

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2011-12 STAFF BUDGET BRIEFING
OVERVIEW OF FY 2011-12 BUDGET REQUEST**

**JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision**

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NEW INFORMATION INCLUDED IN THE FY 2011-12 BRIEFING DOCUMENTS

Comparison Graphs of FY 2000-01 and FY 2010-11 Appropriations

The Joint Budget Committee (JBC) staff is including two new graphs in each department's FY 2011-12 Budget Briefing document this year. These graphs will be a comparison of FY 2000-01 appropriations to FY 2010-11 appropriations. The new graphs will follow the department summary charts at the beginning of each briefing document.

Why the JBC staff is making this comparison: These graphs are an attempt to help the JBC members understand how appropriations at the department level by fund source have changed over the past 10 years. As such, the first graph will include a comparison of the total annual operating appropriation by fund source for FY 2000-01 (adjusted by consumer price index) as compared to the the total annual operating appropriation for FY 2010-11. The second graph will include the same comparison except both fiscal years will be further adjusted by Colorado population to reflect a per capita comparison of the two fiscal years.

Methodology JBC staff used to make the comparison: The JBC staff utilized the following methodology in preparation of these graphs:

- **Funding Sources:** The graphs reflect three categories of funding; General Fund, other state funds, and federal funds. In an attempt to give the JBC a better understanding of the true level of appropriations, JBC staff attempted to eliminate duplications of cash spending authority from the graphs in the comparison of other state funds. This was done by eliminating all of the transfers from one line item of appropriation to another in FY 2000-01 and the reappropriated funds from the appropriation in FY 2010-11. These duplicative appropriations are merely used to show how services purchased from, or transferred to, one agency by another impact both agencies. Therefore, JBC staff has made an effort to eliminate the duplications from the graphs. Because of this, departments that primarily sell services to other agencies (Department of Personnel and Administration, Department of Law, etc.) and departments with large transfers of moneys from one agency to another (Department of Health Care Policy and Finance, Department of Higher Education, etc.) may reflect much lower total appropriations than JBC members are accustomed to seeing.
- **Consumer Price Index (CPI) Adjustment:** In an effort to help the JBC compare the numbers in a like fashion, JBC staff has adjusted the FY 2000-01 appropriation by the average Denver-Boulder-Greeley CPI from 2000 through 2010. This measure of CPI was chosen based on its inclusion as an allowable rate of growth in the provisions of the Taxpayer's Bill of Rights (TABOR). The CPI adjustment is only meant to reflect the allowable level of growth for a given year, not to imply that a given department should have grown at the rate of CPI. Each department is impacted by numerous variables that result in growth at a rate higher or lower than actual CPI over time.

- Population Adjustment: Similar to growth for CPI, TABOR permits growth based on population change. In an effort to demonstrate each department's appropriation based on population, the total appropriations were divided by the level of the Colorado population for each of the given years that are being presented. This calculation results in a per capita level of appropriation for both fiscal years. Please note that the same caveats exist based on a per capita adjustment that were discussed for the CPI calculation in the previous paragraph. The adjustments based on both CPI and population are merely meant to help the JBC understand the actual rate of growth as compared to the allowable rate of growth, not to imply that a given department should have grown at the rate of either CPI or Colorado's population.

- Timeframe: The ten year timeframe was chosen for two reasons. First, it is a somewhat symmetrical timeframe. Second, ten years compares just prior to the first economic downturn during the 2000s to the point where the State is today, in the midst of the second economic downturn.

Additional Common Issue to be Included in the Briefing Document

In addition to the comparison graphs at the beginning of the document, JBC staff will prepare a common issue for each department that outlines the **major** actions that the General Assembly has taken over the past three sessions to deal with the most recent economic downturn. This issue will not include the entire ten year time frame that is reflected in the graphs at the front of the briefing document. It will only focus on the most recent economic downturn.

COMPARISON OF FY 2000-01 AND FY 2010-11 APPROPRIATIONS

The following discussion of the comparison of FY 2000-01 and FY 2010-11 appropriations was done based on the amounts appropriated for each of those fiscal years *less* duplicative appropriations. Therefore, the FY 2010-11 appropriations will not match exactly the total appropriations shown in the FY 2010-11 Appropriation Report that was published last July. The difference is the removal of the reappropriated funds from the total numbers. This comparison is designed to assist the JBC in understanding the overall view of the change in appropriations, not provide specific details about department changes. The purpose of this comparison is to understand the bigger picture of State appropriations in the two years that are being compared.

Comparison of FY 2010-11 to FY 2000-01

Appropriations Not Adjusted for CPI or Population: The total state appropriations, not adjusted for CPI or population, were \$11,511.6 million in FY 2000-01 as compared to \$18,027.5 million in FY 2010-11. This is an increase in total appropriations for the ten year period of \$6,515.9 million (56.6 percent increase). All sources of appropriation grew during the ten year period. The General Fund appropriation increased by \$1,565.5 million (29.0 percent increase), the other state funds appropriation increased by \$2,359.3 million (68.7 percent increase), and the federal funds appropriation increased by \$2,591.1 million (96.7 percent increase).

FY 2000-01 Appropriations Adjusted for CPI: Total appropriations for FY 2000-01, adjusted by CPI to bring the dollar amounts to a comparable 2010 level, are equal to \$14,038.3 million as compared to \$18,027.5 million in FY 2010-11. This is an increase of \$3,989.2 million (28.4 percent increase). Adjusting the FY 2000-01 appropriations only for CPI still results in all sources of appropriations growing between FY 2000-01 and FY 2010-11. Adjusted for CPI, the General Fund appropriation increased by \$380.0 million (5.8 percent increase), the other state funds appropriation increased by \$1,606.0 million (38.4 percent increase), and the federal funds appropriation increased by \$2,003.2 million (61.3 percent increase).

FY 2000-01 Appropriations Adjusted for CPI and Both Fiscal Years Adjusted by Population: Total appropriations for FY 2000-01, adjusted by CPI and population to get a per capita amount, are equal to \$3,236 per capita as compared to \$3,493 per capita in FY 2010-11. This is an increase of \$257 per capita (7.9 percent increase). Adjusting for CPI and population result in the per capita rate for General Fund *decreasing* by \$168 per capita (11.1 percent *decrease*), other state funds increasing by \$157 per capita (16.3 percent increase), and federal funds increasing by \$268 per capita (35.6 percent increase).

Comparison of Proportional Operating Appropriations: A proportional comparison of the fund sources for FY 2000-01 appropriation to the fund sources for FY 2010-11 appropriation indicates the percentage of General fund used to support the total state budget decreased from 47.0 percent of the budget in FY 2000-01 to 39.0 percent of the budget in FY 2010-11 (decrease of 8.0 percent). The percentage of other state funds used to support the total state budget increased from 30.0 percent of

the budget in FY 2000-01 to 32.0 percent of the budget in FY 2010-11 (increase of 2.0 percent). The percentage of federal funds used to support the total state budget increased from 23.0 percent of the budget in FY 2000-01 to 29.0 percent of the budget in FY 2010-11 (increase of 6.0 percent). It is important to note that the General Fund portion is lowered and the federal fund portion is increased in FY 2010-11 due to the use of American Recovery and Reinvestment Act (ARRA) moneys to support appropriations during the economic downturn. The ARRA funds are a temporary infusion of federal moneys that will be eliminated at various points in the future. The General Assembly will make future decisions regarding the amount and type of funds, if any, that are used to support programs that are currently being supported by the ARRA moneys. The future General Assembly decisions will impact the proportion of funding sources that are used to support the State's budget.

Comparison by Departments

In order to give the JBC a sense of how the breakdown of departments changed over the ten year period, staff sorted the departments from the highest appropriation to the lowest appropriation based on total appropriations and General Fund appropriations. Once sorted by department, staff looked at the departments that comprised the majority of the total funds and the General Fund.

Total Appropriations (not adjusted for CPI or Inflation), by Department: The following table reflects the top seven departments that comprise the total funds appropriated in both fiscal years.

Total Appropriations by Department (Not Adjusted for CPI or Population)				
Department	FY 2000-01	%	FY 2010-11	%
Education	2,534,714,162	22.0%	4,315,978,585	23.9%
HCPF	1,964,452,694	17.1%	4,156,416,221	23.1%
Higher Education	1,435,332,846	12.5%	2,356,031,749	13.1%
Human Services	1,624,416,373	14.1%	2,129,941,732	11.8%
Transportation	1,390,265,450	12.1%	1,027,431,016	5.7%
Revenue	477,024,306	4.1%	701,501,563	3.9%
Corrections	452,954,804	3.9%	687,903,928	3.8%
Remaining 15 Departments	1,631,621,208	14.2%	2,651,497,744	14.7%
Total Appropriations	11,510,781,843	100.0%	18,026,702,538	100.0%

Proportionally, over 85.0 percent of the total funds were appropriated to the top seven departments in both fiscal years (85.8 percent in FY 2000-01 and 85.3 percent in FY 2010-11). Five departments (Education, Health Care, Policy, and Finance (HCPF), Higher Education, Human Services, and Transportation) received over 77.0 percent of the appropriations in both fiscal years.

Out of the 22 departments that received total appropriations, 21 departments gained appropriations and one department lost appropriations between FY 2000-01 and FY 2010-11 based on a comparison

of appropriations that have not been adjusted for CPI or population. The following departments had major total appropriation gains:

- Health Care Policy and Finance gained \$2.2 billion.
- Education gained \$1.8 billion.
- Higher Education gained \$920.7 million.
- Human Services gained \$505.5 million.
- The average of the 17 remaining departments that gained was \$87.0 million per department.

The Department of Transportation declined in appropriations in this time frame (a decrease of \$362.8 million, 26.1 percent). However, the decrease to Transportation can be misleading given the way in which cash fund spending authority is appropriated to that department. The cash fund spending authority is granted at the time the Long Bill is written based on the estimates of anticipated revenues and is never adjusted to reflect actual levels of cash revenue that are ultimately received. This is done because the Transportation Commission has continuous spending authority over much of moneys received for road projects. Therefore, the Long Bill appropriation is an informational appropriation. If the Department receives more or less funding than was projected, the Transportation Commission can adjust spending accordingly without seeking additional or less spending authority from the General Assembly. In FY 2000-01, Transportation received nearly \$300 million less revenue than was reflected in the Long Bill. The decrease in Transportation spending authority is exaggerated between these two fiscal years because of the comparison of appropriations as opposed to actual revenues or expenditures. That said, the amount reflected in the FY 2010-11 Long Bill remains \$68.1 million below the actual revenue level from FY 2000-01.

Total Appropriations (Adjusted for CPI and Inflation), by Department: The following table reflects the top seven departments that comprise the total funds appropriated (as adjusted for CPI and population) in both fiscal years.

Total Appropriations per Capita by Department (Adjusted for CPI or Population)				
Department	FY 2000-01	%	FY 2010-11	%
Education	712.39	22.0%	836.30	23.9%
HCPF	552.11	17.1%	805.38	23.1%
Higher Education	403.40	12.5%	456.52	13.1%
Human Services	456.55	14.1%	412.72	11.8%
Transportation	390.74	12.1%	199.08	5.7%
Revenue	134.31	4.2%	136.09	3.9%
Corrections	127.30	3.9%	133.29	3.8%
Remaining 15 Departments	458.58	14.2%	513.79	14.7%
Total Appropriations	3,235.38	100.0%	3,493.17	100.0%

Once the fiscal years are adjusted for CPI (FY 2000-01) and population (FY 2000-01 and FY 2010-11), 14 departments gained appropriations and 8 department lost appropriations between FY 2000-01 and FY 2010-11. The following departments had major total appropriation gains:

- Health Care Policy and Finance gained \$253.27 per capita.
- Education gained \$123.27 per capita.
- Higher Education gained \$53.12 per capita.
- Local Affairs gained \$22.62 per capita.
- The average of the 10 remaining departments that gained was \$5.62 per department per capita.

The following departments had major total appropriation declines:

- Transportation declined by \$191.65 per capita.
- Human Services declined by \$43.83 per capita.
- Treasury declined by \$8.44 per capita.
- Labor and Employment declined by \$3.38 per capita.
- The average of the 4 remaining departments that declined was \$1.02 per department per capita.

General Fund Appropriations (not adjusted for CPI or Inflation), by Department: The following table reflects the top six departments that comprise the General Fund appropriated in both fiscal years.

General Fund Appropriations by Department (Not Adjusted for CPI or Population)				
Department	FY 2000-01	%	FY 2010-11	%
Education	2,161,277,714	40.0%	3,176,663,441	45.6%
HCPF	849,347,572	15.7%	1,074,780,176	15.4%
Human Services	663,729,054	12.3%	797,219,689	11.4%
Corrections	423,802,942	7.8%	647,180,811	9.3%
Higher Education	727,632,741	13.5%	644,870,589	9.3%
Judicial	206,485,128	3.8%	332,423,582	4.8%
Remaining 15 Departments	368,767,028	6.8%	293,407,157	4.2%
Total Appropriations	5,401,042,179	100.0%	6,966,545,445	100.0%

Proportionally, over 93.0 percent of the General Fund was appropriated to the top six departments in both fiscal years (93.2 percent in FY 2000-01 and 95.8 percent in FY 2010-11).

Out of the 19 departments that received General Fund appropriations, 9 departments gained appropriations and 10 department declined in appropriations between FY 2000-01 and FY 2010-11 based on a comparison of General Fund appropriations that have not been adjusted for CPI or population. The following departments had major General Fund appropriation gains:

- Education gained \$1.0 billion.
- HCPF gained \$225.4 million.
- Corrections gained \$223.4 million.
- Human Services gained \$133.5 million.
- Judicial gained \$125.9 million.
- The average of the 4 remaining departments that gained was \$8.1 million per department.

The following departments had major General Fund appropriation declines:

- Higher Education declined by \$82.8 million.
- Revenue declined by \$43.4 million.
- Treasury declined by \$28.6 million.
- The Governor's Office declined by \$19.4 million.
- The average of the 6 remaining departments that declined was \$2.7 million per department.

General Fund Appropriations (adjusted for CPI and Inflation), by Department: The following table reflects the top six departments that comprise the General Fund appropriated (as adjusted for CPI and population) in both fiscal years.

General Fund Appropriations per Capita by Department (Adjusted for CPI or Population)				
Department	FY 2000-01	%	FY 2010-11	%
Education	607.43	40.0%	615.54	45.6%
HCPF	238.71	15.7%	208.26	15.4%
Human Services	186.54	12.3%	154.48	11.4%
Corrections	119.11	7.8%	125.40	9.3%
Higher Education	204.50	13.5%	124.96	9.3%
Judicial	58.03	3.8%	64.41	4.8%
Remaining 13 Departments	103.66	6.8%	56.85	4.2%
Total Appropriations	1,517.98	100.0%	1,349.90	100.0%

Once the fiscal years are adjusted for CPI (FY 2000-01) and population (FY 2000-01 and FY 2010-11), 3 departments gained appropriations and 16 department declined in General Fund appropriations between FY 2000-01 and FY 2010-11. The following three departments gained in General Fund appropriation per capita:

- Education gained \$8.11 per capita.
- Judicial gained \$6.38 per capita.
- Corrections gained \$6.29 per capita.

The following departments had major appropriation declines in General Fund appropriation per

capita:

- Higher Education declined by \$79.55 per capita.
- Human Services declined by \$32.07 per capita.
- HCPF declined by \$30.45 per capita.
- Revenue declined by \$18.36 per capita.
- The average of the 12 remaining departments that declined was \$2.37 per department per capita.

OVERVIEW OF FY 2011-12 REQUEST

Discussion of the FY 2010-11 General Fund Appropriations

The General Assembly appropriated a total of \$6,966.7 million General Fund in FY 2010-11. Within the Long Bill (HB 10-1376), the General Assembly appropriated \$7,533.5 million General Fund. The Long Bill contained General Fund appropriations equal to \$566.8 million (108.1 percent) more than the total General Fund appropriated for FY 2010-11. Other bills passed by the General Assembly reduced the amount of funding in the Long Bill. This was necessary because some of the changes the General Assembly wished to make required changes to existing law that could not be accomplished through the Long Bill. The following is a list of the major actions the General Assembly took that impacted General Fund appropriations:

- Reduction of \$363.5 million General Fund in the School Finance Act (HB 10-1369) due to changes in the school finance formula.
- A net reduction of \$110.0 million General Fund in the Medicaid program (primarily financing changes in various bills to use cash funds rather than General Fund).
- Reduction of \$91.7 million General Fund as a result of the temporary suspension of the Senior Property Tax Exemption (SB 10-190).
- Reduction of \$20.0 million General Fund used to support drivers' license offices in the Department of Revenue (HB 10-1387). The General Fund was refinanced with cash funds on a temporary basis.
- Reduction of 15.4 million General Fund as a result of the refinance of General Fund for need based aid in Higher Education with cash funds from the CollegeInvest program *HB 10-1383).
- \$32.2 million General Fund appropriation to the General Assembly in the legislative appropriation bill (HB 10-1367).
- \$1.6 million General Fund appropriated in various other bills impacting the General Fund.

Distribution of FY 2010-11 General Fund Appropriation in the 2010 Long Bill (HB 10-1376): Given that the Long Bill contains the vast majority of General Fund appropriations, JBC staff reviewed the appropriations in the Long Bill to determine where the majority of General Fund is appropriated. When the line items of the Long Bill are sorted by General Fund, from largest to smallest General Fund appropriation, seven line items contain **70.8** percent of the General Fund appropriated in the Long Bill. These lines are as follows:

- \$3,377.1 million (44.8 percent) of the total General Fund in the Long Bill was appropriated for State Share of Total Funding in the Department of Education. The appropriation for state share

was reduced by \$363.5 million through a change to the factors in the School Finance Act.

- \$976.1 million (13.0 percent) of the total General Fund in the Long Bill was appropriated for Medical Services Premiums in the Department of Health Care Policy and Finance. Various bills impacted the level of General Fund appropriated to the Department of Health, Care, Policy and Finance resulting in a net reduction in General Fund of \$110.0 million. Also, this Department's General Fund was held artificially low as a result of the enhanced match rate for the Federal Medical Assist Program (FMAP) that was contained in the federal American Reinvestment and Recovery Act (ARRA).
- \$267.5 million (3.6 percent) of the total General Fund in the Long Bill was appropriated for College Opportunity Fund Stipends in the Department of Higher Education. This amount is lower than historically appropriated due to the use of ARRA funds for this purpose.
- \$267.8 million (3.6 percent) of the total General Fund in the Long Bill was appropriated for College Opportunity Fund Fee-for-Service in the Department of Higher Education. This amount is lower than historically appropriated due to the use of ARRA funds for this purpose.
- \$156.9 million (2.1 percent) of the total General Fund in the Long Bill was appropriated for Child Welfare Services in the Department of Human Services.
- \$155.6 million (2.1 percent) of the total General Fund in the Long Bill was appropriated for Housing and Security Personal Services in the Department of Corrections.
- \$117.5 million (1.6 percent) of the total General Fund in the Long Bill was appropriated for Medicaid Services for People with Developmental Disabilities in the Department of Health Care, Policy, and Finance.
- \$2,214.9 million (29.4 percent) of the total General Fund in the Long Bill was appropriated for the remaining **761** General Fund line items in the Long Bill.

Discussion of the FY 2010-11 Cash Funds Appropriations

The General Assembly appropriated a total of \$5,791.5 million cash funds in FY 2010-11. Within the Long Bill (HB 10-1376), the General Assembly appropriated \$5,693.5 million cash funds. The Long Bill contained cash funds appropriations equal to 98.3 percent of the total General Fund appropriated for FY 2010-11.

Distribution of FY 2010-11 Cash Funds Appropriations in the 2010 Long Bill (HB 10-1376): Given that the Long Bill contains the vast majority of cash funds appropriations, JBC staff reviewed the appropriations in the Long Bill to determine where the majority of cash funds are appropriated. When the line items of the Long Bill are sorted by cash funds, from largest to smallest cash funds appropriations, nine line items contain **65.2** percent of the cash funds appropriated in the Long Bill.

These lines are as follows:

- \$1,533.8 million (26.9 percent) of the total cash funds in the Long Bill were appropriated for the Governing Boards in the Department of Higher Education.
- \$561.3 million (9.9 percent) of the total cash funds in the Long Bill were appropriated for Transportation Construction, Maintenance, and Operation in the Department of Transportation
- \$400.3 million (7.0 percent) of the total cash funds in the Long Bill were appropriated for Lottery Prizes in the Department of Revenue.
- \$386.1 million (6.8 percent) of the total cash funds in the Long Bill were appropriated for Total Program Funding in the Department of Education.
- \$250.6 million (4.4 percent) of the total cash funds in the Long Bill were appropriated for Medicaid Medical Services Premiums in the Department of Health Care, Policy, and Finance.
- \$186.8 million (3.3 percent) of the total cash funds in the Long Bill were appropriated for Highway Users Tax Fund (HUTF) Payments to Counties in the Department of Treasury.
- \$137.9 million (2.4 percent) of the total cash funds in the Long Bill were appropriated for Local Government Mineral and Energy Impact Grants in the Department of Local Affairs.
- \$130.7 million (2.3 percent) of the total cash funds in the Long Bill were appropriated for HUTF Municipality Payments in the Department of Treasury.
- \$124.4 million (2.2 percent) of the total cash funds in the Long Bill were appropriated for Safety Net Provider Payments in the Department of Health Care, Policy and Finance.
- \$1,981.6 million (34.8 percent) of the total cash funds in the Long Bill were appropriated for the remaining **944** General Fund line items in the Long Bill.

Discussion of the FY 2010-11 Federal Funds Appropriations

The General Assembly appropriated a total of \$5,269.5 million federal funds in FY 2010-11. Within the Long Bill (HB 10-1376), the General Assembly appropriated \$5,278.0 million federal funds. The Long Bill contained federal fund appropriations equal to 100.2 percent of the total federal funds appropriated for FY 2010-11. Various other bills in the 2010 session resulted in a net reduction to federal funds of \$8.5 million. Many federal fund appropriations are made by the General Assembly for informational purposes. The following is a list of the major actions the General Assembly took that impacted federal fund appropriations:

- Increase of \$1.7 million federal funds in various bills that impacted the Department of Human

Services.

- Increase of approximately \$500 thousand federal funds in various bills that impacted the Department of Law and the Office of the Governor.
- A net reduction of \$10.7 million federal funds in various bills that impacted the Department of Health Care, Policy and Finance.

Distribution of FY 2010-11 Federal Fund Appropriations in the 2010 Long Bill (HB 10-1376):
Given that the Long Bill contains the vast majority of federal fund appropriations, JBC staff reviewed the appropriations in the Long Bill to determine where the majority of federal funds are appropriated. When the line items of the Long Bill are sorted by federal funds, from largest to smallest federal fund appropriations, eight line items contain **65.1** percent of the federal funds appropriated in the Long Bill. These lines are as follows:

- \$1,928.5 million (36.5 percent) of the total federal funds in the Long Bill were appropriated for Medicaid Medical Services Premiums in the Department of Health Care, Policy, and Finance.
- \$369.1 million (7.0 percent) of the total federal funds in the Long Bill were appropriated for Transportation Construction, Maintenance, and Operation in the Department of Transportation.
- \$277.7 million (5.3 percent) of the total federal funds in the Long Bill were appropriated for Categorical Appropriated Sponsored Programs in the Department of Education.
- \$205.7 million (3.9 percent) of the total federal funds in the Long Bill were appropriated for Federal Funded Program Operations in the Department of Military Affairs.
- \$188.1 million (3.6 percent) of the total federal funds in the Long Bill were appropriated for Community Services for People with Developmental Disabilities, Program Costs in the Department of Health Care, Policy, and Finance.
- \$158.8 million (3.0 percent) of the total federal funds in the Long Bill were appropriated for Special Education for Children with Disabilities in the Department of Education.
- \$153.4 million (2.9 percent) of the total federal funds in the Long Bill were appropriated for Safety Net Provider Premiums in the Department of Health Care, Policy, and Finance.
- \$152.1 million (2.9 percent) of the total federal funds in the Long Bill were appropriated for Mental Health Capitation Payments in the Department of Health Care, Policy and Finance.
- \$1,844.6 million (34.9 percent) of the total federal funds in the Long Bill were appropriated for the remaining **529** federal fund line items in the Long Bill.

Discussion of the FY 2011-12 Budget Request

The departments of state government submitted their FY 2011-12 budget requests on November 1. These budget requests reflect the priorities of the Governor with the exception of the Legislative Branch, Judicial Branch, and the other elected officials. In preparing the budget request, OSPB assumed a 3.0 percent General Fund increase for Judicial; a 6.7 percent General Fund increase for Law; a 3.7 percent increase for Treasury; a 0.8 percent decrease for the Legislature; and no General Fund for State.

Table 1 on page 24 reflects the actual requests submitted by Judicial, Law, State, and Treasury. Since the request for the Legislature is not submitted to the JBC, Table 1 reflects a continuation level of General Fund for the Legislature that is meant to merely be a place holder until the Executive Committee provides direction on the percent increase/decrease to be requested by the Legislature. It is also important to note that, based on the original amount appropriated for FY 2010-11 during the 2010 Session, **\$3.7 billion remains under the FY 2010-11 General Fund statutory appropriation limit.** The Joint Budget Committee approved supplemental requests equaling a \$3.4 million General Fund increase submitted through the 1331 supplemental process during the 2010 interim. The Governor also submitted a plan (a portion on August 23, a portion on October 22, and a portion on November 1) to balance the state budget based on available revenues as forecasted in the various revenue forecasts published during the summer. If all the elements of this plan were to be adopted as presented by the Governor, \$3.8 billion would remain under the FY 2010-11 General Fund statutory appropriation limit for FY 2010-11.

Overall the department budget requests for FY 2011-12 (including the requests as submitted by Judicial, Law, State, and Treasury) reflect a General Fund increase of \$536.7 million (7.7 percent) as compared to the current level of FY 2010-11 appropriations subject to the statutory limit. If all the elements of the Governor's budget balancing package are adopted, the FY 2011-12 request would reflect an increase of \$680.7 million (10.0 percent) subject to the statutory General Fund limit as compared to FY 2010-11 appropriations as adjusted for the Governor's budget balancing plan.

The budget requests reflect these common assumptions:

- The request does not include any funding for performance based pay awards or salary survey increases for state employees.
- Currently, there is no additional funding for changes to the Health/Life/Dental policy. Funding changes are included for changes in enrollment and staffing levels. However, the request does include a proposed reduction for coverage based on the part-time status of state employees.
- No common policy was submitted for inflationary increases in food, utilities, and medical costs.
- No common policy was submitted for community provider rates. However, individual departments may have submitted requests that impact community providers.

Table 1 also provides an overview of the General Fund request by department. It should be noted that:

- Table 1 reflects the November 1 submission including the actual requests for Judicial, Law, State, and Treasury, but assumes a continuing level of funding for the Legislature. The total amount will not exactly coincide with the total amount reflected in the Governor's November 1, 2010 letter to Representative Ferrandino because OSPB assumed different amounts for the elected officials and other branches of state government than were actually requested by these entities.
- The request includes the following state-wide impacts that are not broken down by department in the November 6 request:
 - ❑ \$210.1 million in revenue augmentations (see Table 7, page 32 for a list of augmentations). These augmentations require legislation to implement.
 - ❑ \$147.3 million reduction based on the Governor's request to lower the statutory reserve from 4.0 percent to 2.0 percent in FY 2011-12 (see Table 2, page 25 and Table 7, page 32). This request requires legislation to implement.
 - ❑ \$25.3 million reduction for the proposal to extend the suspension of the State's contributions to the Fire and Police Pension Association (FPPA) fund through FY 2012-13. This proposal requires legislation to implement. This is reflected on Table 2 and Table 7, pages 26 and 32.
- A General Fund increase of \$445.6 million (36.2 percent) is included for the Department of Health Care Policy and Financing. The Department's request includes the following significant General Fund increases: (1) \$423.8 million to backfill the loss of enhanced federal match provided by the American Recovery and Reinvestment Act (ARRA); (2) \$43.2 million to restore one-time cost savings that resulted mainly from refinancing General Fund with other cash funds; and (3) \$37.6 million related to caseload and cost increases for the Medicaid and Children's Basic Health Plan programs.

These increases are offset by: (1) \$28.8 million in various Medicaid and Indigent Care Program reductions; (2) \$21.0 million to refinance a portion of General Fund with tobacco taxes appropriated usually appropriated to the Department of Public Health and Environment; (3) \$7.9 million to annualize payment delays proposed in FY 2010-11; and (4) \$1.3 million various other technical adjustments.

- A General Fund increase of \$51.3 million (1.6 percent) compared to the current year appropriation is included for K-12 Education (i.e., excluding 1331 supplemental requests approved over the Interim). Of this increase, \$51.1 million relates to school finance. Specifically, the Department requests a \$91.2 million (2.7 percent) increase in funding for the

State Share of Districts' Total Program Funding (including \$51.1 million General Fund and \$40.1 million cash funds).

Please note, however, the requested amount will be insufficient to cover the costs of:

- a projected 1.4 percent increase in the funded pupil count;
- increasing base per pupil funding by 1.0 percent (OSPB projected inflation rate for CY 2010); and
- backfilling a projected decrease in local tax revenues (costs totaling \$183.4 million).

Thus, the proposal includes an adjustment to the State Budget Stabilization Factor (established through H.B. 10-1369), which reduces the state funding need by \$92.2 million. While the proposal would increase total program funding by 0.8 percent, it would decrease average per pupil funding by 0.6 percent.

- A General Fund increase of \$15.7 million (2.4 percent) is included for the Department of Higher Education. Of the \$15.7 million General Fund increase for Higher Education, \$15.4 million is attributable to replacing one-time funds in FY 2010-11 that were appropriated for need based aid from a cash balance held by CollegeInvest. The remaining \$0.3 million increase is due to changes in assumptions about indirect cost recoveries.
- A General Fund increase of \$15.0 million (4.5 percent) is reflected in the Judicial Department requests. More than half of the requested increase relates to the implementation of two bills:
 - ❑ a \$4.7 million increase in the General Fund appropriation to the Drug Offender Surcharge Fund based on estimated savings in DOC pursuant to H.B. 10-1352 (Waller/Steadman bill concerning crimes involving controlled substances); and
 - ❑ \$3.0 million General Fund to fund Public Defender staff associated with the third year of adding judgeships pursuant to H.B. 07-1054 (a T. Carroll/Shaffer bill that created 43 new judgeships over three years).

The remainder of the General Fund increase is due to: 1) \$4.7 million General Fund is due to the expiration of the 2.5% PERA adjustment (the Public Defender's request also includes an offsetting reduction of \$0.9 million, based on OSPB's plan to continue this adjustment in FY 2011-12; the remainder of the Branch did not include this offset in their request); 2) \$3.1 million General Fund relates to common policies related to employee benefits (e.g., HLD, STD, AED, SAED, and worker's compensation; and 3) multiple decision items, some requiring General Fund increases and others proposing General Fund decreases (these net out to less than \$300,000).

- A General Fund increase of \$6.2 million (1.0 percent) is included for the Department of Human Services. The largest components of this increase include the following:
 - ❑ A net increase of \$4.8 million for common-policy adjustments in the Executive Director's Office. This primarily reflects the following increases: \$1.3 million for Worker's Compensation, \$1.2 million for Health, Life, Dental benefits, \$1.0 million for PERA AED/SAED funding, \$0.9 million for Risk Management, and \$0.3 million for shift differential.
 - ❑ A net increase of \$4.1 million for Child Welfare Services. This primarily reflects eliminating the enhanced federal reimbursement available for child welfare Services under the American Recovery and Reinvestment Act of 2009 and restoring General Fund to the level required without the enhanced federal reimbursement.
 - ❑ A net reduction of \$2.6 million for Services for People with Disabilities. This is the net impact of two changes: (1) a requested transfer to the Department of Health Care Policy and Financing of \$6.2 million General Fund to draw down additional Medicaid funds (Decision Item #3). This decision item does not generate statewide General fund savings. (2) a requested increase of \$3.6 million for early intervention Services for infants and toddlers with developmental delays (Decision Item #4).
- A General Fund increase of \$5.4 million (1.6 percent) is included for the Department of Corrections. The increase in the Department of Corrections' budget is primarily due to the following: (1) inmate caseload; (2) parole caseload; (3) bills passed during the 2010 legislative session; and (4) annualization of budget items from the previous year, particularly related to the opening of an additional tower at Centennial Correctional Facility. These increases are partially offset by a 2.0 percent personal services reduction and a continuation of the 2.5 percent PERA adjustment from the previous year.

**GENERAL FUND OVERVIEWS
BASED ON SEPTEMBER 2010 REVENUE ESTIMATES**

The overviews on pages 25 and 27 provide the outlook for the General Fund over the next several years based on the following assumptions:

- Table 2 (page 25) is **based on Legislative Council Staff September 2010 revenue estimates** of Gross General Fund revenues, the amount of Rebates and Expenditures, TABOR refunds, and Amendment 23 Transfer to the Education Fund. Table 3 (page 27) is **based on OSPB's September 2010 revenue estimates** of Gross General Fund revenues, the amount of Rebates and Expenditures, TABOR refunds, and Amendment 23 Transfer to the Education Fund,.
- Based on their respective revenue assumptions, the two scenarios reflect the following with regard to FY 2010-11:
 - ❑ The LCS forecast indicates, in the *Moneys in (Deficit)/Excess of the Statutory GF Reserves* line item, that \$117.8 million could be increased due to sufficient revenues. However, should more moneys be appropriated in FY 2010-11, it would have a negative impact on the balancing of FY 2011-12.
 - ❑ The OSPB forecast indicates, in the *Moneys in (Deficit)/Excess of the Statutory GF Reserves* line item, that a \$90.9 million deficit would exist as compared to the 4.0 percent statutory reserve at the end of FY 2010-11. The estimated reserve of \$181.0 million is .07 percent above the 2.0 percent reserve that the Governor is required to maintain in the General Fund when the General Assembly is not in session.
- Both of the scenarios assume the level of General Fund appropriations for FY 2011-12 as requested on November 1. With regard to each scenario:
 - ❑ The LCS scenario reflects, in the *Moneys in (Deficit)/Excess of the Statutory GF Reserves* line item, an ending deficit of \$99.1 million at the end of FY 2011-12 based on a 2.03 percent reserve as requested by the Governor. If the reserve is not lowered as requested by the Governor, the deficit would be \$246.4 million below the required statutory reserve of 4.0 percent. Lowering the statutory reserve to 2.03 percent requires legislation.
 - ❑ The OSPB scenario reflects, in the *Moneys in (Deficit)/Excess of the Statutory GF Reserves* line item, an ending deficit of \$5.0 million at the end of FY 2011-12 based on a 2.03 percent reserve as requested by the Governor (the Governor's request is in deficit because JBC staff reflected the actual requests for the Judicial Branch and elected officials, and a continuation level of funding for the Legislative Branch). If the reserve is not lowered as requested by the Governor, the deficit would be \$152.3 million below the required statutory reserve of 4.0 percent. Lowering the statutory reserve to 2.03 percent requires legislation.

- A capital construction transfer has been included in both scenarios for FY 2010-11 at a level that would be sufficient to fund the Governor's November 1st request for capital construction projects and all the required statutory transfers (primarily for certificates of participation and the Correction Expansion Reserve Fund). This amount (\$49.2 million) is based on the OSPB calculation of the amount that is needed for the requested projects.
- Both of the scenarios reflect both a statutory reserve of 2.03 percent as requested by the Governor and a statutory reserve of 4.0 percent as required by current law for FY 2011-12.
- The General Fund Expenditure Outlook portion of the General Fund Overview is based on caseloads as estimated by JBC staff for the next two fiscal years for the major areas within state government. These components include:
 - ❑ K-12 Education: For FY 2011-12, represents the General Fund anticipated to be needed to maintain a reasonable cushion of \$50 million in the State Education Fund to account for income tax forecast error. For FY 2012-13, represents the General Fund anticipated to be needed to fund the School Finance Act formula in light of the expiration of the "budget stabilization factor". This amount thus restores reductions taken in FY 2010-11 and FY 2011-12, as well as inflation and enrollment increase in FY 2012-13.
 - ❑ Medicaid: Based on historical caseloads and growth rate model as calculated from current FY 2010-11 base appropriation and statutory requirements.
 - ❑ Human Services: Based on funding: a) projected caseload for child welfare, mental health, developmental disabilities, and youth corrections; and b) annual inflationary increases for service providers for those areas.
 - ❑ Performance Based Pay/Salary Survey/HLD: Based on average historical percentage increases for salary survey, performance based pay, and Health/Life/Dental.
 - ❑ Higher Education: Based on prior calendar year inflation and estimated enrollment growth. The amount shown also reflects the General Fund increase necessary to backfill one-time federal ARRA moneys and one-time cash fund moneys (CollegeInvest) for financial aid.
 - ❑ Corrections: Based on current prison population projections and authorized state facilities. Remainder of prison overflow is assumed to be handled by private prison operators. Does not include caseload or inflationary increases for community supervision.
 - ❑ Judicial: Based on weighted caseload models: one for district and county courts, and another for probation officers and staff. The figures represent the funding needed to continue staffing the courts and probation at the existing levels. The estimate includes growth for performance based pay/salary survey/HLD increases for Judicial staff are included in the statewide assumptions.

Table 4 on page 29 reflects the actions taken on 1331 supplementals during the 2010 interim by the JBC. Tables 5 through 7 on pages 31 through 32 provide summaries of the budget balancing actions, by department, requested by the Governor on August 23, October 22, and as part of the November Budget Request. These amounts are reflected in the General Fund Overviews.

Observations about Assumptions Used:

It is important to note that any General Fund overview is based on certain assumptions that if changed could provide a very different outlook. Almost every category in every year, except the most recent actual year, is either an estimate or based on certain assumptions. As can be seen, the overview using Legislative Council's September 2010 revenue forecast looks very different from the overview using OSPB's September 2010 revenue forecast. The December revenue estimates will provide a different outlook even if no other variable or assumption is changed.

POTENTIAL GENERAL FUND ADJUSTMENTS

The amount of the future General Fund shortfall is a frequently asked question that is very difficult to answer. The size of the General Fund shortfall is dependent on numerous factors. The JBC staff has attempted to provide a list of items that could be included in a future shortfall (please see Attachment A, *Potential General Fund Appropriation Adjustments in FY 2011-12 and Beyond*). It is important to note, however, that the size of the shortfall is dependent on the person who is creating the list. Many of the items on the JBC staff list are items that others would not include. Many items that the JBC staff did not include on this list may be included on a list created by others. The basis for items included on the list created by the JBC staff include:

- Items that are statutorily required. During the downturn, many of the actions the General Assembly took to balance the budget had provisions that required the funding be replenished at some point in the future. The JBC staff attempted to include these items.
- Items for which ARRA money was used as a substitute to General Fund. Some of these items the General Assembly will be required under state or federal law to replenish, some are not required to be replenished.
- Accounting actions that were taken that JBC staff believe should be reversed in the future if funding from the General Fund becomes available.

The total of all items identified on the shortfall list is \$2,297.1 million (\$2.3 billion) across all fiscal years shown on the list. ***This list is not meant to be all inclusive. Please remember this list is meant to give the reader some idea of the size of the potential shortfall that exists.*** Others that generate lists may include items other than these items. Others that generate a list may not include all these items. The actual amount that eventually may be required will be less or more than the amount reflected on the list depending on the actions of the General Assembly.

It is also important to note some of the types of things JBC staff did *not* include on the shortfall list. JBC staff did not include the following:

- Funds to replenish the cash funds that were transferred to the General Fund.
- Reversal of the permanent suspensions of the tax credits or exemptions that the General Assembly passed during the 2010 Session.
- Inflationary increases or caseload adjustments.
- Items that the JBC staff may have unintentionally overlooked.

Summary of major shortfall items in FY 2011-12. The JBC staff list for potential shortfall items in FY 2011-12 equals \$1,064.3 million (\$1.0 billion). Some of the items included for FY 2011-12 may

be included in the Governor's request. Readers of this document should be careful to compare the Governor's request to the JBC list so as not to double count items. In order to assist with this, JBC staff has included a line entitled "*Additional Amounts from Shortfall Sheets (Eliminates Double Counts)*" on the "*GF Expenditure Outlook*" section of the General Fund Overview (Table 2, page 26). This line item removes amounts from the shortfall list which are also captured in the GF Expenditure Outlook section in attempt to limit double counting items. The following is a list of the major items included on the shortfall list for FY 2011-12:

- \$430.7 million to discontinue the enhanced federal match for the FMAP in Medicaid and replace with General Fund.
- \$264.7 million to fully fund the TABOR reserve with General Fund and discontinue using cash funds and state properties.
- \$89.6 million to reverse the payday shift that was implemented during the last economic downturn.
- \$89.2 million to replenish the federal ARRA funds in Higher Education with General Fund.
- \$41.5 million to reinstate salary survey and performance based pay for state employees.
- \$38.5 million to backfill Tobacco Tax moneys that have been used as a substitute for General Fund as a result of the General Assembly declaring a fiscal emergency through a resolution.
- \$30.0 million to reinstate the school finance and categoricals.
- \$25.3 million to reinstate the State contribution to FPPA.
- \$19.0 million to reverse the change to the PERA contribution rates as required by the provisions of S.B. 10-146.
- \$35.8 million of other miscellaneous adjustments.

Summary of major shortfall items in FY 2012-13. The JBC staff list for potential shortfall items in FY 2012-13 equals \$867.4 million. The following is a list of the major items included on the shortfall list for FY 2012-13:

- \$705.7 million to reinstate the school finance and categoricals.
- \$103.3 million to reinstate the Senior Citizen Property Tax exemption.
- \$19.9 million to reverse the temporary funding of drivers' license offices with cash funds.

- \$12.5 million backfill moneys for Temporary Assistance for Needy Families (TANF) that was utilized during the downturn to decrease the need for General Fund in the Department of Human Services.
- \$7.2 million to upgrade software for the digital trunk radio system.
- \$18.8 million of other miscellaneous adjustments.

Summary of major shortfall items in FY 2013-14. The JBC staff list for potential shortfall items in FY 2013-14 equals \$250.3 million. The following is a list of the major items included on the shortfall list for FY 2012-13:

- \$151.0 million to make the required transfer to the Highway Users' Tax Fund (HUTF) as required by S.B. 09-228.
- \$38.0 million to make the required transfer to the Capital Construction Fund (CCF) as required by S.B. 09-228.
- \$35.0 million to increase the General Fund reserve as required by S.B. 09-228.
- \$25.9 million to upgrade the digital trunk radio repeater.
- \$0.4 million of other miscellaneous adjustments.

Summary of major shortfall items in FY 2014-15. The JBC staff list for potential shortfall items in FY 2013-14 and beyond equals \$115.1 million. The following is a list of the major items included on the shortfall list for FY 2014-15 and beyond:

- \$58.6 million for the final "balloon" payment on the State contribution of FPPA.
- \$35.0 million to increase the General Fund reserve as required by S.B. 09-228.
- \$21.5 million to upgrade the digital trunk radio repeater.

Table 1
Summary of FY 2010-11 Operating Appropriations and FY 2011-12 Operating Request
 Please Note that General Fund Exempt is Included with General Fund

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 31 32 34 35 36 37 38 43 44 45 46 47 48 49 50 52 53 54 55 56	Departments	FY 2010-11 Appropriations					Original Nov 1, 2010 FY 2011-12 OSPB Request					Percent Growth FY 2011-12 as compared to FY 2010-11					Dollar Change GF
		GF	CF	RF	FF	Total	GF	CF	RF	FF	Total	GF	CF	RF	FF	Total	
	Agriculture	4,956,274	28,575,452	1,126,997	4,020,154	38,678,877	5,151,053	28,478,175	1,042,750	3,999,978	38,671,956	3.9%	-0.3%	-7.5%	-0.5%	0.0%	194,779
	Corrections	647,180,811	40,465,186	42,549,814	257,931	730,453,742	652,663,857	40,218,363	42,569,815	262,928	735,714,963	0.8%	-0.6%	0.0%	1.9%	0.7%	5,483,046
	Education	3,176,663,441	569,464,505	22,732,752	569,850,639	4,338,711,337	3,227,945,416	612,048,379	22,820,289	569,736,141	4,432,550,225	1.6%	7.5%	0.4%	0.0%	2.2%	51,281,975
	Governor	11,291,137	26,031,709	130,811,782	33,209,586	201,344,214	11,102,156	21,248,730	128,233,842	33,898,881	194,483,609	-1.7%	-18.4%	-2.0%	2.1%	-3.4%	(188,981)
	Health Care Policy	1,232,196,603	607,038,213	20,889,306	2,723,969,690	4,584,093,812	1,677,799,950	903,610,252	13,233,950	2,587,571,773	5,182,215,925	36.2%	48.9%	-36.6%	-5.0%	13.0%	445,603,347
	Higher Education	644,870,589	1,601,678,889	586,167,393	109,482,271	2,942,199,142	660,561,740	1,680,247,258	572,653,262	20,324,537	2,933,786,797	2.4%	4.9%	-2.3%	-81.4%	-0.3%	15,691,151
	Human Services	639,803,262	344,632,848	429,957,794	738,717,337	2,153,111,241	646,000,076	343,834,721	449,004,804	729,548,007	2,168,387,608	1.0%	-0.2%	4.4%	-1.2%	0.7%	6,196,814
	Judicial	332,423,582	108,528,846	7,478,592	6,814,742	455,245,762	347,390,828	124,151,307	8,326,504	4,543,174	484,411,813	4.5%	14.4%	11.3%	-33.3%	6.4%	14,967,246
	Labor	0	59,616,360	1,691,337	95,561,803	156,869,500	0	60,873,226	1,705,190	96,532,245	159,110,661	n/a	2.1%	0.8%	1.0%	1.4%	0
	Law	9,615,003	9,900,454	31,089,374	1,469,096	52,073,927	10,026,547	10,131,672	31,731,165	1,528,165	53,417,549	4.3%	2.3%	2.1%	4.0%	2.6%	411,544
	Legislature	34,796,446	202,831	1,000,316	0	35,999,593	34,796,446	202,831	1,000,316	0	35,999,593	0.0%	0.0%	0.0%	n/a	0.0%	0
	Local Affairs	10,561,511	203,509,756	7,243,477	96,977,419	318,292,163	10,692,487	217,107,926	7,464,629	97,077,268	332,342,310	1.2%	6.7%	3.1%	0.1%	4.4%	130,976
	Military Affairs	5,320,408	1,408,881	803,509	213,758,894	221,291,692	5,469,060	1,346,972	803,509	213,868,360	221,487,901	2.8%	-4.4%	0.0%	0.1%	0.1%	148,652
	Natural Resources	26,419,333	191,814,141	7,972,361	19,728,647	245,934,482	23,535,829	173,116,376	8,462,723	20,297,504	225,412,432	-10.9%	-9.7%	6.2%	2.9%	-8.3%	(2,883,504)
	Personnel	5,476,140	9,579,235	157,149,679	0	172,205,054	4,467,999	8,867,529	156,406,443	0	169,741,971	-18.4%	-7.4%	-0.5%	n/a	-1.4%	(1,008,141)
	Public Health	27,541,461	129,530,277	26,479,698	256,596,843	440,148,279	27,532,728	134,283,352	27,015,036	256,995,451	445,826,567	0.0%	3.7%	2.0%	0.2%	1.3%	(8,733)
	Public Safety	82,654,286	126,160,853	21,699,460	27,917,989	258,432,588	83,390,831	128,923,728	22,282,200	28,871,812	263,468,571	0.9%	2.2%	2.7%	3.4%	1.9%	736,545
	Regulatory Agencies	1,510,435	68,203,204	6,825,033	1,231,398	77,770,070	1,524,085	69,704,089	6,391,485	1,210,066	78,829,725	0.9%	2.2%	-6.4%	-1.7%	1.4%	13,650
	Revenue	70,714,586	630,786,977	1,537,481	815,619	703,854,663	58,890,647	722,296,827	1,361,184	723,701	783,272,359	-16.7%	14.5%	-11.5%	-11.3%	11.3%	(11,823,939)
	State	0	21,583,341	0	0	21,583,341	0	20,825,855	0	0	20,825,855	n/a	-3.5%	n/a	n/a	-3.5%	0
	Transportation	0	658,329,628	4,986,153	369,101,388	1,032,417,169	0	701,256,193	4,994,058	431,923,254	1,138,173,505	n/a	6.5%	0.2%	17.0%	10.2%	0
	Treasury	2,550,137	354,449,680	0	0	356,999,817	2,587,488	358,541,877	0	0	361,129,365	1.5%	1.2%	n/a	n/a	1.2%	37,351
	Capital - Controlled Maintenance Trust	0	0	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a	0
	Total	6,966,545,445	5,791,491,266	1,510,192,308	5,269,481,446	19,537,710,465	7,491,529,223	6,361,315,638	1,507,503,154	5,098,913,245	20,459,261,260	7.5%	9.8%	-0.2%	-3.2%	4.7%	524,983,778
	Not Subject to Statutory Limit:																
	HB 10-1376, Treasury, Sr Citizen Prop Tax Exempt	1,670,802	0	0	0	1,670,802	1,700,000	0	0	0	1,700,000	1.7%				1.7%	29,198
	HB 10-1376, Treasury, FPPA (see note)	0	0	0	0	0	0	0	0	0	0	n/a				n/a	0
	HB 10-1376, Revenue, Old Age Heat and Fuel	8,200,000	0	0	0	8,200,000	7,700,000	0	0	0	7,700,000	-6.1%				-6.1%	(500,000)
	HB 10-1376, Revenue, Cigarette Tax (see note)	11,300,000	0	0	0	11,300,000	0	0	0	0	0	-100.0%				-100.0%	(11,300,000)
	HB 10-1376, Local Affairs, FPPA	<u>4,144,363</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,144,363</u>	<u>4,294,753</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,294,753</u>	<u>3.6%</u>				<u>3.6%</u>	<u>150,390</u>
	Subtotal	25,315,165	0	0	0	25,315,165	13,694,753	0	0	0	13,694,753	-45.9%				-45.9%	(11,620,412)
	Amendment 35 Tobacco Tax GFE - Not Subject to Statutory Limit:																
	HB 10-1376, HCPE, Amendment 35 Tobacco Tax	447,000	0	0	0	447,000	422,148	0	0	0	422,148	-5.6%				-5.6%	(24,852)
	HB 10-1376, Public Health, Amend 35 Tobacco Tax	<u>447,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>447,000</u>	<u>422,149</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>422,149</u>	<u>-5.6%</u>				<u>-5.6%</u>	<u>(24,851)</u>
	Subtotal	894,000	0	0	0	894,000	844,297	0	0	0	844,297	-5.6%				-5.6%	(49,703)
	Total (GF Adjusted for Items Not Subject to Limit)	6,940,336,280	5,791,491,266	1,510,192,308	5,269,481,446	19,512,395,300	7,476,990,173	6,361,315,638	1,507,503,154	5,098,913,245	20,472,956,013	7.7%	9.8%	-0.2%	-3.2%	4.9%	536,653,893
	Currently Subject to Statutory Limit	6,940,336,280					7,476,990,173										
	Personal Income (2 years prior to FY)	212,320,000,000					207,742,000,000										
	Statutory Limit (Personal Income * 5 Percent)	<u>10,616,000,000</u>					<u>10,387,100,000</u>										
	Amount (Over)/under Limit	3,675,663,720					2,910,109,827					28.0%					

Table 2
General Fund Overview Based On Legislative Council September 2010 Revenue Estimate
(millions of dollars)

	FY 09-10	FY 10-11	FY 11-12	FY 12-13
1 Beginning GF Reserve	\$443.3	\$146.4	\$389.7	\$52.7
2 GF Nonexempt Revenues	6,454.6	6,312.4	6,393.4	6,653.9
3 GF Exempt Revenues	0.0	719.5	727.5	907.5
4 Transfers/Paybacks	421.2	44.7	2.8	0.2
5 Transfer to Older Americans Act	(10.9)	(10.9)	(10.9)	(10.9)
6 Cash Fund Transfers Requested as Part of Governor's Interim FY 2010-11 Budget Balancing Packages	0.0	118.8	0.0	0.0
7 Cash Fund Transfers and Other Revenue Actions Requested as Part of Governor's FY 2011-12 Budget	0.0	0.0	210.1	46.1
8 Year-end Balancing Transfer (Gov's Executive Order D 013 09 pursuant to SB 09-279)	(458.1)	0.0	0.0	0.0
9 TABOR Surplus Liability	0.0	0.0	0.0	0.0
10 TOTAL GF AVAILABLE	<u>\$6,850.1</u>	<u>\$7,330.9</u>	<u>\$7,712.6</u>	<u>\$7,649.5</u>
11				
12 GF Obligations:				
13 GF Appropriations	\$6,631.6	\$6,940.3	\$7,477.0	\$7,477.0
14 Supplemental Requests Made by Governor - Not Yet Acted on by JBC	0.0	0.0	0.0	0.0
15 Supplemental Requests Approved by JBC - Not Yet Law	0.0	3.4	0.0	0.0
16 Summary of Governor's Interim FY 2010-11 Budget Balancing Package Requests	0.0	(147.4)	0.0	0.0
17 Budget Amendments	0.0	0.0	0.0	0.0
18 Adjusted GF Appropriations Base	<u>6,631.6</u>	<u>6,796.3</u>	<u>7,477.0</u>	<u>7,477.0</u>
19 Amounts Deemed Exempt from the Restriction on State Appropriations (Section 24-75-201.1, C.R.S.)	0.0	0.0	0.0	0.0
20 Medicaid Overexpenditures/Payment Delays as Required by OSPB and the Controller	(28.1)	28.1	0.0	0.0
21 Governor's October 2010 Request to Make Permanent 2 week delay	0.0	(28.1)	0.0	0.0
22 Estimated Federal Medical Assistance Percentage (FMAP) Changes (includes SB264 impact)	0.0	0.0	0.0	0.0
23 Rebates and Expenditures - Based on Statutory Minimums	141.8	134.1	132.0	141.9
24 Reimbursement for Senior and Veterans Property Tax Exemption	1.3	1.7	1.7	105.0
25 Funds in Prior Year Excess Reserve to HUTF (Section 24-75-218, C.R.S.)	N/A	N/A	N/A	0.0
26 Funds in Prior Year Excess Reserve to Capital Construction (Section 24-75-218, C.R.S.)	N/A	N/A	N/A	0.0
27 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
28 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
29 Capital Construction Transfer	0.2	9.1	49.2	66.2
30 Accounting Adjustments	(43.1)	0.0	0.0	0.0
31 TOTAL GF OBLIGATIONS	<u>\$6,703.7</u>	<u>\$6,941.2</u>	<u>\$7,659.9</u>	<u>\$7,790.1</u>
32				
33 YEAR END GF RESERVE	\$146.4	\$389.7	\$52.7	(\$140.6)
34 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	132.6	271.9	299.1	299.1
35 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$13.8</u>	<u>\$117.8</u>	<u>(\$246.4)</u>	<u>(\$439.7)</u>
36 Reduction Needed to Maintain 1/2 of Statutory Reserve	N/A	N/A	\$96.8	\$290.1
37				
38 Reduce Statutory Reserve to 2.03 Percent in FY 2011-12 - Governor November 2010 Request			(\$147.3)	
39 STATUTORY RESERVE (If the Reserve is lowered as Requested by the Governor)			<u>151.8</u>	
40 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE (If the Reserve is Lowered)			<u>(\$99.1)</u>	

Table 2 - Continued

	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>FY 11-12</u>	<u>FY 12-13</u>
41 Total Gross General Fund Revenues	\$6,454.6	\$7,031.9	\$7,120.9	\$7,561.4
42 Percent Gross General Fund Revenue Growth	-4.3%	8.9%	1.3%	6.2%
43				
44 Transfer to the State Education Fund	\$329.0	\$360.1	\$366.5	\$393.2
45				
46 Required TABOR Reserve	\$255.5	\$279.4	\$287.4	\$302.1
47				
48 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$6,603.5	\$6,796.3	\$7,477.0	\$7,477.0
49 Total Percent Growth (Including both items within restriction and exemptions)	-10.8%	2.9%	10.0%	0.0%
50 GF Appropriations Base Available Growth	(\$795.7)	\$192.8	\$680.7	\$0.0
51				
52 Personal Income (Sec 24-75-201.1 (1)(a)(VII)(A), CRS - PI as of two years prior to fiscal year)	\$205,548.0	\$212,320.0	\$207,742.0	\$212,520.0
53 Percent Increase/(Decrease) Over Previous Year	N/A	3.3%	-2.2%	2.3%
54				
55 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	\$10,277.4	\$10,616.0	\$10,387.1	\$10,626.0
56 Adjusted GF Appropriations Base	6,631.6	6,796.3	7,477.0	7,477.0
57 Over/(Under) Calculated Appropriations Restriction	(\$3,645.8)	(\$3,819.7)	(\$2,910.1)	(\$3,149.0)
58				
59 Year-End GF Reserve Percentage	2.2%	5.7%	0.7%	-1.9%
60				
61 Rebates and Expenditures Include (from LCS Forecast)				
62 Cigarette Rebate	\$11.6	\$11.1	\$10.5	\$10.2
63 Suspend Cigarette Rebate for 2 Fiscal Years - Governor's November 2010 Request	\$0.0	\$0.0	(\$10.5)	(\$10.2)
64 Old Age Pension	115.4	107.7	116.8	126.8
65 Aged Property Tax & Heating Credit	7.6	7.7	7.5	7.2
66 FPPA	4.2	4.4	29.8	29.9
67 Suspend FPPA to Payments to Counties for 2 More Fiscal Years - Governor's November 2010 Request	0.0	0.0	(25.4)	(25.4)
68 Amendment 35 GFE Expenditures	0.8	0.9	0.9	0.9
69 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	2.2	2.3	2.4	2.5
70 Total Rebates and Expenditures	\$141.8	\$134.1	\$132.0	\$141.9
71				
72 GF Expenditure Outlook based on Caseload as estimated by JBC Staff:				
73 K-12 Education (Assumes full funding for School Finance and Categoryals)			\$30.0	\$705.7
74 Medicaid			571.2	132.0
75 Performance Based Pay/Salary Survey/HLD (Includes Judicial)			50.1	11.6
76 Corrections			(5.9)	7.1
77 Higher Education (Assumes Additional \$104.6 M in FY 2011-12 to return to current levels)			134.7	36.4
78 Human Services			64.8	31.2
79 Judicial (Performance Based Pay/Salary Survey/HLD Included Above)			3.9	4.7
80 Additional Amounts from Shortfall Sheets (Eliminates Double Counts)			416.4	42.9
81 Total GF Expenditure Estimate			\$1,265.2	\$971.6
82 Moneys in (Deficit)/Excess of Statutory Reserve less GF Outlook				(\$1,411.3)

Table 3
General Fund Overview Based On OSPB September 2010 Revenue Estimate
(millions of dollars)

	FY 09-10	FY 10-11	FY 11-12	FY 12-13
1 Beginning GF Reserve	\$443.3	\$145.8	\$181.0	\$146.8
2 GF Nonexempt Revenues	6,454.6	6,810.0	7,185.0	7,342.2
3 GF Exempt Revenues	0.0	0.0	219.0	458.2
4 Transfers/Paybacks	418.5	44.9	2.8	0.2
5 Transfer to Older Americans Act	(8.0)	(8.0)	(8.0)	(8.0)
6 Cash Fund Transfers Requested as Part of Governor's Interim FY 2010-11 Budget Balancing Packages	0.0	118.8	0.0	0.0
7 Cash Fund Transfers and Other Revenue Actions Requested as Part of Governor's FY 2011-12 Budget	0.0	0.0	210.1	46.1
8 Year-end Balancing Transfer (Gov's Executive Order D 013 09 pursuant to SB 09-279)	(458.1)	0.0	0.0	0.0
9 TABOR Surplus Liability	0.0	0.0	0.0	0.0
10 TOTAL GF AVAILABLE	<u>\$6,850.3</u>	<u>\$7,111.5</u>	<u>\$7,789.9</u>	<u>\$7,985.5</u>
11				
12 GF Obligations:				
13 GF Appropriations	\$6,631.6	\$6,940.3	\$7,477.0	\$7,477.0
14 Supplemental Requests Made by Governor - Not Yet Acted on by JBC	0.0	0.0	0.0	\$0.0
15 Supplemental Requests Approved by JBC - Not Yet Law	0.0	3.4	0.0	\$0.0
16 Summary of Governor's Interim FY 2010-11 Budget Balancing Package Requests	0.0	(147.4)	0.0	\$0.0
17 Budget Amendments	0.0	0.0	0.0	0.0
18 Adjusted GF Appropriations Base	<u>6,631.6</u>	<u>6,796.3</u>	<u>7,477.0</u>	<u>7,477.0</u>
19 Amounts Deemed Exempt from the Restriction on State Appropriations (Section 24-75-201.1, C.R.S.)	0.0	0.0	0.0	0.0
20 Medicaid Overexpenditures/Payment Delays as Required by OSPB and Controller	(28.1)	28.1	0.0	0.0
21 Governor's October 2010 Request to Make Permanent 2 week delay	0.0	(28.1)	0.0	0.0
22 Estimated Federal Medical Assistance Percentage (FMAP) Changes (includes SB264 impact)	(2.7)	(0.5)	0.0	0.0
23 Rebates and Expenditures - Based on Statutory Minimums	141.8	124.0	115.2	117.9
24 Reimbursement for Senior and Veterans Property Tax Exemption	1.3	1.6	1.7	105.0
25 Funds in Prior Year Excess Reserve to HUTF (Section 24-75-218, C.R.S.)	N/A	N/A	N/A	0.0
26 Funds in Prior Year Excess Reserve to Capital Construction (Section 24-75-218, C.R.S.)	N/A	N/A	N/A	0.0
27 Transfer to HUTF (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
28 Transfer to Capital Construction (Sec. 24-75-219, C.R.S.)	0.0	0.0	0.0	0.0
29 Capital Construction Transfer	0.2	9.1	49.2	66.2
30 Accounting Adjustments	(39.6)	0.0	0.0	0.0
31 TOTAL GF OBLIGATIONS	<u>\$6,704.5</u>	<u>\$6,930.5</u>	<u>\$7,643.1</u>	<u>\$7,766.1</u>
32				
33 YEAR END GF RESERVE	\$145.8	\$181.0	\$146.8	\$219.4
35 STATUTORY RESERVE (Section 24-75-201.1 (1) (d), C.R.S.)	132.6	271.9	299.1	299.1
36 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE	<u>\$13.2</u>	<u>(\$90.9)</u>	<u>(\$152.3)</u>	<u>(\$79.7)</u>
37 Reduction Needed to Maintain 1/2 of Statutory Reserve	N/A	N/A	\$2.7	N/A
38				
39 Reduce Statutory Reserve to 2.03 Percent in FY 2011-12 - Governor November 2010 Request			(\$147.3)	
40 STATUTORY RESERVE (If the Reserve is lowered as Requested by the Governor)			<u>151.8</u>	
41 MONEYS IN (DEFICT)/EXCESS OF THE STATUTORY GF RESERVE (If the Reserve is Lowered)			<u>(\$5.0)</u>	

Table 3 - Continued

	FY 09-10	FY 10-11	FY 11-12	FY 12-13
42 Total Gross General Fund Revenues	\$6,454.6	\$6,810.0	\$7,404.0	\$7,800.4
43 Percent Gross General Fund Revenue Growth	-4.3%	5.5%	8.7%	5.4%
44				
45 Transfer to the State Education Fund	\$329.0	\$333.7	\$373.4	\$396.4
46				
47 Required TABOR Reserve	\$255.8	\$274.0	\$297.4	\$314.7
48				
49 GF Approp Base (Adj GF approp base + K-12 Capital + Amt Deemed Exempt + Medicaid Over)	\$6,603.5	\$6,824.4	\$7,477.0	\$7,477.0
50 Total Percent Growth (Including both items within restriction and exemptions)	-10.8%	3.3%	9.6%	0.0%
51 GF Appropriations Base Available Growth	(\$795.7)	\$220.9	\$652.6	\$0.0
52				
53 Personal Income (Sec 24-75-201.1 (1)(a)(VII)(A), CRS - PI as of two years prior to fiscal year)	\$205,548.0	\$212,320.0	\$207,742.0	\$212,520.0
54 Percent Increase/(Decrease) Over Previous Year	N/A	3.3%	-2.2%	2.3%
55				
56 Calculated Restriction on GF Appropriation Growth (Sec 24-75-201.1 (1)(a)(II) through (IV), CRS)	\$10,277.4	\$10,616.0	\$10,387.1	\$10,626.0
57 Adjusted GF Appropriations Base	6,631.6	6,796.3	7,477.0	7,477.0
58 Over/(Under) Calculated Appropriations Restriction	(\$3,645.8)	(\$3,819.7)	(\$2,910.1)	(\$3,149.0)
59				
60 Year-End GF Reserve Percentage	2.2%	2.7%	2.0%	2.9%
61				
62 Rebates and Expenditures Include (from OSPB Forecast)				
63 Cigarette Rebate	\$11.6	\$11.6	\$11.7	\$11.7
64 Suspend Cigarette Rebate for 2 Fiscal Years - Governor's November 2010 Request	\$0.0	\$0.0	(\$11.7)	(\$11.7)
65 Old Age Pension	115.4	99.9	102.5	105.0
66 Aged Property Tax & Heating Credit	7.6	7.6	7.7	7.8
67 FPPA	4.2	4.1	29.6	29.6
68 Suspend FPPA to Payments to Counties for 2 More Fiscal Years - Governor's November 2010 Request	0.0	0.0	(25.4)	(25.4)
69 Amendment 35 GFE Expenditures	0.8	0.8	0.8	0.9
70 Treasurer's Loans to School Districts (Off Budget -- Not in Long Bill)	2.2	0.0	0.0	0.0
71 Total Rebates and Expenditures	\$141.8	\$124.0	\$115.2	\$117.9

Table 4
2010 Interim 1331 Supplemental Requests

June 2010 Operating 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		GF	FY 2009-10 Other Funds	Total	GF	FY 2010-11 Other Funds	Total	GF	FY 2009-10 Other Funds	Total	GF	FY 2010-11 Other Funds	Total
1 HICPF	Children's Basic Health Plan Premiums Overexpenditure	\$1,641,008	\$14,183,565	\$15,824,573	\$0	\$0	\$0	\$0	\$14,576,426	\$14,576,426	\$0	\$0	\$0
2 Higher Education	Emergency College Opportunity Fund Allocation Adjustment	0	0	0	0	0	0	0	0	0	0	0	0
3 Hum Serv	DD - Emergency Funding for Community Services for People with DD	0	0	0	0	0	0	0	0	0	0	0	0
4 Personnel	American Recovery and Reinvestment Act Technical Supplemental	0	0	0	0	0	0	0	0	0	0	0	0
5 Public Health	Medical Marijuana	0	0	0	0	2,022,229	2,022,229	0	0	0	0	2,009,377	2,009,377
7 Total		\$1,641,008	\$14,183,565	\$15,824,573	\$0	\$2,022,229	\$2,022,229	\$0	\$14,576,426	\$14,576,426	\$0	\$2,009,377	\$2,009,377

June 2010 Capital Construction 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		CCFE	FY 2009-10 Other Funds	Total	CCFE	FY 2010-11 Other Funds	Total	CCFE	FY 2009-10 Other Funds	Total	CCFE	FY 2010-11 Other Funds	Total
15 Corrections	CSP II, High Custody Expansion COPs	\$0	\$0	\$0	\$2,855,175	\$0	\$2,855,175	\$0	\$0	\$0	\$2,855,175	\$0	\$2,855,175
16 Higher Ed	CU - Ekely Middle Wing Renovation (FY 2007-08 Project)	\$0	\$0	\$0	\$0	(\$1,436,219)	(\$1,436,219)	\$0	\$0	\$0	\$0	(\$1,436,219)	(\$1,436,219)
17 Higher Ed	CSU - Student Recreation Center	\$0	\$0	\$0	\$0	\$1,500,000	\$1,500,000	\$0	\$0	\$0	\$0	\$1,500,000	\$1,500,000
18 Higher Ed	Metro State - Hotel Learning Center	\$0	\$0	\$0	\$0	\$5,672,338	\$5,672,338	\$0	\$0	\$0	\$0	\$5,672,338	\$5,672,338
19				\$0			\$0			\$0			\$0
20				\$0			\$0			\$0			\$0
21				\$0			\$0			\$0			\$0
22 Total		\$0	\$0	\$0	\$2,855,175	\$5,736,119	\$8,591,294	\$0	\$0	\$0	\$2,855,175	\$5,736,119	\$8,591,294

September 2010 Operating 1331 Supplemental Requests

Department	Issue	OSP/State Request						JBC Action					
		GF	FY 2009-10 Other Funds	Total	GF	FY 2010-11 Other Funds	Total	GF	FY 2009-10 Other Funds	Total	GF	FY 2010-11 Other Funds	Total
29 Education	Contingency Reserve to Assist School Districts with Cash Flow	\$0	\$0	\$0	\$3,423,383	\$0	\$3,423,383	\$0	\$0	\$0	\$2,946,551	\$0	\$2,946,551
30 Education	Request for Spending Authority for Average Daily Attendance Study	0	0	0	0	52,000	52,000	0	0	0	0	52,000	52,000
31 Human Services	Funding Request for Trinidad State Nursing Home	0	0	0	471,873	0	471,873	0	0	0	471,873	0	471,873
32 Personnel	FY 2010-11 Governor's Transition Line Item Funding	0	0	0	28,750	0	28,750	0	0	0	12,650	0	12,650
33 Personnel	E-Procurement Spending Authority	0	0	0	0	755,000	755,000	0	0	0	0	0	0
35 Total		\$0	\$0	\$0	\$3,924,006	\$807,000	\$4,731,006	\$0	\$0	\$0	\$3,431,074	\$52,000	\$3,483,074

September 2010 Capital Construction 1331 Requests

Department	Issue	OSP/State Request						JBC Action					
		CCFE	FY 2009-10 Other Funds	Total	CCFE	FY 2010-11 Other Funds	Total	CCFE	FY 2009-10 Other Funds	Total	CCFE	FY 2010-11 Other Funds	Total
42 Higher Ed	Mines - Marquez Hall	0	0	0	0	17,600,000	17,600,000	0	0	0	0	17,600,000	17,600,000
43 Higher Ed	CSU Pueblo - Occhiato University Center	0	0	0	0	(22,710,904)	(22,710,904)	0	0	0	0	(22,710,904)	(22,710,904)
44 Higher Ed	CU - 4th Floor Addition, Lazzara Center	0	0	0	0	4,209,273	4,209,273	0	0	0	0	4,209,273	4,209,273
45 Personnel	Replace Fire Alarm	0	0	0	0	0	0	0	0	0	0	3,955,375	3,955,375
46 Personnel	State Capitol Dome Renovation	0	0	0	0	3,955,375	3,955,375	0	0	0	0	0	0
48 Total		\$0	\$0	\$0	\$0	\$3,053,744	\$3,053,744	\$0	\$0	\$0	\$0	\$3,053,744	\$3,053,744

		JBC Action			JBC Action		
		GF	FY 2009-10 Other Funds	Total	GF	FY 2010-11 Other Funds	Total
Total Operating 1331 Supplementals Approved by JBC =		\$0	\$14,576,426	\$14,576,426	\$3,431,074	\$2,061,377	\$5,492,451

		JBC Action			JBC Action		
		CCFE	FY 2009-10 Other Funds	Total	CCFE	FY 2010-11 Other Funds	Total
Total Capital Construction 1331 Supplementals Approved by JBC =		\$0	\$0	\$0	\$2,855,175	\$8,789,863	\$8,591,294

Table 5
Summary of Appropriation Actions as Requested in Governor Bill Ritter's FY 2010-11 Interim Budget Balancing Packages

Department	Request Title	GF	FY 2010-11 Other Funds	Total Funds
1 August 23 Plan:				
2 Agriculture	1% Across the Board Personal Service Reduction	(30,507)	0	(30,507)
3 Corrections	1% Across the Board Personal Service Reduction	(1,966,707)	0	(1,966,707)
4 Corrections	DOC Budget Reductions	(1,289,100)	0	(1,289,100)
5 Education	1% Across the Board Personal Service Reduction	(146,317)	0	(146,317)
6 Governor's Office	1% Across the Board Personal Service Reduction	(40,411)	0	(40,411)
7 HCPF	1% Across the Board Personal Service Reduction	(151,226)	(122,120)	(273,346)
8 HCPF	Decrease Amount for Extended Enhanced FMAP	67,182,763	(66,495,544)	687,219
9 Human Services	1% Across the Board Personal Service Reduction	(572,590)	(319,989)	(892,579)
10 Judicial	1% Across the Board Personal Service Reduction	(801,845)	0	(801,845)
11 Law	1% Across the Board Personal Service Reduction	(52,001)	0	(52,001)
12 Legislature	1% Across the Board Personal Service Reduction	(226,911)	0	(226,911)
13 Local Affairs	1% Across the Board Personal Service Reduction	(27,463)	0	(27,463)
14 Military and Veterans Affairs	1% Across the Board Personal Service Reduction	(27,135)	0	(27,135)
15 Natural Resources	1% Across the Board Personal Service Reduction	(228,360)	0	(228,360)
16 Personnel	1% Across the Board Personal Service Reduction	(60,812)	0	(60,812)
17 Public Health	1% Across the Board Personal Service Reduction	(80,557)	(36,871)	(117,428)
18 Public Safety	1% Across the Board Personal Service Reduction	(167,262)	0	(167,262)
19 Regulatory Agencies	1% Across the Board Personal Service Reduction	(9,535)	(3,410)	(12,945)
20 Revenue	1% Across the Board Personal Service Reduction	(291,194)	0	(291,194)
21 Treasury	1% Across the Board Personal Service Reduction	(4,467)	0	(4,467)
22	<i>Summary of August 23 Plan</i>	<i>61,008,363</i>	<i>(66,977,934)</i>	<i>(5,969,571)</i>
24 October 22 Plan:				
25 Education	General Fund Reduction and ARRA Proportionality - ES-01	(219,528,715)	219,236,049	(292,666)
26 HCPF	Medicaid Fee-for-Service Delay in FY 2010-11 - ES-2	(26,963,336)	(31,946,588)	(58,909,924)
27 HCPF	Managed Care Payment Delay for FY 2010-11 - ES-3	(15,190,409)	(38,889,659)	(54,080,068)
28 Higher Education	General Fund Reduction and ARRA Proportionality - ES-01	63,197,164	(2,552,189)	60,644,975
29 Human Services	Medicaid Fee-for-Service Delay in FY 2010-11 - ES-2	0	(4,237,933)	(4,237,933)
30	<i>Summary of October 22 Plan</i>	<i>(198,485,296)</i>	<i>141,609,680</i>	<i>(56,875,616)</i>
32 November 1 Budget Request:				
33 Corrections	Parole and Community Caseload	(507,818)	0	(507,818)
34 Corrections	External Capacity Caseload	9,135,129	0	9,135,129
35 Governor's Office	Increase Global Business Development Cash Fund	0	513,135	513,135
36 HCPF	DHS - Reallocation of Resources and Funding Increase for Emergency Placements in DD	4,898,250	7,805,158	12,703,408
37 HCPF	Request for Medical Services Premiums	(16,769,210)	206,264,508	189,495,298
38 HCPF	Medicaid Mental Health Community Programs	(2,110,115)	(1,613,469)	(3,723,584)
39 HCPF	Children's Basic Health Plan Medical Premium and Dental Benefit Costs	0	9,069,508	9,069,508
40 HCPF	Medicare Modernization Act State Contribution Payment	(501,254)	0	(501,254)
41 HCPF	Cash Fund Insolvency Financing	686,184	0	686,184
42 Human Services	DHS - Reallocation of Resources and Funding Increase for Emergency Placements in DD	(4,708,322)	12,703,408	7,995,086
43 Personnel	Parole and Community Caseload	0	(19,000)	(19,000)
44 Revenue	Driver's License Document Line Increase	0	613,710	613,710
45 Revenue	Funding Driver and Vehicle Services	0	0	0
46 State	Address Confidentiality Program	0	39,898	39,898
47	<i>Summary of November 1 Budget Request</i>	<i>(9,877,156)</i>	<i>235,376,856</i>	<i>225,499,700</i>
48				
49 Total		(147,354,089)	310,008,602	162,654,513

Table 6
General Fund Revenue Actions as Requested in Governor Bill Ritter's FY 2010-11 Interim Budget Balancing Packages

	Department	Request Title	FY 2010-11 GF	Comments
1	August 23 Plan:			
2	Capital Construction	Cash Fund Transfer - Higher Education Maintenance and Reserve Fund	9,422,741	This amount is lowered by \$1,060,328 in the October 22 Plan
3	Local Affairs	Proposed Cash Fund Transfer from the Local Government Permanent Fund	11,442,755	This amount is decreased by \$1,030,501 in the October 22 Plan
4	Local Affairs	Transfer Local Government Mineral Impact Cash Fund	15,000,000	This amount is increased by \$55,000,000 in the October 22 Plan
5	Local Affairs	Transfer Local Government Severance Tax Fund	5,000,000	
6	Public Health	Medical Marijuana Cash Fund Transfer	9,000,000	
7	State	Proposed Cash Fund Transfer from the Dept of State Cash Fund	<u>3,500,000</u>	
8		<i>Summary August 23 Plan</i>	<i>53,365,496</i>	
9	-----			
10	October 22 Plan:			
11	Capital Construction	Reduce Higher Education Maintenance and Reserve Fund	(1,060,328)	Reduces the amount requested in the August 23 Plan to \$8,362,413
12	Governor's Office	Colorado Travel and Tourism Promotion Fund	2,500,000	
13	Local Affairs	Transfer Local Government Mineral Impact Grant Program Funds	55,000,000	This increases the amount requested in the the August 23 Plan to \$70,000,000
14	Local Affairs	Proposed Cash Fund Transfer from the Local Government Permanent Fund	(1,030,501)	Reduces the amount requested in the August 23 Plan to \$10,412,254
15	Natural Resources	Severance Tax Perpetual Base Account	<u>10,000,000</u>	
16		<i>Summary October 22 Plan</i>	<i>65,409,171</i>	
17	-----			
18	TOTAL CASH TRANSFER INTERIM REQUESTS		118,774,667	
26				

Table 7
Requested Actions in the Governor's November 2010 Budget Request that Impact the General Fund Overview

	Description	Dept	FY 2011-12	FY 2012-13	Comments
1	<i>Cash Fund Transfers in November 2010 Request:</i>				
2	Limited Gaming Revenue Transfers for FY 2011-12	Governor	21,800,000	0	
3	Cash Fund Insolvency Financing	HCPF	(15,046,971)	(61,026,270)	
4	Local Government Severance Tax Cash Fund Transfer	Loc Aff	27,000,000	0	
5	Local Government Mineral Impact Cash Fund Transfer	Loc Aff	15,000,000	0	
6	Severance Tax Perpetual Base Account Transfer	Nat Res	15,000,000	0	
7	Administrative Hearings Debt Collection Cash Fund Transfer	Personnel	741,800	0	
8	Debt Collection Fund Cash Transfer	Personnel	249,494	0	
9	Medical Marijuana Cash Fund Transfer	Pub Health	10,000,000	0	
10	Colorado High Cost Support Mechanism Revenue Transfer	Reg Agencies	20,000,000	0	
11	Licensing Services Cash Fund Transfer	Revenue	9,800,000	0	
12	Auto Dealers License Cash Fund Transfer	Revenue	500,000	0	
13	Liquor Enforcement Division and State Licensing Authority Cash Fund Transfer	Revenue	<u>150,000</u>	<u>0</u>	
14	Total Requested Cash Fund Transfers		105,194,323	(61,026,270)	
15					
16	<i>Other Actions in November 2010 Requests that Impact GF Revenues:</i>				
17	Extend Temporary Suspension of State Sales Tax on Cigarettes through FY 2013-14	Revenue	31,038,416	30,262,456	
18	Extend Temporary Suspension of Sales Tax Vendor Administrative Fee through FY 2013-14	Revenue	71,579,236	74,141,303	
19	Sales Tax Delinquency Billings	Revenue	<u>2,240,000</u>	<u>2,688,000</u>	
20	Total Other Requested Actions that Impact Revenues		104,857,652	107,091,759	
21					
22	Total All Requested Transfers/Actions that Impact Revenues		<u>210,051,975</u>	<u>46,065,489</u>	
23					
24	<i>Other Actions that Impact Expenditures Reflected on the General Fund Overview:</i>				
25	Extend Suspension of State Contributions to Fire and Police Pension Funds through FY 2012-13	Treasury	(25,321,079)	(25,321,079)	This amount is based on the quarterly Revenue forecast and could change as the revenue forecasts change.
26	Decrease the Statutory Reserve from 4.0 percent to 2.0 percent for FY 2011-12	Statewide	<u>(147,300,000)</u>	<u>0</u>	This amount is based on the FY 2011-12 level of appropriations and will change as the level of appropriations change.
27	Total Other Actions that Impact Expenditures		<u>(172,621,079)</u>	<u>(25,321,079)</u>	

Attachment A

Potential General Fund Appropriation Adjustments in FY 2011-12 and Beyond

Department Program/Division Affected. If none for department, insert "NONE"	General Fund Increase		Type of General Fund Increase - Select all that apply			Comments - Include a description of the increase, any statutory or constitutional requirements, and additional important information.
	Amount of General Fund Increase	Fiscal Year General Fund Increase will Occur	Is the Increase Required by State or Federal Law	ARRA Dollars	Could the Increase be prevented by a change in state legislation other than the Long Bill	
Agriculture						
Refinance Inspection and Consumer Services	1,386,155	FY 2012-13	Yes	No	Yes	Pursuant to H.B. 10-1377, the Inspection and Consumer Services Programs were refinanced with cash funds. This refinance could be continued past FY 2012-13 with legislation.
5% Operating Reduction	20,682	FY 2012-13	No	No	No	This reduction was done in the Long Bill via a budget amendment. The reduction could be continued in the FY 2012-13 Long Bill by not restoring the reduction taken in FY 2010-11.
Refinance of Agricultural Markets	452,513	FY 2011-12	No	No	Yes	This refinance was done in the Long Bill and could be continued through the FY 2011-12 Long Bill.
PERA	115,916	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
All Years Subtotal - Agriculture	1,975,266					
Corrections						
5% Operating Reduction	303,980	FY 2012-13	No	No	No	This reduction was done in the Long Bill via a budget amendment. The reduction could be continued in the FY 2012-13 Long Bill by not restoring the reduction taken in FY 2010-11.
PERA	7,956,493	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
All Years Subtotal - Corrections	8,260,473					
Education						
School Finance and Categorical Programs	30,000,000	FY 2011-12	No	No	No	This is the minimum estimated General Fund projected to be needed to: (1) provide the constitutionally required inflationary increase in funding for categorical programs; (2) increase base per pupil funding by inflation as constitutionally required; (3) adjust the School Finance Act "budget stabilization factor" so that districts' total program funding remains at the same level as in FY 2010-11 (\$5,441.4M); and (4) keep the SEF balance above \$50M (to account for revenue projection errors and avoid selling off long-term assets). This change could be accomplished through a supplemental to the FY 2011-12 Long Bill. If GF is not increased by \$30M in FY 2011-12 and \$30M SEF is used instead, the GF increase in FY 2012-13 would be \$768M instead of \$708M (see next row). If neither GF or SEF is increased in FY 2011-12 (and districts' funding is thus reduced by \$30M in FY 2011-12), the GF increase in FY 2012-13 would be \$738M instead of \$708M.
School Finance and Categorical Programs	705,700,000	FY 2012-13	Yes	No	Yes	This is the minimum estimated General Fund projected to be needed to: (1) provide the constitutionally required inflationary increase in funding for categorical programs; (2) increase base per pupil funding by inflation as constitutionally required; (3) eliminate the School Finance Act "budget stabilization factor" from the school finance formula as required under current law; and (4) keep the SEF balance above \$50M.

Attachment A

Potential General Fund Appropriation Adjustments in FY 2011-12 and Beyond

Department Program/Division Affected. If none for department, insert "NONE"	General Fund Increase		Type of General Fund Increase - Select all that apply			Comments - Include a description of the increase, any statutory or constitutional requirements, and additional important information.
	Amount of General Fund Increase	Fiscal Year General Fund Increase will Occur	Is the Increase Required by State or Federal Law	ARRA Dollars	Could the Increase be prevented by a change in state legislation other than the Long Bill	
5% Operating Reduction	18,191	FY 2012-13	No	No	No	This reduction was done in the Long Bill via a budget amendment. The reduction could be continued in the FY 2012-13 Long Bill by not restoring the reduction taken in FY 2010-11. S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
PERA	304,599	FY 2011-12	Yes	No	Yes	
All Years Subtotal - Education	736,022,790					
Governor						
E-Fort Transfer to OIT from Dept of State	465,898	FY 2011-12	Yes	No	Yes	Pursuant to S.B. 10-148, the responsibilities for the enterprise facility for operational recovery, readiness, response, and transition services is transferred from the Department of State to the Office of Information Technology (OIT). Continued impact of S.B. 10-148.
E-Fort Transfer to OIT from Dept of State	479,956	FY 2012-13	Yes	No	Yes	
E-Fort Transfer to OIT from Dept of State	465,958	FY 2013-14	Yes	No	Yes	Continued impact of S.B. 10-148.
Digital Trunked Radio System Software Upgrades	7,243,505	FY 2012-13	No	No	No	The State's public safety radio (Digital Trunked Radio System) requires a software upgrade in FY 2012-13. Currently, there is no financing mechanism for the anticipated costs.
Digital Trunked Radio System Repeater, Dispatch Console, and Microwave Upgrades	25,867,100	FY 2013-14	No	No	No	The State's public safety radio (Digital Trunked Radio System) requires an upgrade to the microwave, repeater, and dispatch console equipment beginning in FY 2013-14. Currently, there is no financing mechanism for the anticipated costs.
Digital Trunked Radio System Repeater, Dispatch Console, and Microwave Upgrades	21,544,500	FY 2014-15 or later	No	No	No	The State's public safety radio (Digital Trunked Radio System) requires an upgrade to the microwave, repeater, and dispatch console equipment beginning in FY 2013-14 and continuing through FY 2014-15. Currently, there is no financing mechanism for the anticipated costs.
5% Operating Reduction	19,261	FY 2012-13	No	No	No	This reduction was done in the Long Bill via a budget amendment. The reduction could be continued in the FY 2012-13 Long Bill by not restoring the reduction taken in FY 2010-11. S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
PERA	107,362	FY 2011-12	Yes	No	Yes	
All Years Subtotal - Governor	56,193,540					
Health Care Policy and Financing						

Attachment A

Potential General Fund Appropriation Adjustments in FY 2011-12 and Beyond

Department Program/Division Affected. If none for department, insert "NONE"	General Fund Increase		Type of General Fund Increase - Select all that apply			Comments - Include a description of the increase, any statutory or constitutional requirements, and additional important information.
	Amount of General Fund Increase	Fiscal Year General Fund Increase will Occur	Is the Increase Required by State or Federal Law	ARRA Dollars	Could the Increase be prevented by a change in state legislation other than the Long Bill	
ARRA Additional FMAP Assistance	430,681,013	FY 2011-12	Yes	Yes	No	This is the full amount of the ARRA enhanced FMAP originally appropriated in FY 2010-11. The amount actually approved by the US Congress was \$67.1 million less than the amount appropriated for FY 2010-11. Federal law currently eliminates the remainder of the enhanced FMAP in FY 2012-13. The Governor submitted a plan to cover the \$67.1 million shortfall for FY 2010-11. However, the FY 2010-11 plan mainly relies on one-time cash fund transfers. Because a permanent solution to the problem has not been decided on, staff has included the full amount of ARRA contained in the current appropriation for the purposes of this spreadsheet.
Tobacco Tax Education Fund Transfer	15,521,625	FY 2011-12	Yes	No	Yes	This is the amount of the Tobacco Education Program Fund being used to offset General Fund. An emergency resolution would need to be passed to prevent this backfill.
Primary Care Fund Transfer	12,800,000	FY 2011-12	Yes	No	Yes	This is the amount of the Primary Care Fund being used to offset General Fund. An emergency resolution would need to be passed to prevent this backfill.
Prevention, Early Detection, and Treatment Fund Transfer	5,679,358	FY 2011-12	Yes	No	Yes	This is the amount of the Prevention, Early Detection, and Treatment Fund being used to offset General Fund. An emergency resolution would need to be passed to prevent this backfill.
Health Disparities Grant Program Fund	4,490,435	FY 2011-12	Yes	No	Yes	This is the amount of the Health Disparities Grant Program being used to offset General Fund. An emergency resolution would need to be passed to prevent this backfill.
OAP Supplemental Fund Offset	1,850,000	FY 2011-12	Yes	No	Yes	This is the difference between the \$4,850,000 in FY 2010-11 and the \$3,000,000 in FY 2011-12 from the OAP Supplemental Fund that is authorized to offset General Fund pursuant to HB 10-1380. This adjustment was a refinance of General Fund with cash reserves from the OAP Supplemental Fund. At the time of the refinance, it was assumed that additional reserves would not be available to continue the refinance beyond FY 2011-12. However, extension of the refinance may be possible based on future assumptions regarding the program.
OAP Supplemental Fund Offset	3,000,000	FY 2012-13	Yes	No	Yes	This is the \$3,000,000 from the OAP Supplemental Fund that is authorized to offset General Fund pursuant to HB 10-1380 in FY 2011-12. There is a possibility that this fund could be used in the future to offset General Fund if a positive balance is maintained in the fund. This adjustment was a refinance of General Fund with cash reserves from the OAP Supplemental Fund. At the time of the refinance, it was assumed that additional reserves would not be available to continue the refinance beyond FY 2011-12. However, extension of the refinance may be possible based on future assumptions regarding the program.
Supplemental Tobacco Litigation Settlement	2,245,000	FY 2011-12	Yes	No	Yes	This funding was put into the CBHP Trust Fund in order to avoid a GF appropriation for the CBHP program. There is a possibility that legislation could be passed to continue this practice in the future.
Money Account of the CPPC Fund						
PERA	180,162	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
DHS Medicaid PERA	586,239	FY 2011-12	Yes	No	Yes	
All Years Subtotal - HCPF	477,033,832					

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Potential General Fund Appropriation Adjustments in FY 2011-12 and Beyond

Department Program/Division Affected. If none for department, insert "NONE"	General Fund Increase		Type of General Fund Increase - Select all that apply			Comments - Include a description of the increase, any statutory or constitutional requirements, and additional important information.
	Amount of General Fund Increase	Fiscal Year General Fund Increase will Occur	Is the Increase Required by State or Federal Law	ARRA Dollars	Could the Increase be prevented by a change in state legislation other than the Long Bill	
Higher Education Governing Boards, Local District Junior Colleges, and Area Vocational Schools	89,194,099	FY 2011-12	No	Yes	No	Along with the expiration of ARRA funds, maintenance of effort requirements associated with ARRA expire in FY 2011-12. The General Assembly could decide not to provide additional General Fund to restore the ARRA moneys through the Long Bill process. If the General Assembly took such an action this increase would not be required. One-time money from CollegeInvest, available because CollegeInvest discontinued a scholarship program, was used in H.B. 10-1383 to refinance General Fund appropriations for need based scholarships. The General Assembly could decide not to provide additional General Fund to restore the refinance through the Long Bill process. If the General Assembly took such an action this increase would not be required. S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12. This amount is for the Department's Administration only. Higher education institution expenditures were reduced in FY 2010-11 due to the PERA reduction, but appropriations were not reduced, because the General Fund for the institutions was already at the minimum necessary to meet the maintenance of effort requirements of ARRA.
Need Based Aid	15,400,000	FY 2011-12	No	No	No	
PERA	39,849	FY 2011-12	Yes	No	Yes	
All Years Subtotal - Higher Ed	104,633,948					
Human Services TANF backfill for child welfare	12,500,000	FY 2012-13	No	No	No	Temporary Assistance to Needy Families (TANF) reserves were used to backfill child welfare funding in FY FY 2009-10 and FY 2010-11. The Executive requests identified these adjustments as a short-term savings and indicated that these refinances would end and GF would be restored in FY 2012-13. Based on the status of TANF reserves, it may be possible to delay the GF restoration until FY 2013-14. However, ultimately, GF will either need to be restored, or funding for child welfare or the Colorado Works program (basic cash assistance and related services) will need to be reduced. Based on an increased federal FMAP rate for the Title IV-E Foster Care program, Colorado reduced General Fund for county Child Welfare allocations by \$3.9 million and backfilled with additional federal Title IV-E revenue in FY 2009-10. For FY 2010-11, the \$3.9 million refinance was continued. The assumption reflected in the staff write-ups was that the \$3.9 million General Fund would be backfilled at the end of the FMAP adjustment. In the absence of such backfill, capped allocations to counties for child welfare services would be reduced. (Note: the FY 2010-11 appropriation added \$1.6 million federal funds beyond the \$3.9 million, based on an increased FMAP projection; however, this was not associated with a GF reduction and no related GF backfill was anticipated for future years. Further, this "extra" is now unlikely to be received in FY 2010-11 due to final federal action on the FMAP adjustment.)
ARRA for child welfare	3,911,137	FY 2011-12	No	Yes	No	

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Potential General Fund Appropriation Adjustments in FY 2011-12 and Beyond

Department Program/Division Affected. If none for department, insert "NONE"	General Fund Increase		Type of General Fund Increase - Select all that apply			Comments - Include a description of the increase, any statutory or constitutional requirements, and additional important information.
	Amount of General Fund Increase	Fiscal Year General Fund Increase will Occur	Is the Increase Required by State or Federal Law	ARRA Dollars	Could the Increase be prevented by a change in state legislation other than the Long Bill	
5% Operating Reduction	610,772	FY 2012-13	No	No	No	
PERA	3,650,748	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
All Years Subtotal - Human Services	20,672,657					
Judicial						
PERA	4,213,374	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
All Years Subtotal - Judicial	4,213,374					
Labor and Employment						
PERA	0	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12. Because Labor does not receive any General Fund appropriations, no General Fund backfill is required to restore the PERA adjustment
All Years Subtotal - Labor	0					
Law						
District Attorney Salaries	220,968	FY 2011-12	Yes	No	No	H.B. 07-1170 established a schedule of increasing minimum salaries for district attorneys for calendar years 2009 to 2012. The state pays 80% of the minimum. Due to constitutional restrictions, this schedule cannot be altered until January 1, 2013, following the November 2012 election.
Reverse one time GF refinancing	124,214	FY 2011-12	No	No	No	The FY 2010-11 Long Bill takes advantage of a one time GF refinancing opportunity involving indirect costs that will not be available in FY 2011-12.
PERA	135,688	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
All Years Subtotal - Law	480,870					
Legislative						

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Potential General Fund Appropriation Adjustments in FY 2011-12 and Beyond

Department Program/Division Affected. If none for department, insert "NONE"	General Fund Increase		Type of General Fund Increase - Select all that apply			Comments - Include a description of the increase, any statutory or constitutional requirements, and additional important information.
	Amount of General Fund Increase	Fiscal Year General Fund Increase will Occur	Is the Increase Required by State or Federal Law	ARRA Dollars	Could the Increase be prevented by a change in state legislation other than the Long Bill	
PERA	531,632	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
All Years Subtotal - Legislative	531,632					
Local Affairs 5% Operating Reduction	11,475	FY 2012-13	No	No	No	This reduction was done in the Long Bill via a budget amendment. The reduction could be continued in the FY 2012-13 Long Bill by not restoring the reduction taken in FY 2010-11.
PERA	54,614	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
All Years Subtotal - Local Affairs	66,089					
Military and Veterans Affairs PERA	42,149	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
All Years Subtotal - Military and Veterans Affairs	42,149					
Natural Resources 5% Operating Reduction	56,816	FY 2011-12	No	No	No	This reduction was done in the Long Bill via a budget amendment. The reduction could be continued in the FY 2012-13 Long Bill by not restoring the reduction taken in FY 2010-11.
PERA	402,879	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
All Years Subtotal - Natural Resources	459,695					
Personnel and Administration 5% Operating Reduction	21,082	FY 2012-13	No	No	No	This reduction was done in the Long Bill via a budget amendment. The reduction could be continued in the FY 2012-13 Long Bill by not restoring the reduction taken in FY 2010-11.
PERA	58,283	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12. The Department of Personnel and Administration requires a total appropriation of \$558,125, including \$58,283 General Fund, to restore the PERA adjustment.

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Potential General Fund Appropriation Adjustments in FY 2011-12 and Beyond

Department Program/Division Affected. If none for department, insert "NONE"	General Fund Increase		Type of General Fund Increase - Select all that apply			Comments - Include a description of the increase, any statutory or constitutional requirements, and additional important information.
	Amount of General Fund Increase	Fiscal Year General Fund Increase will Occur	Is the Increase Required by State or Federal Law	ARRA Dollars	Could the Increase be prevented by a change in state legislation other than the Long Bill	
All Years Subtotal - Personnel	79,365					
Public Health and Environment 5% Operating Reduction	98,638	FY 2012-13	No	No	No	The FY 2010-11 long bill includes a \$98,638 GF operating reduction for the Immunizations program and the Children with Special Needs program. The cuts took advantage of temporary opportunities to reduce spending, with the expectation that funding would be restored two years later in the FY 2012-13 Long Bill.
PERA	144,700	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
All Years Subtotal - Public Health and Environment	243,338					
Public Safety 5% Operating Reduction	202,884	FY 2011-12	No	No	No	This reduction was done in the Long Bill via a budget amendment. The reduction could be continued in the FY 2012-13 Long Bill by not restoring the reduction taken in FY 2010-11.
PERA	378,582	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
All Years Subtotal - Public Safety	581,466					
Regulatory Agencies 5% Operating Reduction	3,081	FY 2012-13	No	No	Yes	This reduction was done in the Long Bill via a budget amendment. The reduction could be continued in the FY 2012-13 Long Bill by not restoring the reduction taken in FY 2010-11.
PERA	27,315	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
All Years Subtotal - Regulatory Agencies	30,396					
Revenue Division of Motor Vehicles/Driver and Vehicle Services	19,961,127	FY 2012-13	Yes	No	Yes	H.B. 10-1387 temporarily refinanced GF with CF in Driver and Vehicle Services (drivers' license offices), but that refinance ends in FY 2011-12. Cash funds sources are the Licensing Services Cash Fund and the Highway Users Tax Fund "off-the-top" moneys.
PERA	622,501	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.

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Potential General Fund Appropriation Adjustments in FY 2011-12 and Beyond

Department Program/Division Affected. If none for department, insert "NONE"	General Fund Increase		Type of General Fund Increase - Select all that apply			Comments - Include a description of the increase, any statutory or constitutional requirements, and additional important information.
	Amount of General Fund Increase	Fiscal Year General Fund Increase will Occur	Is the Increase Required by State or Federal Law	ARRA Dollars	Could the Increase be prevented by a change in state legislation other than the Long Bill	
All Years Subtotal - Revenue	20,583,628					
State PERA	0	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12. The Department of State requires an appropriation of \$323,069 cash funds to backfill the PERA reduction. The Department is entirely cash-funded, so it does not require General Fund backfill to restore the PERA adjustment.
All Years Subtotal - State	0					
Transportation PERA	0	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12. CDOT does not receive any direct General Fund appropriations, therefore, no General Fund backfill is required to restore the PERA adjustment
All Years Subtotal - Transportation	0					
Treasury Special Purpose	25,321,079	FY 2011-12	Yes	No	Yes	Payments to Fire and Police Pension Association (FPPA) "Old-hire" plans were suspended for 3 fiscal year (2008-09, 2009-10, and 2010-11) and will resume in FY 2011-12.
Special Purpose	58,600,000	FY 2014-15 or later	Yes	No	Yes	Current law requires state to make a final payment to the FPPA "old-hire" plans to bring the plans to full actuarial funding in FY 2014-15. The figure of \$58.6 million for this payment is an estimate and the final figure will depend on investment returns between now and the time of the final payment.
Special Purpose	103,300,000	FY 2012-13	Yes	No	Yes	The senior citizen property tax exemption was suspended for 2 fiscal years (2010-11 and 2011-12), but will resume in FY 2012-13.
PERA	28,946	FY 2011-12	Yes	No	Yes	S.B. 10-146 required a reduction to the state's contribution to the Public Employees' Retirement Association equal to 2.5 percent of employees' salaries for FY 2010-11. This increase would reinstate that reduction beginning in FY 2011-12.
All Years Subtotal - Treasury	187,250,025					
Capital Construction Higher Education Federal Mineral Lease COPs	601,703	FY 2011-12	No	No	No	These COP payments support 12 capital construction projects at various higher education institutions. The required General Fund is due to an anticipated lack of revenue in the Federal Mineral Lease Revenues Fund, which has historically supported these payments. This increase in General Fund may not be required if another funding source could be identified.

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Potential General Fund Appropriation Adjustments in FY 2011-12 and Beyond						
Department Program/Division Affected. If none for department, insert "NONE"	General Fund Increase		Type of General Fund Increase - Select all that apply			Comments - Include a description of the increase, any statutory or constitutional requirements, and additional important information.
	Amount of General Fund Increase	Fiscal Year General Fund Increase will Occur	Is the Increase Required by State or Federal Law	ARRA Dollars	Could the Increase be prevented by a change in state legislation other than the Long Bill	
Higher Education Federal Mineral Lease COPS	12,673,078	FY 2012-13	No	No	No	These COP payments support 12 capital construction projects at various higher education institutions. The required General Fund is due to an anticipated lack of revenue in the Federal Mineral Lease Revenues Fund, which has historically supported these payments. This increase in General Fund may not be required if another funding source could be identified.
All Years Subtotal - Capital Construction	13,274,781					
Statewide Increase General Fund Reserve - Year 1 (Reserve from 4.0 percent to 4.5 percent)	35,000,000	FY 2013-14	Yes	No	Yes	Section 24-75-201.1 (1) (d) (XI through XVI) and (e) (I and II), C.R.S., require that the statutory General Fund reserve begin increasing from 4.0 percent by 0.5 percent per year in FY 2012-13 until the reserve equals a total of 6.0 percent of total appropriations. If Colorado personal income does not grow by at least 5.0 percent from CY 2011 to CY 2012, this trigger in growth of the reserve is delayed until the fiscal year in which a 5.0 percent growth in personal income occurs. Current projections indicate the trigger will not be met in FY 2012-13 so the increase is shown beginning in FY 2013-14. The estimated amount is based on total appropriations of \$6,940.3 million. Appropriations may be higher or lower in FY 2013-14 and would impact the level shown accordingly.
Increase General Fund Reserve - Year 2 (Reserve from 4.5 percent to 5.0 percent)	35,000,000	FY 2014-15 or later	Yes	No	Yes	Section 24-75-201.1 (1) (d) (XI through XVI) and (e) (I and II), C.R.S., require that the statutory General Fund reserve begin increasing from 4.0 percent by 0.5 percent per year in FY 2012-13 until the reserve equals a total of 6.0 percent of total appropriations. If Colorado personal income does not grow by at least 5.0 percent from CY 2011 to CY 2012, this trigger in growth of the reserve is delayed until the fiscal year in which a 5.0 percent growth in personal income occurs. Current projections indicate the trigger will not be met in FY 2012-13 so the increase is shown beginning in FY 2013-14. It may be further delayed if the trigger is not met in FY 2013-14. The estimated amount is based on total appropriations of \$6,940.3 million. Appropriations may be higher or lower in FY 2014-15 and would impact the level shown accordingly.
Transfer to the Highway Users Tax Fund	151,000,000	FY 2013-14	Yes	No	Yes	Section 24-75-219, C.R.S., requires that a transfer of 2.0 percent of total revenues be made from the GF to the HUTF beginning in FY 2012-13. If Colorado personal income does not grow by at least 5.0 percent from CY 2011 to CY 2012, this transfer to the HUTF is delayed until the fiscal year in which a 5.0 percent growth in personal income occurs. Current projections indicate the trigger will not be met in FY 2012-13 so the increase is shown beginning in FY 2013-14. It may be further delayed if the trigger is not met in FY 2013-14. The amount shown is an approximation based on the FY 2012-13 estimate revenues as shown in the LCS September 2010 revenue forecast as no estimate is made beyond this year. The amount is likely to be higher if the trigger is met in FY 2013-14.

Attachment A

Potential General Fund Appropriation Adjustments in FY 2011-12 and Beyond

Department Program/Division Affected. If none for department, insert "NONE"	General Fund Increase		Type of General Fund Increase - Select all that apply			Comments - Include a description of the increase, any statutory or constitutional requirements, and additional important information.
	Amount of General Fund Increase	Fiscal Year General Fund Increase will Occur	Is the Increase Required by State or Federal Law	ARRA Dollars	Could the Increase be prevented by a change in state legislation other than the Long Bill	
Transfer to the Capital Construction Fund	38,000,000	FY 2013-14	Yes	No	Yes	Section 24-75-219, C.R.S., requires that a transfer of 0.5 percent of total revenues be made from the GF to the Capital Construction Fund (CCF) beginning in FY 2012-13. If Colorado personal income does not grow by at least 5.0 percent from CY 2011 to CY 2012, this transfer to the CCF is delayed until the fiscal year in which a 5.0 percent growth in personal income occurs. Current projections indicate the trigger will not be met in FY 2012-13 so the increase is shown beginning in FY 2013-14. It may be further delayed if the trigger is not met in FY 2013-14. The amount shown is an approximation based on the FY 2012-13 estimate revenues as shown in the LCS September 2010 revenue forecast as no estimate is made beyond this year. The amount is likely to be higher if the trigger is met in FY 2013-14. In FY 2015-16 the transfer to the CCF will increase by 0.5 percent to a total of 1.0 percent of General Fund revenues.
TABOR Reserve - Eliminate State Properties	70,700,000	FY 2011-12	No	No	No	The General Assembly has currently designated \$70.7 million of state properties as part of the TABOR reserve. The General Assembly could instead designate General Fund dollars. This amount represents such a designation of General Fund. This redesignation can be accomplished in the Long Bill.
TABOR Reserve - Eliminate Cash Funds	194,000,000	FY 2011-12	No	No	No	The General Assembly has currently designated \$194.0 million of cash funds as part of the TABOR reserve. The General Assembly could instead designate General Fund dollars. This amount represents such a designation of General Fund. This redesignation can be accomplished in the Long Bill.
Reverse payday shift	89,623,000	FY 2011-12	No	No	No	During FY 2002-03, the General Assembly shifted the payday for state employees whose salaries are funded by General Fund from June 30 to July 1, which transferred the fiscal obligation to the following fiscal year. All state employees are paid July 1 for work performed during June, but the actual fiscal impact applies only to the General Fund portion of the payroll. This prior budget-balancing action results in several accounting issues. The State is actually not required to shift the payday back to June 30, and legislation is required to do so.
One-time funds for employee health, life, and dental benefits	9,700,000	FY 2011-12	No	No	No	The General Assembly approved several one-time actions that reduced the State contribution amount for health, life, and dental benefits by \$3.5 million, and also reduced the employee's contribution amount by \$8.1 million. In order to continue this level of total state funding, the General Assembly must appropriate an additional \$11.6 million, including \$9.7 million General Fund.
Reinstate salary survey for State employees	29,200,000	FY 2011-12	No	No	No	The General Assembly did not appropriate funds for salary survey for FY 2009-10 or FY 2010-11. This amount is an estimate based on the average salary survey rates for the past ten years in which salary survey was given (years in which salary survey were not given are not included in the calculation). Please note that this amount is an estimate and would need to be refined if salary survey was actually reinstated.

Attachment A

Potential General Fund Appropriation Adjustments in FY 2011-12 and Beyond

Department Program/Division Affected. If none for department, insert "NONE"	General Fund Increase		Type of General Fund Increase - Select all that apply			Comments - Include a description of the increase, any statutory or constitutional requirements, and additional important information.
	Amount of General Fund Increase	Fiscal Year General Fund Increase will Occur	Is the Increase Required by State or Federal Law	ARRA Dollars	Could the Increase be prevented by a change in state legislation other than the Long Bill	
Resinstate performance-based pay for State employees	12,290,000	FY 2011-12	No	No	No	The General Assembly did not appropriate funds for performance based pay for FY 2009-10 or FY 2010-11. This amount is an estimate based on the average performance based pay rates for the past ten years in which performance based pay was given (years in which performance based pay were not given are not included in the calculation). Please note that this amount is an estimate and would need to be refined if performance based pay was actually reinstated.
All Years Subtotal - Statewide	664,513,000					
FY 2011-12 Total	1,064,313,773		518,857,407	518,857,407	518,857,407	
FY 2012-13 Total	867,350,983		833,827,238	833,827,238	833,827,238	
FY 2013-14 Total	250,333,058		224,465,958	224,465,958	224,465,958	
FY 2014-15 or Later Total	115,144,500		93,600,000	93,600,000	93,600,000	
Grand Total for all Years	2,297,142,314		0	0	0	
PERA Total	18,995,792		n/a	n/a	n/a	

NOTE: Some subtotals and the grand total may include options that overlap with others. If there is an either/or choice between two options, the tradeoff is explained in the comments section.

Key:
General Fund backfill - includes any constitutional increases, refinances for a limited number of years, or other temporary measures taken to reduce General Fund by using CF or FF instead.
Short-term General Fund Revenue Increases - includes any cash fund transfers, tax exemptions, or other measures to increase General Fund revenue - do not include any items which require a General Fund backfill.

Category:
Is the Increase Required by State or Federal Law = Current state or federal law requires that short-term savings in FY 2010-11 be backfilled with General Fund
ARRA Dollars = FY 2010-11 savings were the result of provisions of the federal American Recovery and Reinvestment Act of 2009
Could the Increase be prevented by a change in state legislation other than the Long Bill = State statutory change could allow the General Assembly to maintain the General Fund savings and/or continue the use of other funds in place of General Fund
 General Fund is shown in the department affected (i.e., Medicaid adjustments in Human Services that drive General Fund savings are shown in the Department of Health Care Policy and Financing)