

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Increase Global Business Development Cash Fund
 Department: Governor's Office Dept. Approval by: *Wendy King* Date: 10/19/10
 Priority Number: DI-1, S-1 OSPB Approval: *Chris* Date: 10-22-10

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	0	1,554,009	513,135	2,067,144	1,577,104	513,135	2,090,239	0	2,090,239	513,135
	FTE	0.0	17.6	0.0	17.6	17.6	0.0	17.6	0.0	17.6	0.0
	GF	0	1,484,059	0	1,484,059	1,507,154	0	1,507,154	0	1,507,154	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	69,950	150,000	219,950	69,950	150,000	219,950	0	219,950	150,000
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	363,135	363,135	0	363,135	363,135	0	363,135	363,135
(4) Economic Development Programs; Global Business Development	Total	0	1,554,009	513,135	2,067,144	1,577,104	513,135	2,090,239	0	2,090,239	513,135
	FTE	0.0	17.6	0.0	17.6	17.6	0.0	17.6	0.0	17.6	0.0
	GF	0	1,484,059	0	1,484,059	1,507,154	0	1,507,154	0	1,507,154	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	69,950	150,000	219,950	69,950	150,000	219,950	0	219,950	150,000
	RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	363,135	363,135	0	363,135	363,135	0	363,135	363,135

Non-Line Item Request: None

Letternote Revised Text for FY 2010-11: c Of this amount, \$65,000 \$215,000 shall be from various fees collected from participants in activities conducted by the division and \$4,950 shall be from the Minority Business Fund created in Section 24-49.5-104 (1), C.R.S. Federal Funds reflect a three year grant through the International Trade Administration through FY 2011-12 and may be extended for a fourth year through FY 2012-13.

Letternote Text Requested for FY 2011-12: °Of this amount, \$215,000 shall be from various fees collected from participants in activities conducted by the division and \$4,950 shall be from the Minority Business Fund created in Section 24-49.5-104(1), C.R.S. Federal Funds reflect a three year grant through the International Trade Administration through FY 2011-12 and may be extended for a fourth year through FY 2012-13.

Cash or Federal Fund Name and COFRS Fund Number: Global Business Development Cash Fund - Fund 100

Reappropriated Funds Source, by Department and Line Item Name: None

Approval by OIT? Yes: No: N/A

Schedule 13s from Affected Departments: None

CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Governor's Office – Office of Economic Development
Priority Number:	DI-1, S-1
Change Request Title:	Increase Global Business Development Cash Fund

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Governor's Office of Economic Development requests an increase in its Global Business Development line item totaling \$513,135 beginning in FY 2010-11 totaling \$150,000 Global Business Development Cash Fund and to reflect \$363,135 Federal Funds.

This increase in cash funds is to accommodate contributions, grants, and donation intake and expenditure for large international trade missions and for gifts and donations under its federal grant program to market Colorado goods and services in China and Mexico. The increase in federal funds is to reflect a grant from the International Trade Administration.

General Description of Request:

The International Trade Office, which is part of Global Business Development, is tasked with organizing large economic development missions and trade missions overseas. The International Trade Office is authorized under Section 24-47-101 (2)(d) C.R.S. (2010) to allow companies to participate in trade missions at a low cost.

The Office charges fees to recover costs associated with these missions. When trade missions are organized, businesses who would like to participate pay a participation fee to offset costs. The fees and contributions are raised prior to the actual trade missions. The expenditures will only be incurred once the revenue has been received. If there are no trade missions scheduled, there will be no expenditures. However, based on the experience of the Office and recent focus and interest on international trade missions, the additional spending authority will allow for continuing missions. The Office anticipates that an additional \$150,000 in fees and contributions will be raised to fund this request.

The International Trade Office is also authorized to receive and expend contributions, grants, services, and in-kind donations to pay for the costs of establishing or operating satellite trade or investment offices or presences in other nations.

During FY 2007-08, the Office determined a need to raise over \$90,000 for a mission to Asia but ultimately only had the capacity to raise \$50,000 Cash Funds as stated in the corresponding Long Bill. Due to the appropriation, the Office has not been in a position to take advantage of fundraising opportunities. These opportunities may not be available every year but with the focus on international trade missions, this increase would allow the Office to pursue additional missions.

In addition, the Office received a federal grant from the International Trade Administration from FY 2009-10 through FY 2011-12, with the potential of it being extended to FY 2012-13. The matching funds for this grant will partially come from fees, gifts and donation income from company participants and partially from the General Funds provided under this Long Bill line item. Incoming gifts and donations related to matching the federal grants are estimated to be \$10,000 annually.

The International Trade Office, as a component of Global Business Development, would like the increased spending authority to allow for seeking additional contributions, grants, and donations to promote international business development. The Global Business Development is a new line item in the FY 2010-11 Long Bill.

Consequences if Not Funded:

If the Office is not able to raise sufficient cash funds for its missions, the Office will have to rely more heavily on its General Fund budget, which will limit the number of programs and services the Office can effectively provide in any given fiscal year. Or the Office will have to scale back the number and/or size of its missions.

The Office also risks losing part of its federal grant funding if it cannot effectively take in the fee income needed in matching funds.

Calculations for Request:

Summary of Request FY 2010-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$513,135	\$0	\$150,000	\$0	\$363,135	0.0
Global Business Development	\$513,135	\$0	\$150,000	\$0	\$363,135	0.0

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$513,135	\$0	\$150,000	\$0	\$363,135	0.0
Global Business Development	\$513,135	\$0	\$150,000	\$0	\$363,135	0.0

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$513,135	\$0	\$150,000	\$0	\$363,135	0.0
Global Business Development	\$513,135	\$0	\$150,000	\$0	\$363,135	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2009-10 Expenditures	FY 2009-10 End of Year Cash Balance	FY 2010-11 End of Year Cash Balance Estimate	FY 2011-12 End of Year Cash Balance Estimate	FY 2012-13 End of Year Cash Balance Estimate
Global Business Development Cash Fund	100	N/A	N/A	\$0	\$0	\$0
International Trade Office Cash Fund	100	\$48,440	\$0	N/A	N/A	N/A
Minority Business Office Cash Fund	100	\$0	\$3,256	\$0	\$0	\$0

International Trade Office Cash Fund	Revenue	Expenditures	Fund Balance
FY 2008-09	\$9,207	\$9,207	\$0
FY 2009-10	\$48,440	\$48,440	\$0
FY 2010-11 projected	N/A	N/A	N/A
FY 2011-12 projected	N/A	N/A	N/A
Global Business Development Cash Fund			
FY 2008-09	N/A	N/A	N/A
FY 2009-10	N/A	N/A	N/A
FY 2010-11 projected	\$219,950	\$219,950	\$0
FY 2011-12 projected	\$219,950	\$219,950	\$0
Minority Business Office Cash Fund			
FY 2008-09	\$6,514	\$6,514	\$3,105
FY 2009-10	\$69	\$69	\$3,256
FY 2010-11 projected	\$4,950	\$8,206	\$0
FY 2011-12 projected	\$4,950	\$4,950	\$0

Historically, the ITO has expended all cash funds received in the same year as received. It is expected that this trend will continue in future years. It is also expected that MBO will expend all available funds in FY 2010 -11.

The revenue source for the International Trade Office comes from fees charged to participating in international trade missions and sponsorships and donations. The fees and contributions are raised prior to organized trade missions. The expenditures will only be incurred once the revenue has been received. Based on the recent focus and interest on international trade missions, the additional spending authority will allow for continuing missions.

Assumptions for Calculations:

The amounts listed above for cash funds are based projected revenues and expenditures.

Impact on Other Government Agencies:

N/A.

Cost Benefit Analysis:

Raising additional funds will not result in any material cost differences for the staff time and effort as businesses are aware of the program and seek out assistance from Economic Development. The potential for impacts to the Colorado economy cannot be measured at this time.

Implementation Schedule:

Task	Month/Year
Begin higher level of fundraising efforts	January 2011
Receive cash funds	January 2011-June 2013
Apply cash funds to missions and use as matching funds for federal grant	January 2011-June 2013

Statutory and Federal Authority:

No statutory change is required to implement this request. The grant authority is from the Federal Grant Agreement with the Office of International Administration.

24-47-101 Colorado international trade office - created - staff. (C.R.S. 2010)

(2) The Colorado international trade office shall:

(d) *Utilize traditionally effective international promotion techniques which are designed to create new channels of distribution for Colorado firms which have no export market, which techniques shall include, but need not be limited to, state-sponsored international trade shows and trade missions where many companies may participate at low cost and guidance in the mechanics of exporting through major seminars, identification of target markets, export troubleshooting, and important trade leads;*

Section 24-47-102, Satellite trade or investment offices and presences in other nations. (C.R.S. 2010)

(3) The Colorado international trade office is authorized to receive and expend contributions, grants, services, and in-kind donations, including but not limited to office space, from public sources other than the state and from private sources and may use such donations to pay for the direct and indirect costs of establishing or operating satellite trade or investment offices or presences in other nations.

(4) (a) The general assembly shall make an annual appropriation to pay for the direct and indirect costs of establishing and operating a satellite trade or investment office established in another nation in accordance with paragraph (c) of subsection (2) of this section. The annual direct and indirect costs of establishing and operating such office shall be obtained in part from those sources described in subsection (3) of this section; the value of all donations as described in subsection (3) of this section, including the value of all services and in-kind donations, shall be computed in determining the total amount provided to each office by such sources.

(b) The general assembly shall make an annual appropriation to pay for the direct and indirect costs of establishing and operating each presence in another nation authorized by paragraph (c) of subsection (2) of this section.

Performance Measures:

There has been no direct correlation established between trade missions and job creation. Doing business internationally leads to building relationships with other countries. Missions are an important part of the relationship-building which is a long-term process.

All OEDIT divisions contribute to this effort through their diverse programs that support a variety of businesses. OEDIT's current approach has three basic components:

1. Identifying businesses that will create or retain quality jobs through marketing efforts by OEDIT and its many partners;
2. Determining the type and level of assistance needed by businesses;
3. Providing the assistance needed utilizing OEDIT's programs/services and/or providing referrals to other partners and resources.

OEDIT's Business Development Division utilizes regional Business Development Representatives (BDRs) to increase awareness of all OEDIT programs and services in Colorado. The BDRs also serve as the primary point of contact for domestic business development retention, recruitment and expansion activities by providing leadership, assistance, technical support and referrals for local economic development initiatives. The International Trade Division (ITO) promotes Colorado and serves as the primary point of contact for direct investment and job creation/retention efforts in Colorado by international businesses in addition to working directly with Colorado companies interested in exporting their goods/services. A new Colorado Export Development Grant program provides cost offsets for travel to trade missions. ITO awarded 17 grants from a total of 39 applications. One company that participated in the program has already reported a \$500,000 initial sale from ITO's assistance (included in the export numbers for FY08-09). Individual programs also market to targeted audiences. Once businesses and needs have been identified, the appropriate program staff works with the businesses to either provide the assistance needed utilizing OEDIT's programs/services or provides referrals to other partners and resources.

Objective #1: Increase quality job creation/retention by existing, expanding and relocating businesses

Performance Measure	Outcome	FY 09-10 Actual		FY 10-11 Estimated.		FY 11-12 Request	
		Jobs	Change	Jobs	Change	Jobs	Change
Jobs created and retained by businesses receiving assistance from OEDIT	Benchmark	9,000	NA	9,000		9,000	
	Actual	13,809	+39.2%	TBD		TBD	

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Creative Industries Line Item

Department: Governor's Office - OEDIT

Priority Number: DI - 2, S-2

Dept. Approval by: *Noni B...*

Date: 10/25/10

OSPB Approval: *Kris M Garcia*

Date: 10/25/10

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	2,271,762	2,368,312	0	2,368,312	1,869,378	0	1,869,378	0	1,869,378	0
	FTE	0.0	7.5	0.0	7.5	7.5	0.0	7.5	0.0	7.5	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,498,762	1,603,915	0	1,603,915	800,000	0	1,100,000	0	1,100,000	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	773,000	764,397	0	764,397	769,378	0	769,378	0	769,378	0
Economic Development Programs, Colorado Office of Film, Television, and Media	Total	351,486	428,556	0	428,556	300,000	(300,000)	0	0	0	(300,000)
	FTE	0.0	4.5	0.0	4.5	4.5	(4.5)	0.0	0.0	0.0	(4.5)
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	351,486	428,556	0	428,556	0	(300,000)	0	0	0	(300,000)
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
Economic Development Programs, Council on the Arts	Total	1,920,276	1,939,756	0	1,939,756	1,569,378	(1,569,378)	0	0	0	(1,569,378)
	FTE	0.0	3.0	0.0	3.0	3.0	(3.0)	0.0	0.0	0.0	(3.0)
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	1,147,276	1,175,359	0	1,175,359	800,000	(800,000)	0	0	0	(800,000)
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	773,000	764,397	0	764,397	769,378	(769,378)	0	0	0	(769,378)
Economic Development Programs, NEW LINE ITEM-Creative Industries Division	Total	0	0	0	0	0	1,869,378	1,869,378	0	1,869,378	1,869,378
	FTE	0.0	0.0	0.0	0.0	0.0	7.5	7.5	0.0	7.5	7.5
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	0	0	0	0	1,100,000	1,100,000	0	1,100,000	1,100,000
	FF	0	0	0	0	0	0	0	0	0	0
							769,378	769,378	0	769,378	769,378

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: Creative Industries Line Item
Department: Governor's Office - OEDIT **Dept. Approval by:**
Priority Number: DI - 2, S-2 **OSPB Approval:** **Date:**
Date:

	1	2	3	4	5	6	7	8	9	10
Fund	Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13

Non-Line Item Request: None
Letternote Revised Text for FY 2010-11:

f This amount shall be from the Colorado Office of Film, Television, and Media Operational Account Cash Fund created in Section 24-48.5-203 (4), C.R.S. THE ECONOMIC DEVELOPMENT PROGRAMS ARE AUTHORIZED TO TRANSFER FUNDS BETWEEN OFFICE OF FILM, TELEVISION, AND MEDIA AND COUNCIL ON THE ARTS LINE ITEMS TO FULLY IMPLEMENT THE DIRECTIVES OF THE CREATIVE INDUSTRIES DIVISION AS AUTHORIZED IN SB10-158.

j This amount shall be from the State Council on the Arts Cash Fund created in Section 24-48.8-109 (1), C.R.S. THE ECONOMIC DEVELOPMENT PROGRAMS ARE AUTHORIZED TO TRANSFER FUNDS BETWEEN OFFICE OF FILM, TELEVISION, AND MEDIA AND COUNCIL ON THE ARTS LINE ITEMS TO FULLY IMPLEMENT THE DIRECTIVES OF THE CREATIVE INDUSTRIES DIVISION AS

Letternote Text Requested for FY 2011-12:

^f and ^j This amount shall be from the Creative Industries Cash Fund created in Section 24-48.5-301(2)(a), C.R.S. *These amounts shall be from various federal sources, and are included for informational purposes only.

Cash or Federal Fund Name and COFRS Fund Number: Film Incentive Cash Fund - 19H and Council on the Arts Cash Fund - 19G

Reappropriated Funds Source, by Department and Line Item Name: None

Approval by OIT? Yes: No: N/A: X

Schedule 13s from Affected Departments: N/A

CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Governor's Office – Office of Economic Development Programs
Priority Number:	DI – 2, S – 2
Change Request Title:	Creative Industries Line Item

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Governor's Office requests the consolidation of the cash fund and FTE appropriations for the Colorado Office of Film, Television, and Media and the Council on the Arts into a single new line item titled Creative Industries Division on the Long Bill for Fiscal Year 2012. The Governor's Office also requests the authority in FY 2010-11 to transfer funds between Office of Film, Television, and Media and Council on the Arts Long Bill Line Items. This request will fully implement SB10-158 which created the Creative Industries Division and provide greater flexibility in addressing funding issues for the Division.

General Description of Request:

This request is a technical request to reflect existing statute in the Long Bill Appropriation. During the 2010 legislative session, the legislature passed Senate Bill 10-158 which created the Creative Industries Division within the Office of Economic Development and International Trade. The legislation amends CRS 24-48.5-301, stating the Division shall be comprised of the Office of Film, Television, and Media (Office), the Council on Creative Industries (Council), and the Art in Public Places Program (Program). It states that the Director of the Division shall oversee the Office, Council

and Program. The legislation establishes the Creative Industries Cash Fund, and directs the transfer on July 1, 2010 of remaining moneys from the state council on the arts cash fund (24-48.5-308(3)), the film television and media operational account cash fund (24-48.5-311 (5)(d)) and the art in public places fund (24-48.5-312(7)(b)).

Because the Long Bill for FY 2010-11 funding (HB10-1376) was passed prior to the passage of the Creative Industries legislation, the Long Bill listed separate budget and FTE appropriations for the Colorado Office of Film, Television, and Media (page 43) and the Council on the Arts (page 44). The Arts in Public Places Program is an off-Long Bill funded program. This request for a technical correction is to ensure that the Long Bill for FY12 funding does not include this error. Also, since SB 10-158 did not change the appropriation amounts, the legislation is not reflected in the Joint Budget Committee Appropriation Report.

This request is to reflect the consolidation in the FY 2011-12 Long Bill and allow transfer authority between the lines named in the legislation. This transfer authority will allow the newly created Creative Industries Division to administer the appropriation as authorized under the statute.

Consequences if Not Funded:

If this correction is not made, the Long Bill will not comply with state statute.

Calculations for Request:

Summary of Request FY 10-11	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$0	\$0	\$0	\$0	\$0	0.0

Letternote Text Revisions:

^f This amount shall be from the Colorado Office of Film, Television, and Media Operational Account Cash Fund created in Section 24-48.5-203 (4), C.R.S. THE ECONOMIC DEVELOPMENT PROGRAMS ARE AUTHORIZED TO TRANSFER FUNDS BETWEEN OFFICE OF FILM, TELEVISION, AND MEDIA AND COUNCIL ON THE ARTS LINE ITEMS TO FULLY IMPLEMENT THE DIRECTIVES OF THE CREATIVE INDUSTRIES DIVISION AS AUTHORIZED IN SB10-158.

^j This amount shall be from the State Council on the Arts Cash Fund created in Section 24-48.8-109 (1), C.R.S. THE ECONOMIC DEVELOPMENT PROGRAMS ARE AUTHORIZED TO TRANSFER FUNDS BETWEEN OFFICE OF FILM, TELEVISION, AND MEDIA AND COUNCIL ON THE ARTS LINE ITEMS TO FULLY IMPLEMENT THE DIRECTIVES OF THE CREATIVE INDUSTRIES DIVISION AS AUTHORIZED IN SB10-158.

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$0	\$0	\$0	\$0	\$0	0.0
Creative Industries Division	\$1,869,378	\$0	\$1,100,000	\$0	\$769,378	7.5
Colorado Office of Film, Television, and Media	(\$300,000)	\$0	(\$300,000)	\$0	\$0	0.0
Council on the Arts	(\$1,569,378)	\$0	(\$800,000)	\$0	(\$769,378)	0.0

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$0	\$0	\$0	\$0	\$0	0.0
Creative Industries Division	\$1,869,378	\$0	\$1,100,000	\$0	\$769,378	7.5
Colorado Office of Film, Television, and Media	(\$300,000)	\$0	(\$300,000)	\$0	\$0	0.0
Council on the Arts	(\$1,569,378)	\$0	(\$800,000)	\$0	(\$769,378)	0.0

Cash Funds Projections:

Cash Fund Name	Cash Fund Number	FY 2009-10 Expenditures	FY 2009-10 End of Year Cash Balance Estimate ²	FY 2010-11 End of Year Cash Balance Estimate ³	FY 2011-12 End of Year Cash Balance Estimate ³	FY 2012-13 End of Year Cash Balance Estimate ³
Creative Industries Cash Fund	25N	NA	NA	\$394,053	\$394,053	\$394,053
Council on the Arts Cash Fund	19G	\$1,899,489	\$447,686	NA	NA	NA
Film Incentive Cash Fund	19H	\$351,486	\$1,670,953	NA	NA	NA

The funds in the Council on the Arts Cash Fund and the Film Incentive Cash Fund were transferred to the new Creative Industries Cash Fund in FY 2010-11. All activity will now be reflected in this new cash fund.

Assumptions for Calculations: Amounts listed above for cash funds are based actual amounts for revenues and expenditures.

Impact on Other Government Agencies: N/A.

Cost Benefit Analysis: N/A since this request involves a technical correction and a FYI.

Implementation Schedule:

Task	Month/Year
Start-Up Date	March 2011

The transfer authority will be utilized as needed for administration of the program upon the signature of the FY 2010-11 supplemental requests.

Statutory and Federal Authority:

24-48.5-301 Creative industries division - creative industries cash fund - creation - repeal. C.R.S. (2010)

(1) There is hereby created within the Colorado office of economic development the creative industries division, which shall be referred to in this part 3 as the "division". The director of the division shall be the person who is appointed director of the council on creative industries by the director of the Colorado office of economic development. The division shall be comprised of the office of film, television, and media, the council on creative industries, and the art in public places program, and the director of the division shall oversee such office, council, and program.

(2) (a) There is hereby created in the state treasury the creative industries cash fund, referred to in this section as the "fund". The fund shall consist of:

(I) (A) Moneys transferred to the fund pursuant to sections 24-48.5-308 (3), 24-48.5-311 (5) (d), and 24-48.5-312 (7) (b).

(B) This subparagraph (I) is repealed, effective July 1, 2011.

(II) Moneys transferred to the fund in accordance with section 12-47.1-701 (4), C.R.S.;

(III) Moneys credited to the fund by the state treasurer for purposes of the art in public places program pursuant to section 24-48.5-312 (7) (b.5);

(IV) Moneys appropriated to the fund by the general assembly; and

(V) Any gifts, grants, or donations from private or public sources that the division is hereby authorized to seek and accept.

(b) The moneys in the fund shall be annually appropriated to the division for the operation of the division, and for the following:

(I) For purposes of the council on creative industries, including the administration of the council;

(II) For the operation of the Colorado office of film, television, and media and for the performance-based incentive for film production in Colorado as specified in section 24-48.5-311 (1); and

(III) For the purchase of works of art pursuant to the art in public places program, taking into consideration the artist's preliminary site visit, the design fee, the total costs of construction and installation of the work of art, jury expenses, and program administration in compliance with the provisions of section 24-48.5-312 (6).

(c) All moneys not expended or encumbered, and all interest earned on the investment or deposit of moneys in the fund, shall remain in the fund and shall not revert to the general fund or any other fund at the end of any fiscal year. Any moneys not expended or encumbered from any appropriation at the end of any fiscal year shall remain available for expenditure in the next fiscal year without further appropriation.

Performance Measures:

On July 1, 2010 Governor Ritter signed legislation establishing Colorado Creative Industries as a division of the Office of Economic Development and International Trade. Colorado Creative Industries combines the former Colorado Council on the Arts, the Office of Film, Television and Media and the Art in Public Places Program. Our new strategic plan will carry on our most effective programs and services, but it will also incorporate new approaches to support Colorado's creative sector.

Mission: to promote, support and expand the creative industries to drive Colorado's economy, grow jobs, and enhance our quality of life.

Program Priorities: Our programs and services will focus on five key ways we can help the creative sector thrive:

Increase access to direct financial support.

Expand and create professional development and networking opportunities.

Promote Colorado nationally and internationally as a premiere creative hub.

Increase access to arts and creativity skills in P-20 education and workforce development.

Stimulate increased support for the sector by local governments and coalitions.

Schedule 13
Change Request for FY 2011-12 Budget Request Cycle

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: 2% Across The Board Personal Services Reduction

Department: Governor's Office

Dept. Approval by: *Wong*

Date: August 2, 2010

Priority Number: D-1 NP

OSPB Approval: *Wong*

Date: 10-20-10

	Fund	1	2	3	4	5	6	7	8	9	10
		Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13
Total of All Line Items	Total	0	4,094,755	0	4,094,755	4,217,747	(82,019)	4,135,728	0	4,135,728	0
	FTE	0.0	55.0	0.0	55.0	38.9	0.0	38.9	0.0	38.9	0.0
	GF	0	3,933,427	0	3,933,427	4,022,988	(82,019)	3,940,969	0	3,940,969	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	71,245	0	71,245	97,801	0	97,801	0	97,801	0
	CFE/RF	0	90,083	0	90,083	96,958	0	96,958	0	96,958	0
	FF	0	0	0	0	0	0	0	0	0	0
(1) Office of the Governor	Total	0	2,166,800	0	2,166,800	2,258,991	(39,834)	2,219,157	0	2,219,157	0
	FTE	0.0	32.4	0.0	32.4	32.9	0.0	32.9	0.0	32.9	0.0
(A) Governor's Office - Administration of Governor's Office and Residence	GF	0	2,153,347	0	2,153,347	2,213,015	(39,834)	2,173,181	0	2,173,181	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	26,556	0	26,556	0	26,556	0
	CFE/RF	0	13,453	0	13,453	19,420	0	19,420	0	19,420	0
	FF	0	0	0	0	0	0	0	0	0	0
(2) Office of the Lieutenant Governor - Administration	Total	0	296,063	0	296,063	303,769	(4,072)	299,697	0	299,697	0
	FTE	0.0	2.7	0.0	2.7	3.7	0.0	3.7	0.0	3.7	0.0
	GF	0	219,433	0	219,433	226,231	(4,072)	222,159	0	222,159	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0	0	0
	CFE/RF	0	76,630	0	76,630	77,538	0	77,538	0	77,538	0
	FF	0	0	0	0	0	0	0	0	0	0
(2) Office of the Lieutenant Governor - Commission of Indian Affairs	Total	0	77,883	0	77,883	77,883	(1,348)	76,535	0	76,535	0
	FTE	0.0	2.3	0.0	2.3	2.3	0.0	2.3	0.0	2.3	0.0
	GF	0	76,588	0	76,588	76,588	(1,348)	75,240	0	75,240	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	1,295	0	1,295	1,295	0	1,295	0	1,295	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0
(4) Economic Development Programs - Global Business Development	Total	0	1,554,009	0	1,554,009	1,577,104	(36,765)	1,540,339	0	1,540,339	0
	FTE	0.0	17.6	0.0	17.6	0.0	0.0	0.0	0.0	0.0	0.0
	GF	0	1,484,059	0	1,484,059	1,507,154	(36,765)	1,470,389	0	1,470,389	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	69,950	0	69,950	69,950	0	69,950	0	69,950	0
	CFE/RF	0	0	0	0	0	0	0	0	0	0
	FF	0	0	0	0	0	0	0	0	0	0

**Schedule 13
Change Request for FY 2011-12 Budget Request Cycle**

Decision Item FY 2011-12 Base Reduction Item FY 2011-12 Supplemental FY 2010-11 Budget Amendment FY 2011-12

Request Title: 2% Across The Board Personal Services Reduction
Department: Governor's Office **Dept. Approval by:**
Priority Number: D-1 AP **OSPB Approval:** **Date:** August 2, 2010
Date:

	1	2	3	4	5	6	7	8	9	10
Fund	Prior-Year Actual FY 2009-10	Appropriation FY 2010-11	Supplemental Request FY 2010-11	Total Revised Request FY 2010-11	Base Request FY 2011-12	Decision/ Base Reduction FY 2011-12	November 1 Request FY 2011-12	Budget Amendment FY 2011-12	Total Revised Request FY 2011-12	Change from Base (Column 5) FY 2012-13

Non-Line Item Request: None
Letternote Revised Text for FY 2010-11: None
Letternote Text Requested for FY 2011-12: None
Cash or Federal Fund Name and COFRS Fund Number:
Reappropriated Funds Source, by Department and Line Item Name:
Approval by OIT? Yes: No: N/A:
Schedule 13s from Affected Departments: None

CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Governor's Office
Priority Number:	NP – Statewide Request
Change Request Title:	2% Across The Board Personal Services Reduction

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Governor's Office requests a temporary, one-time 2% reduction to the General Fund portion of all personal services appropriations for FY 2011-12. The net total funds impact to the State is a reduction of \$10,955,307 total funds, including a General Fund reduction of \$9,991,235. Departments will achieve this reduction through vacancies or through alternative personal services actions they feel are necessary to implement this proposal.

General Description of Request:

On August 23, 2010 the Governor submitted a budget balancing plan which included a temporary, one-time 1% reduction to the General Fund portion of all personal services appropriations for FY 2010-11. Facing a similar economic climate and declining State revenues, the Governor's Office now requests a similar 2% reduction to the General Fund portion of all executive and non-executive personal services appropriations. Reductions in other fund sources that are affected by General Fund, such as Medicaid are being requested as well.

Departments were directed by the Governor's Office to reduce General Fund by 2% in each personal services appropriations based on their FY 2011-12 base budget request. Exemptions were permitted for lines containing 24/7 direct service staffing needs that affected the departments of Corrections, Human Services, and Public Safety. In addition, exemptions were made for constitutionally mandated staffing and probation officers in the Judicial Department. Unlike prior personal services reductions, there were no exemptions for small line items and no exemptions for contractual services funded out of general personal services line items. Delineated line items for a specific contractor services that are not a general personal services line item are not affected by this reduction.

Schedule 13s for each affected department have been submitted with this request. Reductions in some departments require a corresponding schedule 13 from another department and have been included. This reduction in Personal Services will reduce State agency appropriations in each department's budget in FY 2011-12 by the following amounts shown in the table on the following page:

STATE OF COLORADO FY 2011-12 BUDGET REQUEST CYCLE: Governor's Office

DEPARTMENT	Total Funds	GF	CF	RF	FF
Agriculture	\$63,321	\$63,321	\$0	\$0	\$0
Corrections	\$4,038,801	\$4,038,801	\$0	\$0	\$0
Education	\$261,696	\$261,696	\$0	\$0	\$0
Governor's Office	\$82,019	\$82,019	\$0	\$0	\$0
HCPF	\$170,311	\$158,886	\$0	\$9,297	\$2,128
Human Services Impact on HCPF	\$9,297	\$2,813	\$0	\$4,256	\$2,228
Higher Education	\$0	\$0	\$0	\$0	\$0
Human Services	\$1,824,700	\$1,171,795	\$0	\$316,239	\$336,666
HCPF impact on Human Services	\$315,312	\$153,923	\$0	\$3,735	\$157,654
Judicial *	\$1,603,690	\$1,603,690	\$0	\$0	\$0
Labor and Employment	\$0	\$0	\$0	\$0	\$0
Law *	\$104,002	\$104,002	\$0	\$0	\$0
Legislature *	\$453,821	\$453,821	\$0	\$0	\$0
Local Affairs	\$54,925	\$54,925	\$0	\$0	\$0
Military and Veterans Affairs	\$55,369	\$55,369	\$0	\$0	\$0
Natural Resources	\$438,351	\$438,351	\$0	\$0	\$0
Personnel and Administration	\$127,157	\$127,157	\$0	\$0	\$0
Public Health	\$239,180	\$163,910	\$0	\$75,270	\$0
HCPF impact on Public Health	\$75,270	\$26,578	\$0	\$0	\$48,692
Public Safety	\$414,828	\$414,828	\$0	\$0	\$0
Regulatory Agencies	\$26,656	\$19,617	\$0	\$7,039	\$0
HCPF impact on DORA	\$1,736	\$868	\$0	\$0	\$868
Revenue	\$585,930	\$585,930	\$0	\$0	\$0
State *	\$0	\$0	\$0	\$0	\$0
Transportation	\$0	\$0	\$0	\$0	\$0
Treasury *	\$8,935	\$8,935	\$0	\$0	\$0
TOTAL	\$10,955,307	\$9,991,235	\$0	\$415,836	\$548,236

Calculations for Request:

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$10,955,307	\$9,991,235	\$0	\$415,836	\$548,236	0.0
Executive Agency Impact *	\$8,784,859	\$7,820,787	\$0	\$415,836	\$548,236	0.0
Estimated Non-Executive Agency Impact **	\$2,170,448	\$2,170,448	\$0	\$0	\$0	0.0

* Individual agency impacts are noted in the summary table above. Detailed agency impacts (by line item) are included in the individual agencies' schedule 13.

** Non-executive branches do not submit budget proposals to the Governor's Office. Impacts have been estimated using the FY 2010-11 Long Bill and any special bills that impact personal services. Calculations for non-executive agencies are broken out in tables below.

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Total Request	\$0	\$0	\$0	\$0	\$0	0.0

The calculations for the 2% reduction taken by non-executive agencies are broken out in the tables below.

Department of Judicial	
Line Item	General Fund
(1) Supreme Court, Appellate Court Programs - (Non-Judge)	\$6,264,423
(2) Courts Administration General Courts Administration	\$11,934,394
(3) Trial Courts, Trial Court Programs - (Non-Judge)	\$61,985,709
Total Personal Services	\$80,184,526
2% Personal Services Reduction	0.02
Total FY 2011-12 2% Reduction - Exempts Constitutionally mandated staffing and probation officers	\$1,603,690

Department of The Legislature	
Line Item	General Fund
HB 10-1110 General Assembly (62% personnel services estimate, 99% General Fund estimate)	\$7,816,001
HB 10-1110 State Auditor (89% personnel services estimate, 86% General Fund estimate)	\$6,197,685
HB 10-1110 Joint Budget Committee (90% personnel services estimate, 100% General Fund estimate)	\$1,325,088
HB 10-1110 Legislative Council (63% personnel services estimate, 100% General Fund estimate)	\$3,159,420
HB 10-1110 Committee on Legal Services (81% personnel services estimate, 100% General Fund estimate)	\$4,192,866
Total Personal Services	\$22,691,060
2% Personal Services Reduction	0.02
Total FY 2011-12 2% Reduction	\$453,821

* Personal services estimate percentages are based on FY 2009-10 actual expenditures.

Department of Law	
* Line Item	General Fund
(3) Criminal Justice and Appellate, Special Prosecutions Unit, (96% personnel services estimate)	\$1,514,975
(3) Criminal Justice and Appellate, Appellate Unit, Personal Services (96% personnel services estimate)	\$2,391,818
(3) Criminal Justice and Appellate, Medicaid Fraud Control Unit, (94% personnel services estimate)	\$380,274
(3) Criminal Justice and Appellate, Safe2Tell (95% personnel services estimate)	\$93,433
(4) Water and Natural Resources, Federal and Interstate Water Unit, (93% personnel services estimate)	\$480,363
(4) Water and Natural Resources, Compensation and Liability Act (95% personnel services estimate)	\$339,230
Total Personal Services	\$5,200,093
2% Personal Services Reduction	0.02
Total FY 2011-12 2% Reduction	\$104,002

* Personal services estimate percentages as reported by the Department of Law.

** - Includes \$69,145 from SB10-167.

Department of the Treasury	
Line Item	General Fund
(1) Administration	\$446,732
Total Personal Services	\$446,732
2% Personal Services Reduction	0.02
Total FY 2011-12 2% Reduction	\$8,935

Consequences if Not Funded:

If this request is not approved an alternate plan must be identified to achieve the \$9,991,235 General Fund savings proposed in this request. The savings from this request have been used in calculating the budget balancing plan submitted with the Governor's FY 2011-12 Budget Request.

Assumptions for Calculations:

Agencies were instructed to use the FY 2011-12 Personal Services from their FY 2011-12 base request. After calculating the base personal services request, departments reduced 2% of their General Fund appropriation, including any other fund sources that are affected by General Fund. All departments and agencies are included in this request, including estimates for non-executives that are listed in the Calculations For Request section.

Unlike prior personal services reductions, there were no exemptions for small line items and no exemptions for contractual services funded out of general personal services line items. Delineated line items for a specific contractor services (that is, not a general personal services line item) are not affected by this reduction. Personal Services amount that are for staffing 24/7 direct care services are exempted from this reduction. For line items with personal services and operating components, only the personal service component was included in this specific reduction request.

Impact on Other Government Agencies:

Individual agency impacts are reflected in the General Description of Request section of this request. In addition, agencies have submitted a Schedule 13 with supporting line item impacts denoting the changes required for each appropriation within their FY 2011-12 Budget Request.

Cost Benefit Analysis:

This request results in General Fund savings to the State of \$9,991,235.

Implementation Schedule:

Task	Month/Year
Request submitted to the Joint Budget Committee	November 2010
Reduction of department appropriations included in FY 2011-12 Long Bill	July 2011

Statutory and Federal Authority:

24-37-301. C.R.S. (2010) Executive budget responsibility.

The governor, as chief executive, shall annually evaluate the plans, policies, and programs of all departments of the state government. He shall direct the formulation of his decisions into a financial plan encompassing all sources of revenue and expenditure. He shall propose this plan for the consideration of the general assembly in the form of an annual executive budget consisting of operating expenditures, capital construction expenditures, estimated revenues, and special surveys. Proposed expenditures in the budget shall not exceed estimated moneys available. After legislative review and modification, if any, of the budget and appropriation of the moneys therefore, the governor shall administer the budget.

24-37-304. C.R.S. (2009) Additional budgeting responsibilities.

(d) Execute the appropriations acts or other acts having fiscal implications in such a manner as to assure compliance with the expenditure limitation, by source of funds, personnel authorizations, contingency and performance requirements, and legislative intent;

CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Governor's Office
Priority Number:	NP-Statewide
Change Request Title:	Statewide PERA Adjustment

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Governor's Office requests a continuation of SB10-146, concerning a one-time modification of contribution rates of the Public Employees' Retirement Association (PERA). The statewide impact of this request is a \$37,005,100 total funds reduction including \$19,590,578 General Fund for FY 2011-12 only. This request would decrease the State's PERA contribution rate by 2.5% and increase the employee contribution rate by a corresponding 2.5%.

General Description of Request:

This request would continue to require all State employees participating in PERA defined benefit and defined contribution pension plans to contribute an additional 2.5% of salary for retirement in FY 2011-12. Just as implemented in FY 2010-11, an equal reduction in the State's contribution is also proposed and is anticipated to save the State \$19,590,578 million General Fund.

The proposed reduction to the State contribution would be offset by a corresponding increase in the employee PERA contribution. Through the combination of these two adjustments, the funded status for the PERA defined benefit plan will not be adversely

affected. A temporary change to employee and employer PERA contributions does not result in a change to an employee's annual compensation and as a result, an employee's highest average earnings used to calculate his or her pension benefits will remain unchanged. This proposal is intended to continue the current FY 2010-11 PERA allocations for one additional year, and then return to previously defined statutory levels thereafter.

Estimates are based on June 2010 payroll – the same data used to generate total compensation requests for FY 2011-12. As there has not been any approved pay increases for FY 2010-11, there should not be significant variances to overall payroll between fiscal years, other than staff turnover and changes from regular hiring practices. This proposal will affect all State employees that participate in either the PERA defined benefit plan or PERA defined contribution plan and participating State employees would be required to contribute an additional 2.5% of salary to the current employee share, as is currently required for FY 2010-11.

Changes would be required to Table A found in 24-51-401 (1.7) (a), C.R.S. to effectuate a continuation of existing FY 2010-11 employee and State contribution levels to PERA for one additional year. Below is a table that lists the contribution rates requested in this change request:

Division	Membership	Employer Rate	Member Rate
State	All Members (except State Troopers)	7.65%	10.50%
State	State Troopers	10.35%	12.50%
Judicial	All Members	11.16%	10.50%

Schedule 13s for each affected department have been submitted in each department's FY 2011-12 budget request. This reduction in Personal Services will reduce State agency appropriations in each department's budget in FY 2011-12 by the following amounts shown in the table on the following page:

DEPARTMENT	Total Funds	GF	CF	HUTF	RF	FF
Agriculture	(\$357,628)	(\$77,249)	(\$254,242)	\$0	\$0	(\$26,137)
Corrections	(\$8,100,294)	(\$7,868,220)	(\$99,856)	\$0	(\$132,218)	\$0
Education	(\$786,246)	(\$318,823)	(\$71,025)	\$0	(\$111,527)	(\$284,871)
HCPF impact on Education	(\$1,685)	\$0	\$0	\$0	\$0	(\$1,685)
Governor's Office	(\$1,839,413)	(\$101,526)	(\$20,740)	\$0	(\$1,637,698)	(\$79,449)
HCPF	(\$507,059)	(\$165,468)	(\$56,118)	\$0	\$0	(\$285,473)
Higher Education	(\$192,526)	\$0	(\$145,616)	\$0	(\$25,247)	(\$21,663)
Human Services	(\$5,261,559)	(\$3,034,793)	(\$205,236)	\$0	(\$1,196,670)	(\$824,860)
HCPF impact on Human Services	(\$1,040,545)	(\$520,934)	\$0	\$0	\$0	(\$519,611)
Judicial *	(\$5,854,564)	(\$5,014,120)	(\$840,444)	\$0	\$0	\$0
Labor and Employment	(\$1,577,786)	\$0	(\$605,829)	\$0	(\$4,591)	(\$967,366)
Law *	(\$701,637)	(\$139,022)	(\$124,967)	\$0	(\$420,208)	(\$17,440)
Legislature *	(\$471,299)	(\$454,301)	(\$2,866)	\$0	(\$14,132)	\$0
Local Affairs	(\$278,598)	(\$66,014)	(\$38,943)	\$0	(\$109,656)	(\$63,985)
Military and Veterans Affairs	(\$164,417)	(\$56,497)	(\$1,824)	\$0	\$0	(\$106,096)
Natural Resources	(\$2,209,502)	(\$384,244)	(\$1,478,456)	\$0	(\$74,295)	(\$272,507)
Personnel and Administration	(\$485,722)	(\$160,447)	(\$58,391)	\$0	(\$266,884)	\$0
Public Health	(\$1,967,573)	(\$162,746)	(\$682,218)	\$0	(\$230,685)	(\$891,924)
HCPF impact on Public Health	(\$79,814)	(\$28,033)	\$0	\$0	\$0	(\$51,781)
Public Safety	(\$2,079,251)	(\$442,356)	(\$124,566)	(\$1,306,630)	(\$102,366)	(\$103,333)
Regulatory Agencies	(\$840,724)	(\$24,058)	(\$725,567)	\$0	(\$86,308)	(\$4,791)
Revenue	(\$1,749,279)	(\$563,224)	(\$1,020,913)	(\$149,580)	(\$15,562)	\$0
State *	(\$169,226)	\$0	(\$169,226)	\$0	\$0	\$0
Transportation	(\$11,587)	\$0	\$0	\$0	(\$11,587)	\$0
Treasury *	(\$277,166)	(\$8,503)	(\$268,663)	\$0	\$0	\$0
TOTAL	(\$37,005,100)	(\$19,590,578)	(\$6,995,706)	(\$1,456,210)	(\$4,439,634)	(\$4,522,972)

* - Non-Executive branches that do not submit budget proposals to the Governor's Office. Impacts have been estimated using the FY 2010-11 Long Bill.

** - Impact has been submitted by the Judicial Department including Public Defender.

Consequences if Not Funded:

If this request is not approved an alternate plan must be identified to achieve the \$19,590,578 General Fund savings proposed in this request. The savings from this request have been used in calculating the budget balancing plan submitted with the Governor's FY 2011-12 Budget Request.

Calculations for Request:

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	HUTF	Reappropriated Funds	Federal Funds
Total Request	(\$37,005,100)	(\$19,590,578)	(\$6,995,706)	(\$1,456,120)	(\$4,439,634)	(\$4,522,972)

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	HUTF	Reappropriated Funds	Federal Funds
Total Request	\$0	\$0	\$0	\$0	\$0	\$0

Assumptions for Calculations:

Agencies were instructed to use the June 30, 2010 payroll file that is also the basis for the Total Compensation adjustment made in each department's FY 2011-12 budget request. There are no savings to the salary related benefit line items (regular and Supplemental Amortization Equalization Disbursement and Short-Term Disability) as there is no change in gross employee salary with this request.

State Division employees covered under PERA are defined in the Comprehensive Annual Financial Report for 2009 published by PERA. Generally, the State Division includes all Executive and Non-Executive agency employees, employees of institutions of higher education that elect PERA benefits (including community colleges), and various boards and associations under State government oversight. The State Division does not include local government employees, county school district employees, or judicial employees at

the county level. This request also impacts State judges whose retirement is provided within the Judicial Division of PERA.

Impact on Other Government Agencies:

Individual agency impacts are reflected in the General Description of Request section of this request. In addition, agencies have submitted a Schedule 13 with supporting line item impacts denoting the changes required for each appropriation within their FY 2011-12 Budget Request.

Cost Benefit Analysis:

This request results in General Fund savings to the State of \$19,590,578, yet does not adversely affect the retirement benefits for State employees or reduce State government services to the public as previously experienced from furloughs. If furloughs were implemented to achieve the same General Fund savings, it is roughly estimated that State government would need to be closed for roughly 10 days in FY 2010-11.

Implementation Schedule:

Task	Month/Year
Request submitted to the Joint Budget Committee	November 2010
Reduction of department appropriations included in FY 2011-12 Long Bill	July 2011

Statutory and Federal Authority:

24-51-401 (1.7)(a), C.R.S. (2010) – Current employer and member contributions

PERA Division	Membership	Employer Rate	Member Rate
State	All Members Except Troopers	10.15%	8.00%
State	State Troopers	12.85%	10.00%
School (1/1/2006 – 12/31/2012)	All Members	10.15%	8.00%
School (1/1/2013 and thereafter)	All Members	10.55%	8.00%
Local Government	All Members	10.00%	8.00%
Judicial	All Members	13.66%	8.00%
Denver Public Schools (1/1/2010 – 12/31/2012)*	All Members	13.75%	8.00%
Denver Public Schools (1/1/2010 – 12/31/2012)*	All Members	14.15%	8.00%

* Effective January 1, 2010

CHANGE REQUEST for FY 2011-12 BUDGET REQUEST CYCLE

Department:	Governor's Office
Priority Number:	NP-Statewide
Change Request Title:	Pro-Rated Benefits

SELECT ONE (click on box):

- Decision Item FY 2011-12
- Base Reduction Item FY 2011-12
- Supplemental Request FY 2010-11
- Budget Request Amendment FY 2011-12

SELECT ONE (click on box):

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Governor's Office requests an on-going change to the Health, Life and Dental (HLD) coverage policy for part-time employees. As part of this request the State will now only cover a pro-rated portion of HLD benefits based on the number of hours each employee works. The net total funds impact to the State is a reduction of \$2,013,558 total funds, including a General Fund reduction of \$1,351,825.

General Description of Request:

Prior to this request, the State has provided full benefits to every employee that elects health, life and dental benefits, regardless of how many hours that employee works. For the FY 2011-12 budget cycle, the Governor's Office has proposed a pro-rated approach to benefits based on FTE percentages for each employee. 100% of current State contribution levels will be provided for employees that work at least 20 hours per week or more. 50% of current State contribution levels will be provided for part-time employees that work less than 20 hours per week but at least 10 hours per week; and 0% of current State contribution levels will be provided for part-time employees that work less than 10 hours per week.

Current State and proposed contribution levels for Health premiums that will be reduced for part time employees in this request are listed in the table below:

Health Election	FY 2011-12 State Contribution (Status Quo)	FTE Percentage		
		50% or above	50% to 25%	Below 25%
No Election	\$0	\$0	\$0	\$0
Employee Only	\$4,421	\$4,421	\$2,211	\$0
Employee Plus Spouse	\$7,479	\$7,479	\$3,740	\$0
Employee Plus Children	\$7,916	\$7,916	\$3,958	\$0
Family	\$10,974	\$10,974	\$5,487	\$0

Current State and proposed contribution levels for Dental premiums that will be reduced for part time employees in this request are listed in the table below:

Dental Election	FY 2011-12 State Contribution (Status Quo)	FTE Percentage		
		50% or above	50% to 25%	Below 25%
No Election	\$0	\$0	\$0	\$0
Employee Only	\$286	\$286	\$143	\$0
Employee Plus Spouse	\$468	\$468	\$234	\$0
Employee Plus Children	\$494	\$494	\$247	\$0
Family	\$677	\$677	\$338	\$0

Current State and proposed contribution levels for Life premiums that will be reduced for part time employees in this request are listed in the table below:

Life Election	FY 2011-12 State Contribution (Status Quo)	FTE Percentage		
		50% or above	50% to 25%	Below 25%
All employees enrolled	\$113	\$113	\$57	\$0

A legislative change will be required to implement this recommendation for all current part-time employees. Colorado Revised Statute 24-50-604 (3) states, "The director shall have the authority to adopt procedures to determine benefit eligibility requirements and the percentage of the state contribution to health benefits for all employees, as defined in section 24-50-603 (7), who work less than full time, are governed by the rules established pursuant to subsection (2) of this section, and are hired on or after January 1, 2005. The director shall include any proposed changes to the group benefits policy in the annual compensation report and recommendations submitted to the governor and the joint budget committee of the general assembly pursuant to section 24-50-104 (4)(c)."

Schedule 13s for each affected department have been submitted in each department's FY 2011-12 budget request and will reduce State agency appropriations in FY 2011-12 by the following amounts shown in the table on the following page.

STATE OF COLORADO FY 2011-12 BUDGET REQUEST CYCLE: Governor's Office

DEPARTMENT	Total Funds	GF	CF	HUTF	RF	FF
Agriculture	(\$27,583)	\$0	(\$27,583)	\$0	\$0	\$0
Corrections	(\$10,144)	(\$10,144)	\$0	\$0	\$0	\$0
Education	(\$8,314)	(\$8,314)	\$0	\$0	\$0	\$0
Governor's Office	(\$18,260)	(\$5,882)	\$0	\$0	(\$12,378)	\$0
HCPF	(\$4,819)	(\$2,409)	\$0	\$0	\$0	(\$2,410)
Higher Education ²	\$0	\$0	\$0	\$0	\$0	\$0
Human Services	(\$574,097)	(\$438,817)	(\$556)	\$0	(\$109,381)	(\$25,343)
HCPF impact on Human Services	(\$105,649)	(\$52,825)	\$0	\$0	\$0	(\$52,824)
Judicial ³	(\$1,128,304)	(\$804,049)	(\$324,255)	\$0	\$0	\$0
Labor and Employment	(\$255)	\$0	(\$56)	\$0	\$0	(\$199)
Law ¹	(\$8,850)	(\$2,364)	(\$771)	\$0	(\$5,495)	(\$220)
Legislature ¹	(\$4,030)	(\$3,885)	(\$24)	\$0	(\$121)	\$0
Local Affairs ²	\$0	\$0	\$0	\$0	\$0	\$0
Military and Veterans Affairs	(\$2,410)	(\$2,410)	\$0	\$0	\$0	\$0
Natural Resources	(\$18,571)	(\$4,398)	(\$2,470)	\$0	\$0	(\$11,703)
Personnel and Administration	(\$14,605)	(\$6,349)	\$0	\$0	(\$8,256)	\$0
Public Health	(\$57,099)	(\$392)	(\$21,191)	\$0	(\$9,803)	(\$25,713)
HCPF impact on Public Health	(\$375)	(\$184)	\$0	\$0	\$0	(\$191)
Public Safety	(\$14,376)	(\$4,858)	(\$202)	(\$2,000)	(\$2,718)	(\$4,598)
Regulatory Agencies	(\$4,261)	\$0	(\$4,261)	\$0	\$0	\$0
Revenue	(\$11,556)	(\$4,545)	(\$7,011)	\$0	\$0	\$0
State ^{1,2}	\$0	\$0	\$0	\$0	\$0	\$0
Transportation ²	\$0	\$0	\$0	\$0	\$0	\$0
Treasury ^{1,2}	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL	(\$2,013,558)	(\$1,351,825)	(\$388,380)	(\$2,000)	(\$148,152)	(\$123,201)

¹ - Non-executive branches that do not submit budget proposals to the Governor's Office. Fund split estimates have been based on the FY 2011-12 Long Bill.

² - Departments that do not have any FTE working below 50%.

³ - Impact was provided by the Judicial Department including Public Defender.

Consequences if Not Funded:

If this request is not approved an alternate plan must be identified to achieve the \$1,351,825 General Fund savings proposed in this request. The savings from this request have been used in calculating the budget balancing plan submitted with the Governor's FY 2011-12 Budget Request.

Calculations for Request:

Summary of Request FY 2011-12	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Total Request	(\$2,013,558)	(\$1,351,825)	(\$390,380)	(\$148,152)	(\$123,201)

Summary of Request FY 2012-13	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Total Request	(\$2,013,558)	(\$1,351,825)	(\$390,380)	(\$148,152)	(\$123,201)

Assumptions for Calculations:

This request has been calculated using the same Total Comp Template departments were instructed to use for their FY 2011-12 total comp base adjustments. Payroll and HLD elections were based on payroll data pulled from June 30, 2010 from the Colorado Personnel and Payroll System (CPPS) and calculated by each department. Each department then calculated the associated fund splits for each part-time employee that fell into the appropriate FTE ranges.

Impact on Other Government Agencies:

Individual agency impacts are reflected in the General Description of Request section of this request. In addition, agencies have submitted a Schedule 13 with supporting line item impacts denoting the changes required for each appropriation within their FY 2011-12 Budget Request.

Cost Benefit Analysis:

This request results in General Fund savings to the State of \$1,351,825 while helping to create a more equitable system for Health, Life and Dental benefits by creating a tiered proration schedule that establishes the employer/employee share based on a range of hours worked.

Implementation Schedule:

Task	Month/Year
Request submitted to the Joint Budget Committee	November 2010
Reduction of department appropriations included in FY 2011-12 Long Bill	July 2011

Statutory and Federal Authority:

A legislative change will be necessary to implement this change in total compensation policy.

24-50-604 (3) C.R.S. (2010). Powers and Duties of the Executive Director

The director shall have the authority to adopt procedures to determine benefit eligibility requirements and the percentage of the state contribution to health benefits for all employees, as defined in section 24-50-603 (7), who work less than full time, are governed by the rules established pursuant to subsection (2) of this section, and are hired on or after January 1, 2005. The director shall include any proposed changes to the group benefits policy in the annual compensation report and recommendations submitted to the governor and the joint budget committee of the general assembly pursuant to section 24-50-104 (4)(c).

24-50-603 (7) C.R.S. (2010). Definitions

(7) "Employee" means any officer or employee under the state personnel system of the state of Colorado whose salary is paid by state funds or any employee of the department of education, the Colorado commission on higher education or the Colorado school for the deaf and blind whose salary is paid by state funds or any member of the military

employed pursuant to section 28-3-904, C.R.S. "Employee" includes any officer or employee of the legislative branch or judicial branch, any elected or appointed state official or employee who receives compensation other than expense reimbursement from state funds, any elected state official who does not receive compensation other than expense reimbursement from state funds and includes any member of the board of assessment appeals. "Employee" does not include persons employed on a temporary basis; except that it shall include a member of the military employed pursuant to section 28-3-904, C.R.S. for more than 30 consecutive days.

24-50-604 (1) C.R.S. (2010). Powers and Duties of the Executive Director

(1) The director shall administer and manage the state employees group benefit plans and, subject to the provisions of the part 6, has the following powers and duties:

(d) The determination of the eligibility of employees and their dependents to participate in group benefit plans.