13,023,172 ongoing General Fund for expansion of the Colorado Preschool Program (CPP). This funding will provide approximately 3,066 additional CPP slots.

Current Program

- The Colorado Preschool Program (CPP) is an early childhood education program. CPP provides access to quality early childhood education for children who lack overall learning readiness.
- Children are determined eligible for CPP by individual and family risk factors.
- The program’s most recent legislative report showed CPP graduates scored higher in mathematics, were less likely to have a significant reading deficiency, and were less likely to be retained in grades K-3 than their peers who did not attend CPP.

Problem or Opportunity

- Despite evidence that children are making significant gains in learning and development in the program, CPP is funded for 29,360 slots. It is estimated that 8,202 additional children are eligible to participate.
- Additional state funding for the CPP program will ensure that all children who qualify for this program will receive quality early childhood education that will prepare them for kindergarten.

Consequences of Problem

- Access to quality early childhood education is a proven strategy to improve outcomes for children and their families. Quality early learning programs have been associated with short and long-term benefits for children, families, and societies, including higher graduation rates, lower crime rates, higher maternal labor participation, and better health outcomes for children. This program targets the most vulnerable children and ensures that they are given the tools and resources they need to be successful.

Proposed Solution

- Providing state funds for full-day kindergarten through the Total Program calculations (BA-02) will make available 5,136 Early Childhood At-Risk Enhancement (ECARE) slots.
- An additional 3,066 slots funded in this request will help ensure all eligible children can attend high-quality preschool through the CPP program.
- Although the requested funding will be distributed to school districts through the Department of Education, the additional CPP slots are expected to increase preschool licensing workload within the Office of Early Childhood in the Department of Human Services (DHS). The exact impact of this request to DHS is unknown at this time. As this proposal is further developed, the Department will evaluate the increased costs of licensing any potential new preschools. We would like to work with the Joint Budget Committee to make any needed resources available to DHS beginning July 1, 2019 to ensure the timely implementation and availability of preschool slots.



Cost and FTE

- The Governor’s Office requests \$25,719,814 General Fund for distribution to school districts to help defer the start-up costs of providing free full-day kindergarten for all students in FY 2019-20.

Current Program

- There is abundant evidence that moving from half-day to full-day kindergarten sets kids up to be more successful in school and in life – improving performance, reducing inequities, narrowing achievement gaps, even increasing high school graduation rates.
- Despite this evidence, 13,000 children across the state are not enrolled in full-day kindergarten. While some parents may choose not to send their children to full-day kindergarten, and may continue to choose a half day under this proposal, all families should have access to a free, full-day option.

Problem or Opportunity

- While most districts currently provide full-day kindergarten, school districts across the state with low percentages of children enrolled in full-day kindergarten may experience challenges transitioning to full-day kindergarten in one year. These challenges may include acquiring additional facilities and hiring or retaining high-quality teachers.

Consequences of Problem

- Studies have shown that full-day kindergarten improves child outcomes, increases labor participation, and helps to close achievement gaps.
- Enrollment in full-day kindergarten varies across the state.
- This funding will empower all school district to offer free full-day kindergarten by providing funds for districts to make this transition possible in FY 2019-20.

Proposed Solution

- Funding for full-day kindergarten implementation will be provided as an additional 0.05 FTE for each student enrolled in full-day kindergarten. This funding will be in addition to the increased funding for each kindergarten student proposed in BA-02.
- The intention of this funding is to assist districts with up-front costs for implementing full-day kindergarten. It will be distributed by the Department of Education as early in the fiscal year as possible.
- Any state funding that is not distributed in FY 2019-20 will be transferred to the State Education Fund.



Cost and FTE

- The Department requests an adjustment of the inflationary increase for categorical programs from 3% to 2.7%. This budget amendment request includes a reduction of \$923,224 total funds, a reduction of \$425,296 General Fund., and a reduction of \$497,928 State Education Fund.

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 2018-19 is \$475.3 million. Of this amount, \$141.8 million is General Fund, \$166.4 million is cash funds (\$166 million from the State Education Fund and \$450,000 from Public School Transportation Fund), \$191,090 are funds transferred from other state agencies, and \$167 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. FY 2019-20 inflation numbers have been updated from 3% to 2.7% to reflect the recently published increase in the Denver-Aurora-Lakewood Consumer Price Index for 2018.

Consequences of Problem

- A 2.7% inflationary rate results in a reduction of \$923,224 from the November 1, 2018 budget request.

Proposed Solution

- The proposed budget amendment changes are reflected to the following programs: Special Education programs in the amount of -\$518,835, English Language Proficiency Programs in the amount of -\$164,506, Public School Transportation in the amount of -\$156,794, Career and Technical Education in the amount of -\$63,903, and Gifted and Talented Programs in the amount of -\$19,185.



COLORADO

Office of the Lieutenant Governor

Priority: S-01 / BA -01
Lt. Governor's Office Restructure
FY 2018-19 and 2019-20 Change Request

Cost and FTE

- This is a FY 2018-19 supplemental request for \$100,820 General Fund and 0.75 FTE, annualized to \$246,912 General Fund and 1.5 FTE in FY 2019-20.
- The request will: (1) Fund the Lt. Governor's salary for her concurrent role as the Executive Director of a department, and (2) Create within the Lt. Governor's Office a new "Office of Saving People Money on Health Care" staffed with 1.5 FTE.

Current Program

- The Lieutenant Governor serves as the State's second highest-ranking elected or appointed official in the executive branch. According to the Colorado Constitution, the Lt. Governor has the authority to act as Governor if the sitting Governor is traveling out of state or unable to act as Governor.
- The Lt. Governor's Office oversees Serve Colorado, the Colorado Commission of Indian Affairs, the Office of eHealth Innovation, and the State Innovation Model. The Lt. Governor serves as Co-Chair of the Space Coalition, Co-Chair of the Early Childhood Leadership Commission and is on the Executive Committee of the Education Leadership Council.
- During the Hickenlooper Administration, the Lt. Governor served concurrently as the State's Chief Operating Officer.

Problem or Opportunity

- Under the Polis Administration, the Lt. Governor will *not* serve concurrently as the State's Chief Operating Officer (COO). Instead, she will serve concurrently as the Executive Director of the new "Office of Saving People Money on Health Care."
- During the Hickenlooper Administration, the COO's salary was funded from various other offices within the Governor's Office. There was no direct appropriation given to the Office for this purpose.
- Governor Polis and Lt. Governor Primavera believe all Coloradans should have access to high-quality, affordable health care, and seek to establish this new Office toward that end.

Proposed Solution

- The first proposed solution is to establish a dedicated source of funding for the Lt. Governor's salary in her new capacity of Executive Director of the "Office of Saving People Money on Health Care." In this request, \$66,640 is included as a base salary increase for this purpose.
- The second proposed solution is to create and staff a new "Office of Saving People Money on Health Care" with 1.5 FTE that will focus on ensuring that Coloradans have access to higher quality health services at a lower cost. In this request, \$135,000 in base salaries is included for this purpose.



Cost and FTE

- The request is for \$60,000 General Fund and 0.5 FTE for FY 2018-19, annualized to \$154,075 General Fund and 1.0 FTE in FY 2019-20.
- This request seeks to create and fund the new *Director of Operations and Cabinet Affairs* position within the Governor’s Office.

Current Program

- During the Hickenlooper Administration, H.B. 16-1462 temporarily modified statute combining the role of the Lt. Governor with that of the State Chief Operating Officer (COO), and allowed this position to also receive a salary increase commensurate to that of a head of a principal department.
- The fiscal note indicated that the incremental salary (above the Lt. Governor’s statutory salary of \$68,500 at the time) should come from vacancy savings and grants; there was no appropriation. Therefore the COO’s salary was pulled from various other offices within the Governor’s Office.
- Governor Polis does *not* plan to continue with the role of the COO as specified in H.B. 16-1462.

Problem or Opportunity

- Under the Polis Administration, the Lt. Governor will *not* serve concurrently as the State’s Chief Operating Officer (COO). Instead, she will serve concurrently as the Executive Director of the new “Office of Saving People Money on Health Care.”
- During the Hickenlooper Administration, the COO’s salary was funded from various other offices within the Governor’s Office. There was no direct appropriation given to the Office for this purpose.

Proposed Solution

- This request will create and fund the new *Director of Operations and Cabinet Affairs* position to replace that of the State Chief Operating Officer.
- This position will be separate from that of the Lt. Governor and additional funding will provide a stable and dedicated source of funding in the Long Bill for this new role.



Cost and FTE

- The Department of Human Services requests a decrease in total funds of \$708,742, including a decrease of \$800,248 General Fund, an increase of \$49,656 reappropriated funds and \$41,850 federal funds in FY 2018-19 for the Division of Youth Services (DYS). In FY 2019-20, the Department requests a decrease in total funds of \$1,792,692 including a decrease of \$159,606 General Fund, \$172,005 reappropriated funds and \$1,461,081 federal funds. The supplemental and budget amendment are the result of savings incurred due to temporary facility closures and a change in the caseload forecast.

Current Program

- DYS operates ten State-owned secure facilities for detention and commitment. In addition, the State places youth at three State-owned, privately-operated facilities. In FY 2018-19, the operator for two of these facilities (DeNier and Marler) had licensing actions which resulted in temporary closures of the facilities and decreased expenses in the Purchase of Contract Placement line item.
- The Division’s current FY 2018-19 appropriation is based on the December 2017 Legislative Council Staff (LCS) forecasted average daily population (ADP) of 637. The December 2018 LCS projection has decreased to 626 ADP for FY 2018-19, and 609 ADP for FY 2019-20.

Problem or Opportunity

- The Division requires a realignment between line items to recognize the current decreased need in Purchase of Contract Placements as well as transferring spending authority from this appropriation to the Institutional Programs Personal Services line as a result of staffing the Marler program.
- The Division will not be participating in the Federal IV-E program in FY 2019-20, and therefore will collect less federal funds. The lower caseload projection for FY 2019-20 provides an opportunity to mitigate the loss of funding.

Consequences of Problem

- If the various line items are not adjusted for the projected ADP, the Division will be overfunded in the Purchase of Contract Placements and underfunded in Institutional Programs line items.

Proposed Solution

- The Department requests a reduction in total funds to align its appropriation with the forecasted caseload and for alignment in Institutional Programs.
- The Department is also requesting limited line item flexibility for FY 2018-19 and FY 2019-20 as the costs for the operations at Marler and DeNier are estimated and the implementation of additional state commitment beds is unpredictable.



Cost and FTE

- The Oil and Gas Conservation Commission (OGCC) requests an increase of \$1,225,555 from the Oil and Gas Conservation and Environmental Response Fund for 11.0 FTE, six state vehicles, and additional leased space to improve the division's field presence, as well as its ability to conduct timely environmental investigations and enforce state rules. Ongoing costs are \$1,181,205.
- The proposed increase in FTE is comprised of 4.0 Field Inspectors, 2.0 Environmental Protection Specialists, 2.0 Engineers, 2.0 Enforcement Officers, and 1.0 Program Assistant. OGCC staff must always be added in a balanced fashion across work units because adding staff in one area increases workload in others.

Current Program

- The OGCC ensures that the state's oil and gas resources are produced in an economically efficient manner that protects the rights of mineral owners and which holds operators to the highest standards in the nation for protecting public health, safety, welfare, the environment, and wildlife.

Problem or Opportunity

- The overall number of oil and gas field inspections has declined recently due to a number of factors. The primary factors driving the decline in the frequency of inspections are the length of time it has been taking to: (1) respond to the increasing number of public complaints, the inspection unit's highest priority; and (2) observe other high priority events such as the spudding, hydraulic fracturing, and plugging of wells near residential areas.
- Routine inspections are important because they can help the OGCC proactively find spills, permit violations, and other potential risks to the public, the environment, and wildlife.

Consequences of Problem

- The recent decline in field inspections and the worsening of the statewide average inspection frequency can cause potential hazards to remain undetected for long periods of time. For example, a damaged pit covering can lead to the entrapment of wildlife; unauthorized venting and flaring of natural gas may go undetected for weeks; and outdated and incorrect signage on oil and gas locations, something that is checked during routine inspections, can cause delays and other issues for first responders in the event of a fire or other emergency.

Proposed Solution

- To address these problems, the OGCC requests funding for an additional 11.0 FTE, comprised of four field inspectors (4.0 FTE) and the staff required to support them (7.0 FTE). Support staff includes two environmental protection specialists, two engineers, two enforcement officers, and a program assistant for the field inspection unit.
- Funding this request assumes the Oil and Gas Conservation Commission votes to increase the mill levy rate by 0.1 mills, effective July 2019. Current oil and gas production and price projections indicate that a 0.1 rate increase will generate an additional \$1.23 million in FY 2019-20 and \$1.21 million in FY 2020-21.



COLORADO

Department of Personnel & Administration

Priority: BA-02
Paid Parental Leave
FY 2019-20 Budget Amendment

Cost and FTE

- The Department of Personnel & Administration requests \$3,021,062 total funds, including \$1,769,284 General Fund, for a new paid parental leave category for state employees. This request is for an ongoing policy which will begin in FY 2019-20, and will be appropriated centrally within each department's Executive Director's Office (EDO). This allows for flexibility as departments can move the funds as needed to the appropriate personal services or program line items.

Current Program

- The Family Medical Leave Act (FMLA), passed in 1993, provides access to many American workers to have access to unpaid, job-protected leave. Under current State Personnel Rules, if a state employee has been employed for at least 12 consecutive months with the state (or 1,520 hours) and becomes a new parent, via birth, adoption, or foster placement, they can utilize family/medical unpaid leave with job protection for up to 13 weeks (or 520) hours in the 12 months following the event. Employees are required to use all sick leave, annual leave, and compensatory time before being placed on unpaid family/medical leave.

Problem or Opportunity

- Currently, when an employee takes maternity or paternity leave, they are required to use any accrued sick or annual leave. If they don't have sufficient leave to take the full 13 weeks of FMLA, they must either take unpaid leave or return to work early.
- If a new parent returns to work too early, there are negative impacts to the health of the child and parent, including an increased possibility of depression, and potential economic impacts, such as decreased productivity and low morale. Many studies find that parental leave enhances children's health and development and is associated with increases in the duration of breastfeeding and reductions in infant deaths and behavioral issues.

Consequences of Problem

- If this request is not approved, families will continue to have to use accrued leave or go unpaid for the duration of their parental leave. A parent may not be able to take the full time allowable to bond with their child, which in turn could affect the child's health and development.

Proposed Solution

- The requested funding will be used to cover the cost to backfill critical positions for 8 weeks of paid parental leave. Departments that have critical positions that must be filled, including 24x7 work centers, direct care positions, and hourly non-exempt positions require additional appropriations; because the paid parental leave and subsequent backfill will be paid simultaneously, existing budgets may not have sufficient room.
- The proposed policy is for 8 weeks of paid parental leave for use by new-parent employees to recover from the birth of a child and/or to care for and bond with a new child. New-parent employee may include a birth mother or father, domestic partner, adoptive parent or foster parent, and the qualifying event may include circumstances such as birth, adoption, or foster placement.
- In the event that the legislature were to pass legislation to implement a more comprehensive program for paid family and medical leave, the Executive Branch can work with the legislature to repurpose these funds.



Cost and FTE

- The Department requests \$262,978 cash funds and 3.6 FTE in FY 2019-20, annualizing to \$218,361 cash funds and 3.6 FTE in FY 2020-21 and ongoing, to expand service delivery associated with Senate Bill 13-251, the Colorado Road and Community Safety Act. The fund source is the Licensing Services Cash Fund.

Current Program

- Senate Bill 13-251 requires the Division of Motor Vehicles (DMV) to issue a Colorado driver's license, instruction permit, or identification card to individuals who either cannot demonstrate lawful presence or can only demonstrate temporary lawful presence in the United States.
- The DMV currently provides services to this population at four locations (Westgate, Grand Junction, Colorado Springs, and Aurora) for a total of 130 first-time application appointments and 77 renewal application appointments each day.
- S.B. 18-108 provided for online renewal and increased program demand by expanding the number of individuals eligible for the service.
- H.B. 18-1322 Long Bill footnote 103 states that once the program provides licenses or identification for 66,000 first-time applicants, the program will reduce services to a single office in the Denver metro-area.

Problem or Opportunity

- The demand for these licenses continues to exceed appointment availability. The wait-time for obtaining or renewing a driver's license under S.B. 13-251 ranges from three months to two years.
- Staff can currently support approximately 32,000 appointments for new applications and 19,250 appointments for renewal applications each year. Currently, appointments are booked within less than an hour of becoming available.
- The time and cost for applicants to travel to one of the current locations can be significant.

Consequences of Problem

- Without the requested expansion, demand for these licenses will continue to exceed appointment availability. This leads to fewer drivers on the road with valid licenses or insurance, threatening the safety and financial security of all Coloradans.
- Without a modification to the current Long Bill footnote, services are expected to cease at all but a single location after June 2019, exacerbating current wait times and reducing access to these services for Coloradans who do not live in the Denver metro-area.

Proposed Solution

- The Department requests \$262,978 cash funds and 3.6 FTE in FY 2019-20, annualizing to \$218,361 cash funds and 3.6 FTE in FY 2020-21 and ongoing, to expand service delivery to the existing Durango office. This would allow the DMV to improve current service levels.
- The Department additionally requests the elimination of the current Long Bill footnote 103, allowing the Division to maintain service delivery to meet ongoing demand.