

**FY 2008-2009**

**LONG BILL NARRATIVE**

**JOINT BUDGET COMMITTEE**

# STATE OF COLORADO

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Jack Pommer  
Al White

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## **JOINT BUDGET COMMITTEE**

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March 24, 2008

To: Members of the Sixty-sixth General Assembly

The Joint Budget Committee (JBC) submits for your approval the FY 2008-09 Long Bill (H.B. 08-1375), and its companion document, this Long Bill Narrative. The JBC used the Legislative Council Staff March 2008 revenue estimates to develop the FY 2008-09 budget.

The State's economy is projected to generate more General Fund and cash fund revenues than the TABOR limit allows. However, Referendum C allows for the retention of amounts above the TABOR limit through FY 2009-10, a total of five years. Legislative Council Staff projects that the State will be allowed to retain an additional \$1,308.0 million General Fund in FY 2006-07, \$1,008.0 million General Fund in FY 2007-08, and \$1,116.5 million General Fund in FY 2008-09 above the TABOR limit. It is anticipated that revenues will continue to exceed the allowable limit on total General Fund and cash fund revenues in FY 2009-10 and the following years in the forecast.

The projected increase in revenues will also generate more General Fund than the statutory spending limit on operating appropriations will allow the General Assembly to appropriate for FY 2007-08. This statutory limit restricts the increase in General Fund appropriations to no more than 6.0 percent over the prior year General Fund appropriation. For FY 2007-08, General Fund appropriations may increase by a maximum of \$407.3 million (including a projected \$6.1 million that is exempt from the statutory six percent limit).

General Fund appropriations subject to the statutory six percent limit for FY 2008-09 total \$7,519.5 million, an increase of \$425.8 million over the adjusted FY 2007-08 appropriation level of \$7,093.9 million General Fund. The recommended FY 2008-09 Long Bill contains \$7,478.4 million General Fund. This amount includes \$0.2 million General Fund that is exempt from the statutory six percent limit on General Fund appropriations as a result of federal mandates in the Office of the Child's Representative in the Judicial Branch. In addition to the FY 2008-09 Long Bill, the JBC considers various pieces of 2008 legislation as part of the overall FY 2008-09 budget recommendation. These bills, which are listed on page four of this document, increase General Fund appropriations by \$39.9 million. Also included as part of the JBC package is General Fund appropriations of \$1.5 million for statutory five year sentencing appropriations.

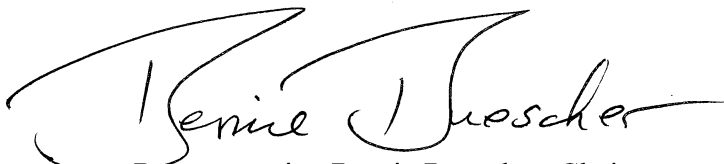
The JBC is recommending an increase in the General Fund transfer to the Capital Construction Fund of \$45.9 million in FY 2007-08 and \$11.0 million in FY 2008-09 for capital construction/controlled maintenance projects. The JBC is recommending a transfer of \$9.0 million for transportation projects in FY 2008-09. The \$9.0 million transfer is from General Fund Exempt moneys associated with Referendum C.

The recommendation includes funding for increases in community provider rates for child welfare, mental health, services for people with disabilities, home and community based services, alternative care, alcohol and drug abuse, Medicaid community based services, youth services, and corrections. The JBC recommends these increases to maintain the availability of community providers in these areas and to reduce the need for state FTE to provide these valuable services.

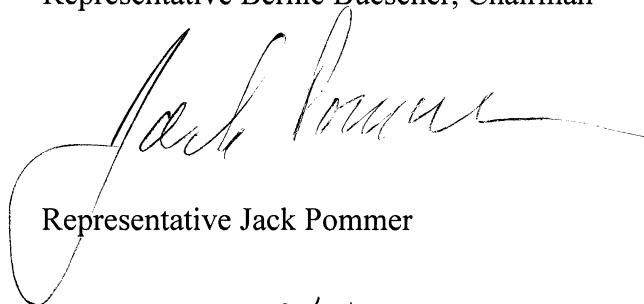
The proposed budget provides the following General Fund increases:


- \$157.0 million for K-12 education;
- \$69.1 million for the Department of Health Care Policy and Financing;
- \$64.6 million for the higher education system;
- \$52.0 million for the Department of Corrections;
- \$44.6 million for the Department of Human Services; and
- \$29.5 million for the Judicial Branch.


Respectfully submitted,

  
Representative Bernie Buescher, Chairman

  
Senator Moe Keller, Vice-Chairman

  
Representative Jack Pommer

  
Senator John Morse

  
Representative Al White

  
Senator Steve Johnson

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FY 2007-08 GENERAL FUND OVERVIEW (in millions)		
<u>GENERAL FUND REVENUES AVAILABLE:</u>		
Beginning General Fund Reserve	\$	516.0
General Fund Nonexempt Revenues		6,697.4
General Fund Exempt Revenues		1,008.0
Transfer to Older Coloradans Fund		(5.8)
S.B. 97-1 Diversion		(243.8)
Total General Fund Available	\$	7,971.8
<u>GENERAL FUND OBLIGATIONS:</u>		
General Fund Appropriations as Adjusted by Supplementals	\$	7,083.5 <sup>a/</sup>
Other General Fund Appropriations - Not Exempt from 6.0 Percent Limit		4.3 <sup>b/</sup>
Other General Fund Appropriations - Exempt from 6.0 Percent Limit		6.1 <sup>c/</sup>
Capital Construction Transfer		93.7 <sup>d/</sup>
Transfer of Prior Year Excess Reserve to HUTF		166.0
Transfer of Prior Year Excess Reserve to Capital Construction Fund		83.0
Transfer to Controlled Maintenance Trust Fund		0.0
Rebates and Expenditures		170.7
Homestead Exemption		81.0
Total General Fund Obligations	\$	7,688.3
4% STATUTORY GENERAL FUND RESERVE	\$	283.5
EXCESS GENERAL FUND RESERVE:	\$	0.0
<sup>a/</sup> Does not include Rebates and Expenditures which are included in the Long Bill for informational purposes. <sup>b/</sup> Includes \$5.5 million from H.B. 08-1001, \$0.1 million from H.B. 08-1037, and (\$1.2) million from H.B. 08-1373. <sup>c/</sup> Includes \$6.0 million from S.B. 07-239, \$88.0 thousand from H.B. 07-1349, and \$40.0 thousand from S.B. 07-226. <sup>d/</sup> Includes \$45.9 million from the 2008 capital transfer bill, \$22.9 from H.B. 06-1373, \$20.0 million from S.B. 07-240, \$3.0 million for 5-year sentencing bills, and \$1.9 million from H.B. 08-1373.		

FY 2008-09 GENERAL FUND OVERVIEW (in millions)		
<u>GENERAL FUND REVENUES AVAILABLE:</u>		
Beginning General Fund Reserve	\$	283.5
General Fund Nonexempt Revenues		6,895.7
General Fund Exempt Revenues		1,116.5
Transfer to Older Coloradans Fund		(5.8)
TABOR Surplus Liability		0.0
S.B. 97-1 Diversion		(175.6)
Total General Fund Available	\$	8,114.3
<u>GENERAL FUND OBLIGATIONS:</u>		
Recommended General Fund Appropriations in the Long Bill	\$	7,478.2 <sup>a/</sup>
Other General Fund Appropriations - Not Exempt from 6 Percent Limit		41.3 <sup>b/</sup>
Other General Fund Appropriations - Exempt from 6 Percent Limit		0.2 <sup>c/</sup>
Capital Construction Transfer		22.4 <sup>d/</sup>
Transfer of Prior Year Excess Reserve to HUTF		0.0
Transfer of Prior Year Excess to Capital Construction Fund		0.0
Rebates and Expenditures		185.2
Homestead Exemption		86.2
Total General Fund Obligations	\$	7,813.5
4 % STATUTORY GENERAL FUND RESERVE	\$	300.8
EXCESS GENERAL FUND RESERVE:	\$	0.0
<sup>a/</sup> Does not include Rebates and Expenditures that are in the Long Bill for informational purposes. <sup>b/</sup> Includes \$32.2 million for the Legislative appropriation bill, \$1.5 million pursuant to Sections 17-1-151 through 17-1-165, C.R.S. for Department of Corrections 5-year appropriations, and \$7.6 million as a result of other bills included as part of the FY 2008-09 budget package. <sup>c/</sup> Includes \$0.2 million for federal mandates in the Office of Child's Representative in the Judicial Branch. <sup>d/</sup> Includes \$11.0 million for capital construction/controlled maintenance projects, \$9.0 million for transportation projects, and \$2.4 million from Department of Corrections 5-year appropriations.		

## **"REFERENDUM C" (Passed in 2006) GENERAL FUND EXEMPT SUMMARY**

The following table summarizes the General Fund Exempt appropriations made in compliance with Sections 24-77-104.5 (1) (a) and 24-77-103.6 (2), C.R.S.:

<b>"Referendum C" General Fund Exempt Appropriations by Program in the 2008 Long Bill (Dollars in Millions)</b>				
<b>Department</b>	<b>Long Bill Line Item/Bill Number</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>
Education	State Share of Districts' Total Program Funding	\$425.1	\$327.6	\$369.0
HCPF	Medical Services Premiums Totals	425.0	327.6	369.0
Higher Education	College Opportunity Fund Program - Stipends	404.3	294.3	330.5
Local Affairs	Volunteer Firefighter Retirement Plans	3.8	3.8	4.2
Treasury	Fire and Police Pension Association - Old Hire Plans	34.8	34.7	34.8
Transportation	Capital Transfer Bill	15.0	20.0	9.0
	Total General Fund Exempt	\$1,308.0	\$1,008.0	\$1,116.5

The Joint Budget Committee's (JBC) FY 2008-09 budget package includes the Long Bill (H.B. 08-1375) and several other bills that impact the level of General Fund appropriations for FY 2007-08 and FY 2008-09. The following table identifies the bills the JBC considers part of its FY 2008-09 budget package for purposes of balancing the General Fund.

<b>Bills with 6.0 Percent General Fund Spending Limit Impacts Included as Part of the JBC FY 2008-09 Budget Package</b>		
<b>Bill</b>	<b>FY 07-08 GF Impact</b>	<b>FY 08-09 GF Impact</b>
<u>Bills that Impact General Fund Operating Appropriations:</u>		
H.B. 08-1001 - Bioscience Research Grant Bill	\$5,500,000	\$0
H.B. 08-1037 - Legislative Expenditures Bill	102,151	0
H.B. 08-1361 - Legislative Appropriation Bill	0	32,211,928
H.B. 08-1373 - Breast and Cervical Cancer Treatment Fund Adjustments Bill	(1,232,925)	(1,800,529)
H.B. 08-1374 - PACE Bill	0	1,457,009
Proposed County Match Bill	0	8,001,927
Total Bills that Impact General Fund Operating Appropriations	<u>\$4,369,226</u>	<u>\$39,870,335</u>

Please note that the JBC has voted to carry legislation for the last three items in the above chart. This legislation is currently being drafted and will be introduced later in the 2008 Session.



PROPOSED APPROPRIATIONS FY 2008-09					
Department	TOTAL	General Fund	Cash Funds	Reappropriated Funds	Federal Funds
Agriculture	37,909,491	7,695,912	25,307,229	914,335	3,992,015
Corrections	759,502,556	675,007,403	38,870,030	42,403,526	3,221,597
Education	4,169,463,765	3,175,285,598	481,058,445	15,466,543	497,653,179
Governor	95,475,763	14,852,340	43,401,723	4,360,714	32,860,986
Health Care Policy and Financing	3,745,150,942	1,528,087,422	367,091,050	23,498,196	1,826,474,274
Higher Education	2,771,382,878	812,337,483	1,213,631,101	725,184,181	20,230,113
Human Services	2,114,535,245	684,028,055	350,480,215	436,954,664	643,072,311
Judicial	430,824,727	327,681,784	94,778,056	6,074,622	2,290,265
Labor and Employment	159,818,968	0	62,078,460	1,154,998	96,585,510
Law	47,654,033	9,563,837	7,758,602	29,174,543	1,157,051
Legislature	2,661,757	2,661,757	0	0	0
Local Affairs	257,860,029	12,678,187	183,802,489	5,638,314	55,741,039
Military and Veterans Affairs	203,247,032	5,854,264	958,889	653,509	195,780,370
Natural Resources	209,672,063	32,095,945	152,844,574	7,374,280	17,357,264
Personnel and Administration	190,217,423	7,521,808	8,047,093	174,527,522	121,000
Public Health and Environment	465,787,156	26,803,837	160,157,973	69,183,635	209,641,711
Public Safety	242,734,704	81,912,282	112,871,940	21,462,651	26,487,831
Regulatory Agencies	76,400,842	1,429,422	65,062,442	8,590,895	1,318,083
Revenue	621,136,308	101,482,374	516,789,888	1,392,448	1,471,598
State	27,874,933	0	27,874,933	0	0
Transportation	1,299,794,846	0	850,277,142	3,984,546	445,533,158
Treasury	<u>435,426,998</u>	<u>122,008,844</u>	<u>313,418,154</u>	<u>0</u>	<u>0</u>
<b>LONG BILL</b>					
<b>OPERATING TOTAL</b>	<b>18,364,532,459</b>	<b>7,628,988,554</b>	<b>5,076,560,428</b>	<b>1,577,994,122</b>	<b>4,080,989,355</b>
Legislative Appropriation	33,188,958	32,211,928	177,030	800,000	0
Five-year Statutory Appropriations	1,554,754	1,554,754	0	0	0
Controlled Maint. Trust Fund (subject to 6%)	6,183,659	6,183,659	0	0	0
Capital Construction Fund (subject to 6%)	0	0	0	0	0
JBC Proposed Balancing Package 1/	<u>6,914,018</u>	<u>7,658,407</u>	<u>(4,201,398)</u>	<u>0</u>	<u>3,457,009</u>
<b>TOTAL OPERATING</b>	<b>18,412,373,848</b>	<b>7,676,597,302</b>	<b>5,072,536,060</b>	<b>1,578,794,122</b>	<b>4,084,446,364</b>
<b>LESS:</b>					
Amount Exempt from Statutory Limit	N/A	<u>(157,001,981)</u>	N/A	N/A	N/A
<b>GRAND TOTAL SUBJECT TO STATUTORY LIMIT</b>	<b>N/A</b>	<b>7,519,595,321</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<hr/>					
	Capital Construction		Cash		
	Funds Exempt*		Cash Funds	Funds Exempt	Federal Funds
Capital Construction	759,837,972	238,499,185	2,090,000	478,906,218	40,342,569

1/ Includes H.B. 08-1373, H.B. 08-1374, S.B. 08-118, and proposed County Match Bill

GENERAL FUND APPROPRIATION COMPARISON				
Department	FY 2007-08 Appropriation*	FY 2008-09 Appropriation	Difference	% Difference
Agriculture	7,325,509	7,695,912	370,403	5.1%
Corrections	623,329,044	675,007,403	51,678,359	8.3%
Education	3,023,327,981	3,175,285,598	151,957,617	5.0%
Governor	11,794,433	14,852,340	3,057,907	25.9%
Health Care Policy and Financing	1,459,941,388	1,528,087,422	68,146,034	4.7%
Higher Education	747,717,300	812,337,483	64,620,183	8.6%
Human Services	647,517,006	684,028,055	36,511,049	5.6%
Judicial	298,917,903	327,681,784	28,763,881	9.6%
Labor and Employment	0	0	0	n/a
Law	8,675,523	9,563,837	888,314	10.2%
Legislature	2,637,641	2,661,757	24,116	0.9%
Local Affairs	10,989,371	12,678,187	1,688,816	15.4%
Military and Veterans Affairs	5,530,793	5,854,264	323,471	5.8%
Natural Resources	30,258,368	32,095,945	1,837,577	6.1%
Personnel and Administration	11,439,122	7,521,808	(3,917,314)	-34.2%
Public Health and Environment	23,932,469	26,803,837	2,871,368	12.0%
Public Safety	73,311,297	81,912,282	8,600,985	11.7%
Regulatory Agencies	1,416,831	1,429,422	12,591	0.9%
Revenue	95,291,960	101,482,374	6,190,414	6.5%
State	0	0	0	n/a
Transportation	0	0	0	n/a
Treasury	<u>114,153,460</u>	<u>122,008,844</u>	<u>7,855,384</u>	6.9%
<b>LONG BILL</b>				
<b>OPERATING TOTAL</b>	<b>7,197,507,399</b>	<b>7,628,988,554</b>	<b>431,481,155</b>	<b>6.0%</b>
Legislative Appropriation	30,102,510	32,211,928	2,109,418	
Five-year Statutory Appropriations	1,277,127	1,554,754	277,627	
Controlled Maint. Trust Fund (subject to 6%)	162,328	6,183,659	6,021,331	
Capital Construction Fund (subject to 6%)	6,642,921	0	(6,642,921)	
JBC Proposed Balancing Package 1/	<u>4,267,075</u>	<u>7,658,407</u>	<u>3,391,332</u>	
<b>TOTAL OPERATING</b>	<b>7,239,959,360</b>	<b>7,676,597,302</b>	<b>436,637,942</b>	<b>6.0%</b>
<b>LESS:</b>				
Amount Exempt from Statutory Limit	<u>(152,140,220)</u>	<u>(157,001,981)</u>	<u>(4,861,761)</u>	
<b>GRAND TOTAL SUBJECT TO STATUTORY LIMIT</b>	<b>7,087,819,140</b>	<b>7,519,595,321</b>	<b>431,776,181</b>	<b>6.1%</b>
Capital Construction	<u>240,624,702</u>	<u>238,499,185</u>	<u>(2,125,517)</u>	
<b>GRAND TOTAL</b>	<b>7,328,443,842</b>	<b>7,758,094,506</b>	<b>429,650,664</b>	

\* Includes supplemental appropriations.

## **EXPLANATION OF MAJOR GENERAL FUND DIFFERENCES**

Major changes in the General Fund appropriations are summarized below. The narrative for each department provides further explanation of General Fund changes.

**Department of Corrections** -- The recommendation provides for increases of: (1) \$24.5 million for increases associated with salary survey, health, life, and dental insurance, shift differential, amortization equalization disbursements, and short-term disability premiums in FY 2008-09; (2) \$14.2 million for private prisons and local jails based on a projected increase in the inmate population; (3) \$4.8 million for provider rate increases for local jails and in-state private prisons; (4) \$3.5 million for additional parole and community corrections officers based on the projected caseload of offenders in these programs; (5) \$2.0 million associated with caseload savings to allow the Department to transfer this amount from the line items that fund private prisons, local jails, and S.B. 03-252 beds to community services line items; (6) \$1.8 million for wrap-around services for parolees; (7) \$1.7 million for additional mental health professionals; (8) \$1.6 million associated with annualizing prior year funding and legislation; and (9) \$1.2 million for medical expenses associated with a growth in the inmate population. These amounts are partially offset by a recommended reduction of \$3.2 million associated with the increase in diversion community corrections beds, \$2.5 million associated with the common policy for a 0.75 percent reduction to personal services line items, and \$1.2 million to eliminate one-time funds appropriated in FY 2007-08.

**Department of Education** -- Recommended General Fund increases include the following: (1) \$146.5 million for public school finance; (2) \$1.8 million for an initiative to address student achievement gaps related to race and income; (3) \$1.0 million for the Department to make on-line database products available to publicly-supported libraries throughout the state; and (4) about \$433,000 General Fund for the Department to hire five content specialists to support school districts.

**Office of the Governor** -- The recommendation provides increases of: (1) \$2.0 million to create the Colorado Solar Incentive Program; (2) \$0.5 million to acquire and deploy a cyber security network perimeter and to implement the cyber security recommendations derived from a risk based security gap assessment conducted through the Office of the Chief Information Security Officer; (3) \$0.4 million to annualize salary and benefits adjustments and for FY 2008-09 salary and benefits adjustments; (4) \$150,000 to fund outside legal counsel to defend the State against the Mill Levy Lawsuit challenging the constitutionality of S.B. 07-199 (School Finance Reform); and \$60,000 for increases in operating in the Office of the Lieutenant Governor and to fund 0.5 FTE in the Small Business Development Centers program.

**Department of Health Care Policy and Financing** -- Recommended General Fund increases include the following: (1) \$38.2 million for increased costs for medical and mental health services due to caseload and per-capita-cost increases in the Medicaid program; (2) \$20.4 million for provider rate increases; (3) \$15.7 million for increased Medicaid funding for people with developmental disabilities; (4) \$9.1 million for the Medicare Modernization Act State Contribution Payment; (5) \$3.8 million for initiatives related to health care reform; (6) \$3.1 million for various administrative costs of the Department; and (7) \$2.0 million to increase funding for the pediatric specialty hospital program. These increases are partially offset by the following decreases: (1) \$11.0 million to eliminate a one-time expenditure in FY 2007-08 to repay federal Medicaid disallowances; (2) \$8.0 million to child welfare Medicaid funding to more accurately reflect county spending; and (3) \$5.5 million to eliminate a one-time General Fund deposit in FY 2007-08 into the Children's Basic Health Plan Trust Fund.

**Department of Higher Education** -- Recommended General Fund increases include the following: (1) \$53.0 million General Fund for an 8.5 percent increase in stipends and fee-for-service contracts, distributed to the governing boards by a formula that takes into account inflation, peer comparisons developed by the National Center for Higher Education Management Systems, and operating costs of medical programs and small rural institutions; (2) \$10.1 million for a 10.6 percent increase for financial aid programs, including \$7.3 million for need based financial aid; (3) \$1.1 million for an 7.2 percent increase for the Local District Junior Colleges; and, (4) \$752,000 for a 7.2 percent increase for the Area Vocational Schools. These increases are partially offset by discontinuing a one-time \$1.2 million appropriation to the College Opportunity Fund in FY 2007-08.

**Department of Human Services** -- The recommended General Fund increase includes: \$19.8 million for the Division of Child Welfare (including the impact of a proposed bill on county match for residential child care services that is included in the JBC's budget package); \$11.1 million for the Division of Youth Corrections; \$10.3 million for Mental Health and Alcohol and Drug Abuse services; \$5.8 million for the Executive Director's Office; and \$0.6 million for miscellaneous other adjustments. These increases are partially offset by a decrease of \$3.1 million for Services for People with Disabilities. The Child Welfare increase includes \$9.0 million to more accurately reflect Medicaid funding for child welfare services (this adjustment has a \$0 General Fund impact statewide), \$6.4 million for child welfare population increases, \$2.9 million for provider rate increases, and \$2.1 million to backfill for anticipated reductions in federal revenue for child welfare services, offset by a net reduction of \$0.6 million for other adjustments. The Youth Corrections increase includes \$6.6 million General Fund to restore funding eliminated in FY 2007-08 due to declines in the Division of Youth Corrections' youth caseload to allow the Division flexibility to expand and implement programs designed to improve outcomes and mitigate future caseload growth.

The Mental Health and Alcohol and Drug Abuse Services increase includes \$4.6 million for the Mental Health Institutes (primarily reflecting salary and benefits increases), \$4.0 million for Mental Health Community Programs (primarily reflecting funding for additional mentally ill patients), and \$1.6 million for the Alcohol and Drug Abuse Division (primarily reflecting increases in caseload and provider rates for treatment programs). The Executive Director's Office increase reflects centralized appropriations for salaries and benefits and adjustments associated with payments to other state agencies for workers' compensation, legal services and other services. The reduction for Services for People with Disabilities primarily reflects the annualization of a one-time FY 2007-08 supplemental.

**Judicial Department** -- The \$28.7 million General Fund increase for the Judicial Branch is comprised of the following increases: (1) \$11.5 million to annualize salary increases awarded in FY 2007-08; (2) \$7.0 million for adjustments to centrally-appropriated line items; (3) \$3.3 million for the Judicial Department, Alternate Defense Counsel, and Office of the Child's Representative to raise court-appointed counsel hourly rates from \$60 per hour to \$65 per hour; (4) \$3.1 million for 49.8 FTE additional probation officers, supervisors, clerical support, and administrative staff; (5) \$1.5 million for base increases in leased space costs, mandated costs, information technology costs, and operating expenses for the Public Defender's Office; (6) \$1.2 million for a 3.0 percent increase in judge salaries; (7) \$748,000 for the second year impact of H.B. 07-1054 which created 43 new judgeships to be phased in over three years; and (8) \$500,00 for caseload and case cost increases for the Office of the Child's Representative.

**Department of Public Safety** -- The recommendation includes increase of: (1) \$2.3 million for approximately 162 additional community corrections diversion placements; (2) \$850,000 for 60 additional community corrections transition placements based on the Legislative Council Staff December 2007 projected inmate population; (3) \$800,000 for salary and benefits adjustments, such as salary survey, performance-based pay, health, life and dental benefits, and contributions to the Public Employees' Retirement Association pension fund; (4) \$775,000 for 160 outpatient therapeutic community beds, which are intended for offenders with severe substance addiction; (5) \$700,000 for the Colorado State Patrol's non-highway related activities, offset by a reduction in HUTF funding; (6) \$650,000 for a 0.95 percent increase in the community corrections provider rates with the remainder of the common policy provider rate increase intended as incentive funds for low-risk providers; and (7) \$400,000 to create a 16-bed residential therapeutic community program in Pueblo.

CASH FUNDS APPROPRIATION COMPARISON					
Department	FY 2007-08 Cash Funds Appropriation*	FY 2007-08 <i>Adjusted</i> Cash Funds Appropriation*	FY 2008-09 Cash Funds Appropriation	Difference (FY 08-09 less FY 07-08 <i>Adjusted</i> )	% Difference
Agriculture	19,248,656	24,800,746	25,307,229	506,483	2.0%
Corrections	2,974,432	37,833,736	38,870,030	1,036,294	2.7%
Education	15,090,644	422,767,898	481,058,445	58,290,547	13.8%
Governor	8,776,099	36,088,978	43,401,723	7,312,745	20.3%
Health Care Policy and Financing	2,972,810	267,515,650	367,091,050	99,575,400	37.2%
Higher Education	23,304,523	1,112,928,420	1,213,631,101	100,702,681	9.0%
Human Services	110,605,461	325,643,077	350,480,215	24,837,138	7.6%
Judicial	77,689,182	81,932,196	94,778,056	12,845,860	15.7%
Labor and Employment	36,406,500	55,659,170	62,078,460	6,419,290	11.5%
Law	6,817,942	9,130,987	7,758,602	(1,372,385)	-15.0%
Legislature	0	0	0	0	n/a
Local Affairs	29,959,987	132,053,713	183,802,489	51,748,776	39.2%
Military and Veterans Affairs	119,124	1,046,280	958,889	(87,391)	-8.4%
Natural Resources	49,707,409	156,795,840	152,844,574	(3,951,266)	-2.5%
Personnel and Administration	14,676,758	7,096,108	8,047,093	950,985	13.4%
Public Health and Environment	40,065,291	154,400,214	160,157,973	5,757,759	3.7%
Public Safety	13,869,163	107,823,137	112,871,940	5,048,803	4.7%
Regulatory Agencies	61,289,916	61,718,337	65,062,442	3,344,105	5.4%
Revenue	53,730,841	506,385,003	516,789,888	10,404,885	2.1%
State	16,810,907	20,621,121	27,874,933	7,253,812	35.2%
Transportation	84,007,659	613,969,876	850,277,142	236,307,266	38.5%
Treasury	<u>2,642,009</u>	<u>283,680,187</u>	<u>313,418,154</u>	<u>29,737,967</u>	10.5%
<b>LONG BILL OPERATING TOTAL</b>	<b>670,765,313</b>	<b>4,419,890,674</b>	<b>5,076,560,428</b>	<b>656,669,754</b>	<b>14.9%</b>
Legislative Appropriation	<u>90,000</u>	<u>90,000</u>	<u>177,030</u>	<u>87,030</u>	96.7%
<b>TOTAL OPERATING</b>	<b>670,855,313</b>	<b>4,419,980,674</b>	<b>5,076,737,458</b>	<b>656,756,784</b>	<b>14.9%</b>
Capital Construction	<u>6,963,802</u>	<u>6,963,802</u>	<u>2,090,000</u>	<u>(4,873,802)</u>	-70.0%
<b>GRAND TOTAL</b>	<b>677,819,115</b>	<b>4,426,944,476</b>	<b>5,078,827,458</b>	<b>651,882,982</b>	<b>14.7%</b>

\* Includes supplemental appropriations.

## **EXPLANATION OF MAJOR CASH FUND DIFFERENCES**

Major changes in the recommended cash fund appropriations are summarized below. The narrative for each department provides further explanation of all changes in cash funds.

**Department of Health Care Policy and Financing** -- The recommended cash fund increases include the following: (1) \$9.5 million for increased caseload and per-capita costs for the Children's Basic Health Plan; (2) \$7.2 million for increased costs for medical and mental health services in the Medicaid program; (3) \$4.0 million for initiatives related to health care reform; (4) \$3.8 million for budget balancing bills; and (5) \$3.1 million to annualize impacts from legislation passed in the 2007 Session.

**Department of Higher Education** -- The recommendation includes a \$100.7 million cash funds increase as a result of increases in resident undergraduate tuition spending authority of 9.5 percent for research institutions, 7.5 percent for the other four-year institutions, and 5.5 percent for the community colleges. Combined with changes in enrollment and nonresident tuition, the institutions are projected to earn \$88.7 million more from tuition. The recommendation also includes a \$10.4 increase in the allocation of tobacco settlement moneys to the University of Colorado Health Sciences Center pursuant to Section 24-75-1104.5 (1.5) (a) (I), C.R.S., a \$3.2 million increase for academic fees, a \$1.8 million increase in projected limited gaming revenues deposited in the State Historical Fund, and a \$3.0 million decrease in expenditures from a one-time fund balance of the College Opportunity Fund.

**Department of State** -- The recommended increases in cash funds include: (1) \$3.2 million to continue to implement the Help America Vote Act (HAVA); (2) \$1.4 million for the second year of a project to improve access to campaign finance information; (3) \$900,000 for the voting systems certification program; (4) \$750,000 for cyber-security initiatives; and (5) \$520,000 to replace the Department's accounting system. HAVA funds are continuously appropriated and are shown in the Long Bill for informational purposes only.

**Department of Transportation** -- The recommended increases in cash funds include the following: 1) \$217.5 million from the Department's forecasted share of State Highway Fund revenues; 2) \$11.8 million from miscellaneous cash fund sources within the Department; and 3) \$5.2 million in aviation funds. These amounts are not legislatively appropriated and are subject to change based on actual revenues. The recommendation also reflects a \$2.8 million increase in the legislatively appropriated Administration line item.

REAPPROPRIATED FUNDS APPROPRIATION COMPARISON					
Department	FY 2007-08 Cash Funds Exempt Appropriation*	FY 2007-08 <i>Adjusted</i> Reappropriated Funds Approp.*	FY 2008-09 Reappropriated Funds Appropriation	Difference (FY 08-09 less FY 07-08 <i>Adjusted</i> )	% Difference
Agriculture	5,861,194	309,104	914,335	605,231	195.8%
Corrections	79,697,837	44,838,533	42,403,526	(2,435,007)	-5.4%
Education	421,755,405	14,078,151	15,466,543	1,388,392	9.9%
Governor	31,676,275	4,363,396	4,360,714	(2,682)	-0.1%
Health Care Policy and Financing	363,729,500	99,186,660	23,498,196	(75,688,464)	-76.3%
Higher Education	1,764,573,730	674,949,833	725,184,181	50,234,348	7.4%
Human Services	635,811,187	420,773,571	436,954,664	16,181,093	3.8%
Judicial	10,541,809	6,298,795	6,074,622	(224,173)	-3.6%
Labor and Employment	20,402,867	1,150,197	1,154,998	4,801	0.4%
Law	29,395,969	27,082,924	29,174,543	2,091,619	7.7%
Legislature	250,000	250,000	0	(250,000)	-100.0%
Local Affairs	107,433,892	5,340,166	5,638,314	298,148	5.6%
Military and Veterans Affairs	1,580,665	653,509	653,509	0	0.0%
Natural Resources	114,273,379	7,184,948	7,374,280	189,332	2.6%
Personnel and Administration	156,487,617	164,068,267	174,527,522	10,459,255	6.4%
Public Health and Environment	186,247,402	71,912,479	69,183,635	(2,728,844)	-3.8%
Public Safety	113,814,201	19,860,227	21,462,651	1,602,424	8.1%
Regulatory Agencies	8,486,488	8,058,067	8,590,895	532,828	6.6%
Revenue	453,907,053	1,252,891	1,392,448	139,557	11.1%
State	3,851,101	40,887	0	(40,887)	-100.0%
Transportation	536,695,262	6,733,045	3,984,546	(2,748,499)	-40.8%
Treasury	<u>281,038,178</u>	<u>0</u>	<u>0</u>	<u>0</u>	n/a
<b>LONG BILL</b>					
<b>OPERATING TOTAL</b>	<b>5,327,511,011</b>	<b>1,578,385,650</b>	<b>1,577,994,122</b>	<b>(391,528)</b>	<b>0.0%</b>
Legislative Appropriation	<u>783,774</u>	<u>783,774</u>	<u>800,000</u>	<u>16,226</u>	2.1%
<b>TOTAL OPERATING</b>	<b>5,328,294,785</b>	<b>1,579,169,424</b>	<b>1,578,794,122</b>	<b>(375,302)</b>	<b>0.0%</b>
Capital Construction	<u>289,909,967</u>	<u>289,909,967</u>	<u>478,906,218</u>	<u>188,996,251</u>	65.2%
<b>GRAND TOTAL</b>	<b>5,618,204,752</b>	<b>1,869,079,391</b>	<b>2,057,700,340</b>	<b>188,620,949</b>	<b>10.1%</b>

\* Includes supplemental appropriations.



## **EXPLANATION OF MAJOR REAPPROPRIATED FUNDS DIFFERENCES**

Major changes in the recommended reappropriated funds appropriations are summarized below. The narrative for each department provides further explanation of all changes in cash funds exempt.

**Department of Higher Education** – The recommendation includes a \$50.2 million reappropriated funds increase primarily to reflect a \$51.1 million increase in the stipends and fee-for-service contracts that are reappropriated to the governing boards. Smaller adjustments include a \$464,000 increase in the transfer from the Department of Education for the Colorado Vocational Act, a \$1.9 million decrease due to transferring the Advisory Commission on Family Medicine to the Department of Health Care Policy and Financing, and changes in indirect cost recoveries.

**Department of Human Services** -- The recommended increase in reappropriated funds includes \$30.2 million for Services for People with Disabilities, \$3.3 million for the Executive Director's Office, \$1.0 million for the Division of Youth Corrections, and \$1.2 million in various other divisions, offset by reductions of \$16.1 million for the Division of Child Welfare, \$2.4 million for Information Technology Services and \$1.0 million for the Division of Child Care. The recommended increase for Services for People with Disabilities primarily reflects additional Medicaid funds transferred from the Department of Human Services for services for people with developmental disabilities. This includes substantial increases to the developmental disability caseload, the impact of reversing one-time FY 2007-08 supplementals, and provider rate increases. The recommended increase for the Executive Director's Office primarily reflects centrally-appropriated salary and benefits adjustments, and the recommended increase for the Division of Youth Corrections reflects funding flexibility to enable the Division to continue to reduce caseload. The recommended reduction for Child Welfare Services reflects the impact more accurately reflecting Medicaid funding for child welfare services, as well as Medicaid-funded caseload and provider rate increases. The reduction for information technology services includes eliminating one-time funding and a CBMS funding adjustment. The reduction in the Division of Child Care reflects eliminating a double-count.

**Department of Law** – The recommendation includes an extra \$422,000 for increased legal services to support initiatives in other departments and \$372,000 for increased legal services to support FY 2007-08 legislation.

**Department of Personnel and Administration** - The major recommendations include: (1) a \$3.0 million reappropriated funds increase related to various common policies adjustments in the EDO; (2) a \$4.9 million increase to anticipated workers' compensation and risk premiums charged to state

agencies based on actuarial estimates of prospective loss in FY 2008-09 over FY 2007-08; (3) a \$3.5 million reappropriated funds increase to reflect a refinance of the Technology Management Unit (TMU), which supports all software applications that are used on a statewide basis. The TMU formerly was funded with General Fund. The refinance will allow the Department to charge its customer agencies directly for its services by an assessed rate through the General Government Computer Center billing methodology; and (4) a \$1.8 million reduction to the vehicle lease payments line based on a lower estimated need for vehicle lease payments in FY 2008-09.

**Department of Public Safety** -- The recommended increases in the reappropriated funds appropriation to the Department of Public Safety include the following: 1) \$727,000 for centrally appropriated operating expenses; 2) \$441,000 for salary and benefits adjustments for FY 2008-09; 3) \$415,000 in indirect cost assessments to the various divisions; 4) \$247,000 and 3.0 FTE for increased security for other State Departments; 5) \$243,000 and 3.5 FTE for fire inspections at public schools; and 6) \$217,000 and 1.0 FTE for a multi-agency vehicle repair initiative.

**Department of Transportation** -- The recommendation reflects a \$3.4 million decrease in State Highway Fund transfers to the Statewide Tolling Enterprise. The reduction is partially offset by increases in internal cash fund spending authority for the Transportation Commission controlled Construction, Maintenance, and Operations line item and the legislatively appropriated Administration line item.

FEDERAL FUNDS APPROPRIATION COMPARISON				
Department	FY 2007-08 Appropriation*	FY 2008-09 Appropriation	Difference	% Difference
Agriculture	3,907,991	3,992,015	84,024	2.2%
Corrections	3,221,289	3,221,597	308	0.0%
Education	496,839,889	497,653,179	813,290	0.2%
Governor	13,030,450	32,860,986	19,830,536	152.2%
Health Care Policy and Financing	1,722,369,518	1,826,474,274	104,104,756	6.0%
Higher Education	20,478,236	20,230,113	(248,123)	-1.2%
Human Services	639,620,692	643,072,311	3,451,619	0.5%
Judicial	2,291,464	2,290,265	(1,199)	-0.1%
Labor and Employment	103,194,924	96,585,510	(6,609,414)	-6.4%
Law	1,095,355	1,157,051	61,696	5.6%
Legislature	0	0	0	n/a
Local Affairs	80,261,842	55,741,039	(24,520,803)	-30.6%
Military and Veterans Affairs	165,434,307	195,780,370	30,346,063	18.3%
Natural Resources	16,903,787	17,357,264	453,477	2.7%
Personnel and Administration	121,000	121,000	0	0.0%
Public Health and Environment	210,131,476	209,641,711	(489,765)	-0.2%
Public Safety	23,571,050	26,487,831	2,916,781	12.4%
Regulatory Agencies	1,154,822	1,318,083	163,261	14.1%
Revenue	1,546,214	1,471,598	(74,616)	-4.8%
State	110,594	0	(110,594)	-100.0%
Transportation	441,417,139	445,533,158	4,116,019	0.9%
Treasury	0	0	0	n/a
<b>LONG BILL</b>				
<b>OPERATING TOTAL</b>	<b>3,946,702,039</b>	<b>4,080,989,355</b>	<b>134,287,316</b>	<b>3.4%</b>
Capital Construction	<u>26,416,088</u>	<u>40,342,569</u>	<u>13,926,481</u>	52.7%
<b>GRAND TOTAL</b>	<b>3,973,118,127</b>	<b>4,121,331,924</b>	<b>148,213,797</b>	<b>3.7%</b>

\* Includes supplemental appropriations.

## **EXPLANATION OF MAJOR FEDERAL FUNDS DIFFERENCES**

Major changes in the anticipated federal funds reflected are summarized below. The narrative for each department provides further explanation of all changes in federal funds.

**Office of the Governor** -- The recommendation reflects a transfer of \$19.8 million in federal homeland security grants from the Department of Local Affairs, Division of Emergency Management to the newly established Office of Homeland Security in the Office of the Governor.

**Department of Health Care Policy and Financing** -- The recommended federal fund increases include the following: (1) \$42.0 million for increased costs for medical and mental health services in the Medicaid program; (2) \$21.8 million for provider rate increases; (3) \$17.4 million for increased costs for the Children's Basic Health Plan due to caseload and per-capita-cost increases; (4) \$15.1 million for increased Medicaid funding for people with developmental disabilities; (5) \$13.0 million for initiatives related to health care reform; (6) \$4.1 million for various administrative costs of the Department; and (7) \$2.0 million to increase funding for the pediatric specialty hospital program. These increases are partially offset by a \$8.0 million decrease to child welfare Medicaid funding to more accurately reflect county spending.

**Department of Local Affairs** -- The recommendation reflects the transfer of \$19.8 million in federal homeland security grant funds to the Office of Homeland Security in the Governor's Office, as well as a projected decrease of \$5.5 million in federal funds for disaster preparedness grants.

**Department of Military and Veterans Affairs** -- The recommendation includes an increase of \$30.3 million in federal funds for the following: \$26 million to begin construction of two new readiness centers (armories) in Grand Junction and Lakewood, \$.2.8 million for salaries and benefits for state employees paid by federal funds and federal employees supervised by the Department, and \$1.7 million for increased operating and maintenance costs.

**Department of Public Safety** -- The recommended \$2.9 million increase in federal funds is primarily attributable to an anticipated increase in federal grants administered by the Division of Criminal Justice.

<b>FTE APPROPRIATION COMPARISON</b>				
<b>Department</b>	<b>FY 2007-08 Appropriation*</b>	<b>FY 2008-09 Appropriation</b>	<b>Difference</b>	<b>% Difference</b>
Agriculture	284.0	290.5	6.5	2.3%
Corrections	6,310.9	6,578.8	267.9	4.2%
Education	476.1	511.8	35.7	7.5%
Governor	121.5	161.8	40.3	33.2%
Health Care Policy and Financing	257.3	273.2	15.9	6.2%
Higher Education	19,277.9	19,802.1	524.2	2.7%
Human Services	5,489.3	5,534.5	45.2	0.8%
Judicial	3,854.2	4,075.7	221.5	5.7%
Labor and Employment	1,099.5	1,107.5	8.0	0.7%
Law	377.9	389.6	11.7	3.1%
Legislature	277.1	277.1	(0.1)	0.0%
Local Affairs	184.0	185.3	1.3	0.7%
Military and Veterans Affairs	1,383.8	1,387.3	3.5	0.3%
Natural Resources	1,515.4	1,545.4	30.0	2.0%
Personnel and Administration	567.5	571.7	4.2	0.7%
Public Health and Environment	1,188.2	1,211.9	23.7	2.0%
Public Safety	1,319.6	1,347.1	27.5	2.1%
Regulatory Agencies	556.7	562.3	5.6	1.0%
Revenue	1,480.0	1,493.4	13.4	0.9%
State	125.5	133.1	7.6	6.1%
Transportation	3,316.0	3,353.5	37.5	1.1%
Treasury	<u>26.0</u>	<u>29.5</u>	<u>3.5</u>	13.5%
<b>LONG BILL</b>				
<b>OPERATING TOTAL</b>	<b>49,488.4</b>	<b>50,823.1</b>	<b>1,334.7</b>	<b>2.7%</b>
* Includes supplemental appropriations.				

## **EXPLANATION OF MAJOR FTE DIFFERENCES**

Major changes in the recommended FTE appropriations are summarized below. The narrative for each department provides further explanation of all changes in FTE.

**Department of Corrections** -- The recommended increase in FTE includes the following changes: (1) 165.6 FTE to convert contract staff to state employees; (2) 37.5 FTE for additional parole officers, community corrections officers, and community re-entry staff; (3) 17.4 FTE for additional mental health professionals; (4) 13.9 FTE to restore a one-time reduction in FTE in FY 2007-08 associated with the expansion of the Denver Reception and Diagnostic Center; (5) 7.3 FTE for additional academic and vocational instructors; (6) 7.2 FTE for an activation team at the Colorado State Penitentiary II; (7) 6.3 FTE for increases in human services, facility services, utilities, and the SAFE program; (8) 5.7 FTE to annualize prior year funding and legislation; (9) 3.3 FTE to annualize additional Parole Board administrative staff approved in FY 2007-08; (10) 1.9 FTE related to the impacts of the inmate population growth related to private prison monitoring and canteen services; and (11) 1.8 for additional research statisticians.

**Department of Education** -- The recommendation includes the following increases in FTE authorizations: (1) 6.0 FTE for the State Charter School Institute, supported by reappropriated funds, based on planned staffing changes; (2) 4.6 FTE, supported by General Fund, to allow the Department to hire one individual with expertise in addressing achievement gaps and four individuals with expertise in math, science, social studies, and the arts; (3) 1.0 FTE, supported by cash funds, to administer the comprehensive health education program; and (4) 0.9 FTE, supported by General Fund, to allow the Department to implement key recommendations of the Data Infrastructure Review. The remaining FTE changes reflect anticipated changes in positions supported by various sources of federal funds.

**Office of the Governor** -- The recommended increase in FTE includes the following changes: (1) 27.0 FTE in the Governor's Energy Office, the first year that FTE in this office have been included in the Long Bill; (2) 10.0 FTE for the Office of Homeland Security; (3) 1.5 FTE for the Public School Efficiency Program in the Governor's Energy Office; (4) 1.0 FTE transferred from the Enterprise Zone Program in the Department of Local Affairs to the Economic Development Commission; (5) 0.9 FTE for the Arts Learning for Children and Youth programs in the Council on the Arts; (6) 0.5 FTE for the Small Business Development Centers in the Office of Economic Development; and (7) a reduction of 0.6 FTE associated with the elimination of one-time funding.

**Department of Higher Education** -- The FTE for the higher education institutions are included in the Long Bill for informational purposes only. Pursuant to statute, each governing board retains control over the number of employees hired. Projections submitted

by the schools of employment in the current year are used as the best indicator of employment levels in FY 2008-09.

**Department of Human Services** -- The recommended increases in the FTE appropriation to the Department of Human Services include: (1) 13.8 FTE for increased staffing at the regional centers for people with developmental disabilities; (2) 7.5 FTE for the mental health institutes and mental health services administration primarily associated with opening the new high security forensics facility on the Pueblo campus; (3) 6.5 FTE for the Executive Director's Office, including for human resources staff; (4) 6.0 FTE for Self Sufficiency programs, including for oversight of the Colorado Works program; (5) 5.5 FTE for new monitoring staff for child welfare services; (6) 5.5 FTE for the Division of Youth Corrections, primarily for H.B. 04-1451 and Functional Family Parole programs; (6) 2.4 FTE for additional information technology support staff; and (7) 1.0 FTE for child care staff to work on the Division of Child Care's web content. These increases are partially offset by a net reduction of 3.0 FTE in the Office of Operations, reflecting a reduction for unused FTE authority offset by increases associated with the new high security forensics facility on the Pueblo campus.

**Judicial Department** -- The recommendation includes the following increases in FTE authorized: (1) 105.6 FTE for the second year impact of H.B. 07-1054 which created 43 new judgeships to be phased in over three years; (2) 50.3 FTE additional probation officers, supervisors, clerical support, and administrative staff; (3) 30.0 FTE as a technical correction to the appropriation to the Public Defender's Office (no additional funding was provided for these FTE); (4) 28.6 FTE for additional trial courts staff; (5) 3.0 FTE to implement the recommendations from the State Auditor's report on the handling of probate cases; (6) 2.0 FTE to provide additional judge education services; (7) 1.0 FTE to provide an additional staff attorney for the Office of the Child's Representative; (8) 0.5 FTE to annualize an information security officer position for the Public Defender's Office that was partially funded during FY 2007-08 supplementals; and (9) 0.5 FTE each to expand a part-time evaluation and training position and provide part-time support staff for the Alternate Defense Counsel.

**Department of Natural Resources** -- The recommended increase includes: (1) 21.0 FTE paid for from the Oil and Gas Conservation and Environmental Response Fund for regulating oil and gas development; (2) 6.0 FTE paid for from federal funds to coordinate a projected \$30.0 million increase in federal funding for reclaiming inactive mines in Colorado over the next seven years; (3) 2.5 FTE for the Colorado Water Conservation Board for stream gaging activities, drought planning, and water management; (4) 2.0 FTE, to be funded within existing funds (Operational Account of the Severance Tax Trust Fund), to assist in the implementation of the Water for the 21<sup>st</sup> Century Act and the Water Supply Reserve Account; (5) 1.3 FTE paid for from snowmobile registration fees to coordinate a snowmobile program within the Division of Parks and Outdoor Recreation and 1.0 FTE to annualize a prior year decision item for additional parks staff; (6) 1.0 FTE paid for from the Operational Account of the Severance Tax Trust Fund to explore and promote geothermal energy resources in Colorado; (7) 0.9 FTE for the State

Engineer's Office paid for with General Fund to coordinate a well measurement program related to compliance with the Republican River Compact; (8) 0.4 FTE paid for from avalanche safety course fees for two seasonal employees to perform maintenance on avalanche forecasting equipment; and (9) 0.4 FTE for the Executive Director's Office for contract monitoring related to S.B. 07-228. These increases are offset by a reduction of 6.5 FTE for Parks and Outdoor Recreation primarily reflecting adjustments in anticipated funding from Great Outdoors Colorado.



## HIGHWAY USERS TAX FUND APPROPRIATION COMPARISON

The following table shows recommendations for FY 2008-09 "Off-the-Top" appropriations from the Highway Users Tax Fund (HUTF), which are limited to an annual growth rate of six percent over the previous year's "Off-the-Top" appropriation. These moneys are referred to as "Off-the-Top" because they are removed from available HUTF revenue before the statutory formula allocation to cities, counties, and the Department of Transportation. Pursuant to the various provisions of Section 43-4-201, C.R.S., "Off-the-Top" appropriations are limited to: the Colorado State Patrol in the Department of Public Safety; the Department of Revenue for the Ports of Entry program; and related capital projects.

HUTF "Off-the-Top" Appropriation Comparison				
Department	FY 2007-08 Appropriation	FY 2008-09 Recommendation	Change	Percent Change
Public Safety - State Patrol	\$87,229,897	\$92,484,755	\$5,254,858	6.0%
Revenue - Ports of Entry	9,184,023	9,739,088	555,065	6.0%
Capital Construction Projects	518,406	0	(518,406)	-100.0%
<b>Total</b>	<b>\$96,932,326</b>	<b>\$102,223,843</b>	<b>\$5,291,517</b>	<b>5.5%</b>
Allowable 6% Limit	\$96,932,326	\$102,748,266		
<b>Amount Over/(Under) 6% limit</b>	<b>\$0</b>	<b>(\$524,423)</b>		

The recommendation for the Department of Public Safety includes the following major increases: (1) \$3.2 million for annualization of FY 2007-08 salary increases; (2) \$2.0 million for salary and benefits adjustments for FY 2008-09; (3) \$672,093 and 9.0 FTE associated with the Colorado State Patrol's traffic safety improvement plan; and (4) \$562,000 for indirect cost adjustments.

There were no major adjustments to the FY 2008-09 HUTF "Off-the-Top" recommendation for the Ports of Entry program in the Department of Revenue.

The recommendation does not include HUTF funding for capital construction projects, reflecting a \$518,000 reduction from FY 2007-08.

## **GENERAL POLICIES**

The recommendations for many line items are determined by general policies applied consistently to State agencies. A brief explanation for each of these line items and policies is provided below.

### **Administrative Law Judge Services**

Funds for Administrative Law Judge (ALJ) services are included for the eleven departments that use such services. The recommended billing is calculated by applying each department's percentage of actual ALJ use in FY 2006-07 to the Administrative Courts' overhead (personal services, centrally appropriated line items such as salary survey and short-term disability insurance, operating expenses, and indirect costs). In FY 2008-09, spending authority for the Administrative Courts totals approximately \$4.4 million.

### **ADP Capital Outlay and Information Technology Asset Maintenance**

These line items fund the replacement or addition of automated data processing equipment. Automated Data Processing (ADP) Capital Outlay is the common title for one-time, incidental information technology appropriations. The Information Technology Asset Maintenance line item is used by departments to fund network maintenance, hardware and software maintenance contracts, and anti-virus software. Requests for these items are reviewed by the Commission on Information Management (IMC).

### **Appropriations format**

The recommendation reflects the elimination of the "cash funds exempt" funding category used through FY 2007-08 and the redistribution of funds previously in the "cash funds" column and the "cash funds exempt" column into the newly defined "cash funds" and "reappropriated funds" columns for FY 2008-09. Reappropriated funds are any amounts that are appropriated a second or more times subsequent to an initial appropriation in the same fiscal year. Cash funds include all other non-general fund and nondirect federal fund sources and may be cash funds established by statute, nonstatutory cash accounts, tuitions, overhead reimbursements, fees, governmental and nongovernmental "third-party" payments, and payments for services.

The net impact of the new budget format moved approximately \$3,747 million from the "cash funds exempt" category to the "cash funds" category. There were smaller amounts that moved from the "cash funds" category to the "reappropriated funds" category. Some of the large changes are described below:

*Tuition and academic fees, Department of Higher Education:* Approximately \$1,048 million in tuition and academic fees were previously categorized as cash funds exempt earnings by TABOR-exempt higher education enterprises. In the new budget format, these are categorized as cash funds as they do not appear anywhere else in the budget.

*Highway Users Tax Fund, primarily in the departments of Transportation, Treasury, Public Safety, and Revenue:* Appropriations from the Highway Users Tax Fund (HUTF) were previously characterized as cash funds exempt, but in the new format they are classified as cash funds. The largest amounts of HUTF that changed categories were: \$508 million in Transportation; \$263 million in Treasury; \$87 million in Public Safety; and \$10 million in Revenue.

*Lottery Proceeds, primarily in the Department of Revenue:* Approximately \$422 million in the Department of Revenue from lottery proceeds, plus smaller amounts in other departments, was previously categorized as cash funds exempt, since lottery revenues are constitutionally exempt from TABOR. In the new budget format these appropriations are categorized as cash funds.

*State Education Fund, Department of Education:* Approximately \$302 million from the State Education Fund was previously categorized as cash funds exempt, since it is constitutionally exempt from TABOR, but in the new budget format these appropriations are categorized as cash funds, since the spending authority does not appear elsewhere in the budget.

*Certification of public expenditures, Department of Health Care Policy and Financing:* Approximately \$162 million of certified expenditures by local public healthcare entities were previously classified as cash funds exempt, since they are local expenditures. In the new budget format these appropriations are categorized as cash funds, since they are not reflected elsewhere in the budget. These appropriations appear in the Long Bill in order to match federal Medicaid funds.

*Tobacco taxes, Department of Health Care Policy and Financing:* Approximately \$109 million of appropriations from tobacco taxes authorized in Article X, Section 21 of the Colorado Constitution were previously categorized as cash funds exempt, since they are exempt from TABOR, but in the new format they are categorized as cash funds.

*Local funds, primarily in the Department of Human Services:* Approximately \$117 million of local funds included in the Department of Human Services for informational purposes to describe the county match of state grants, plus smaller amounts in other departments, were previously categorized as cash funds exempt, since these are local rather than state expenditures. In the new budget format these appropriations are categorized as cash funds, since they are not reflected elsewhere in the budget.

*Federal mineral lease, primarily in the departments of Education, Local Affairs, and Natural Resources:* Federal mineral lease moneys are deposited in the State Public School Fund, the Local Government Mineral Impact Fund, and the Colorado Water Conservation Board Construction Fund. Appropriations from these funds were previously categorized as cash funds exempt, since the original source of revenue is federal, but in the new format they are categorized as cash funds.

*Expenditures from fund balances:* Previously these were categorized as cash funds exempt spending from a reserve, but in the new budget format they are categorized as cash funds. There was no single large expenditure from a reserve that changed categories, but lots of small changes that accumulate to explain the total difference in many of the departments.

*Expenditures by enterprises:* Expenditures by several smaller enterprises than the higher education institutions, such as the Division of Wildlife, the Department of Corrections Canteen, Correctional Industries, and the State Fair, were previously categorized as cash funds exempt, but are categorized as cash funds in the budget format. Payments by enterprises for state services, primarily to the Department of Personnel, were previously categorized as cash funds, because they crossed the TABOR boundary, but are categorized as reappropriated funds in the format, since they appear in both the originating and receiving department.

#### Capitol Complex Leased Space

This line item is for departments occupying space in the Capitol Complex, the North Campus facility, the Pierce Street Building, the Grand Junction State Office Building, and Camp George West, which is located in Golden. This line item appears in each department's executive director's office, with some exceptions. The recommended funding level is based on a rate of \$12.54 per square foot for the Capitol Complex, \$3.91 per square foot for the North Campus, \$5.77 per square foot for the Pierce Street Building, \$7.92 per square foot for the Grand Junction State Office Building, and \$1.23 per square foot for Camp George West. Tenants of Camp George West are also appropriated funds in the Capitol Complex Leased Space line item for utility payments that are not included in that campus' square footage rate. The recommended funds may not be used for leased space outside of these facilities, which are administered by the Department of Personnel and Administration, Division of Central Services. A matching amount of transfer spending authority, \$11.2 million for FY 2008-09, is appropriated to the Department of Personnel and Administration to pay all costs associated with maintenance and upkeep for 754,366 square feet of space in the Capitol Complex, 42,871 square feet of space in the North Campus, 116,448 square feet for the Pierce Street Building, 34,499 square feet in the Grand Junction State Office Building, and 285,755 square feet at Camp George West.

#### Communication Services Payments

This line item appears in each department's executive director's office, with some exceptions, and represents each department's share of the overhead related to the State's public safety communications infrastructure. For FY 2008-09, billings are sufficient to fund personal services, operating expenses, and indirect costs for the Communications Services program in the Division of Information Technology. This amounts to recoverable costs of \$4.6 million.

### Community Provider Rates

The recommendation includes community provider rate increases applied to selected programs in the Departments of Human Services, Health Care Policy and Financing, Corrections, and Public Safety. This includes a 1.5 percent increase for child welfare, mental health, alcohol and drug abuse, developmental disability, vocational rehabilitation, and youth corrections community providers funded through the Department of Human Services; a 1.5 percent increase for home- and community-based services and inpatient hospital providers funded through the Department of Health Care Policy and Financing; a 4.25 percent increase for in-state prison providers, and a 1.5 percent increase for other community providers funded through the Departments of Corrections and Public Safety. In general, community provider rate increases apply to programs or services which, if not provided by contracted provider organizations or county staff, would need to be provided by state staff.

### Health, Life, and Dental

This line item appears in each department's executive director's office. For FY 2008-09, the total statewide cost of health, life, and dental benefits for all employees, except higher education faculty and administration, is expected to be approximately \$123.4 million, including approximately \$74.0 million from the General Fund. For FY 2008-09, the state contribution rate recommendation for employee benefits is \$368.08 per month for a single employee, \$540.45 per month for an employee and one or more children, \$602.34 per month for an employee and spouse, and \$833.26 per month for an employee and family. State employees make payroll contributions to pay for the difference between the state contribution level and the premiums for the plans and coverages selected during the open enrollment period each year. Approximately 24,600 employees participate in the State's medical insurance plans, not including institutions of higher education.

### Indirect Costs

Indirect costs are the overhead costs associated with the operation of general government functions and departmental administrative duties. Indirect cost recoveries are intended to offset these overhead costs, that otherwise would have been supported by the General Fund, from cash- and federally-funded programs. Recoveries from cash and federally-funded programs are calculated for statewide and departmental overhead costs.

Statewide indirect cost recoveries are designed to offset costs of operating general government functions that support the activities of all departments but for which no fee is charged. These costs are calculated by the State Controller's Office and approved by the Joint Budget Committee. In FY 2008-09, the statewide indirect cost recovery plan is estimated to recover \$2.0 million more than was recovered in FY 2007-08 from cash and federally-funded programs. Due to changes in the allocation of costs, departments may have an increase or a decrease in indirect costs assessed against them.

Departmental indirect cost recoveries are specific to the general administrative functions of each department, typically including the functions of the executive director's office. These costs are

calculated and assessed based upon an allocation methodology adopted by the Joint Budget Committee. Generally, indirect cost recoveries are appropriated as reappropriated funds in the executive director's office, where they offset General Fund, and are appropriated as cash funds, reappropriated funds, or federal funds in the division in which they are earned.

#### Lease Purchase

The recommendation is for a continuation of existing lease purchase agreements. Requests for additional lease purchase funds are examined on an individual basis and funded where appropriate. No funds may be expended for lease purchase except those specifically appropriated for that purpose.

#### Leased Space

This line item appears in each department's executive director's office, with some exceptions. The intent is to ensure that each executive director reviews and manages a department's use of leased space.

#### Legal Services

This line item appears in each department's executive director's office, with some exceptions. Funding is recommended so each department can purchase necessary legal services from the Department of Law. For FY 2008-09, agencies will pay a blended rate of \$75.10 per hour, which provides for the purchase of services from both attorneys and paralegals. The appropriation to the Department of Law is sufficient to fund personal services and associated expenses, operating expenses, litigation expenses, and indirect costs for a projected 317,732 hours of statewide legal service at a cost of \$23.9 million in FY 2008-09.

#### Multiuse Network Payments

This line item appears in each department's executive director's office, with a few exceptions. The multiuse network aggregates the State's telecommunications infrastructure onto one medium of transport. The network carries the State's voice, video, text, and graphics communications needs, and it also serves as the Internet service provider for the State. Additionally, local governments and other governmental agencies can access the network through the State, rather than through its private sector partner, which is a consortium of several telecommunications providers. Costs for the multiuse network include Department of Personnel and Administration overhead, Internet access, and contractual obligations that provide the State with a reserved amount of bandwidth at each network access point. In FY 2008-09, the program's expenses that will be recovered from other state agencies total \$11.2 million.

#### Operating Expenses

For FY 2008-09, the recommended amounts for operating expenses are funded at continuation levels, with the exception of base reductions which may have occurred. The Joint Budget Committee has historically recommended inflationary increases for operating expenses related to

food, medical, and laboratory services in departments in which these costs are not incidental. The following five departments are generally affected by food and medical inflation: Corrections, Education, Human Services, Public Health and Environment, and Public Safety.

For FY 2008-09, the Joint Budget Committee does not recommend inflationary increases for operating expenses related to food, medical, and laboratory services.

#### Payment to Risk Management and Property Funds

This line item appears in each department's executive director's office. The recommendation represents each department's share of the statewide cost of property and liability insurance coverage, based on a three-year average loss history as verified by an independent actuarial firm. A matching amount of spending authority is provided to the Department of Personnel and Administration to pay administrative, legal, and claims costs for the State's liability self-insurance and to pay premiums and the aggregate deductible of \$1.25 million for each policy year for the State's property insurance policies of \$500.0 million in total coverage. In FY 2008-09, the risk management and property program will cost \$22.0 million.

#### Personal Services

In FY 2008-09, the Joint Budget Committee adopted a common policy for calculating personal services costs which decreased personal services line items with 20 or more FTE by 1.0 percent of the previous year's base salaries. The Departments of Corrections' and Public Safety's personal services decrease was set at 0.75 percent for line items with 20 or more FTE. In previous years, the Joint Budget Committee applied a base reduction to personal services line items of between 0.2 and 2.5 percent to account for vacancies and turnover. This policy saves approximately \$8.2 million General Fund in FY 2008-09.

#### Public Employees' Retirement Association (PERA)

Each personal services and salary survey recommendation includes the designated state retirement contribution to PERA for all eligible employees. Pursuant to Section 24-51-408.5 (6) (a), C.R.S., the contribution rate is adjusted based on any over- or under-funding of the PERA trust funds that may exist. For FY 2008-09, the contribution rate will be 10.15 percent of base salaries for most state employees. However, the rates for state troopers and judges are 12.85 percent and 13.66 percent of base salary, respectively. In general, state employees also contribute 8.0 percent of base salary to this defined benefit plan.

#### S.B. 04-257 Amortization Equalization Disbursement (AED)

Pursuant to S.B. 04-257, the State must contribute additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. The current amortization period is infinite. Beginning on January 1, 2006, the State provided an additional 0.5 percent of base salaries to the PERA trust fund. Beginning January 1, 2008, the state AED rate reached 1.4 percent of base salaries. Beginning January 1, 2009, the State will provide an additional

0.4 percent of base salaries to the PERA trust fund, thus bringing the total AED state contribution to 1.8 percent of base salaries.

#### S.B. 06-235 Supplemental Amortization Equalization Disbursement (SAED)

Pursuant to S.B. 06-235, employees must contribute additional funds to assist in the amortization of the Public Employees' Retirement Association's (PERA) unfunded liability. Beginning January 1, 2008, employees began to contribute an additional 0.5 percent of their total payroll to the PERA trust fund. On January 1, 2009, employees will contribute an additional 0.5 percent of their total payroll to the PERA trust fund. The contribution rate is scheduled to increase by 0.5 percent per year, for a total of 3.0 percent by 2013. The SAED is funded from money otherwise available for use but not yet awarded as salary increases. Together, AED and SAED will contribute an additional six percent of total payroll to PERA by 2013.

#### Purchase of Services from Computer Center

Funds for General Government Computer Center (GGCC) services are included for all departments that use such services. The recommended billing is calculated by applying each department's percentage of actual GGCC use in FY 2006-07 to the Computer Services programs' overhead (personal services, centrally appropriated line items such as salary survey and short-term disability insurance, operating expenses, and indirect costs). In FY 2008-09, spending authority for the computer services program totals approximately \$16.7 million. This number includes \$4.1 million of additional costs related to the inclusion of the Technology Management Unit into the pool of recoverable costs that make up the GGCC.

#### Salary Survey and Senior Executive Service

This line item appears in each department's executive director's office, with the exception of the Department of Transportation, Administration Division. Recommended Long Bill funding for salary survey and senior executive service adjustments is based on the "2007 Total Compensation Survey" published on August 1, 2007, and submitted by the State Personnel Director pursuant to Section 24-50-104 (4) (c), C.R.S., and updated on December 31, 2007. This survey uses 17 third-party surveys to measure wages for the ten occupational groups in the State's classified personnel system. These increases are effective on July 1, 2008. The survey recommended wage increases for all seven occupational groups ranging from 2.23 percent to 4.1 percent, with an average salary survey increase of 3.28 percent. In FY 2008-09, these percentages will be applied to the salary ranges of the various occupational groups.

The total cost of salary survey increases for all classified and exempt state employees, excluding those in the Department of Higher Education, is approximately \$56.0 million, including approximately \$32.6 million from the General Fund.



### Performance-based Pay Awards

This line item appears in each department's executive director's office, with the exception of the Department of Transportation, Administration Division. Recommended Long Bill funding for performance-based pay awards is based on the "2007 Total Compensation Survey" published on August 1, 2007, and submitted by the State Personnel Director pursuant to Section 24-50-104 (4) (c), C.R.S., and updated on December 31, 2007. For FY 2008-09 the funding for performance-based pay awards is calculated at 1.4 percent of base salaries. The recommendation distributes the performance-based pay by awarding successful performers with a base-building achievement pay of 1.0 percent. Exceptional performers will receive an additional non-base building bonus of 2.0 percent in recognition of higher performance.

The total cost of performance-based pay increases for all classified and exempt state employees, excluding those in the Department of Higher Education, is approximately 20.8 million, including approximately \$12.0 million from the General Fund.

### Shift Differential

This line item appears in each applicable department's executive director's office, with the exception of the Department of Higher Education. Shift differential payments provide higher wages for evening, night, and weekend shifts. In FY 2008-09, shift differential payments for all state employees total approximately \$11.0 million, including approximately \$9.2 million from the General Fund.

### Short-term Disability

All state employees are eligible for employer-paid, short-term disability insurance. The recommended amounts are based on a factor of 0.13 percent of each employee's base salary. This line item appears in each department's executive director's office and cannot be expended for any other purpose.

### Utilities

In general, departments pay for utility costs from either the base operating expenses appropriation or a separate utilities line item, which typically supports the cost of maintaining a state-owned facility. The recommendation for FY 2008-09 is dependant on specific circumstances regarding utilities in each department.

### Vehicle Lease Payments

This line item appears in each department's executive director's office, with a few exceptions. Motor vehicles can only be purchased through the Fleet Management Program in the Department of Personnel and Administration pursuant to Section 24-30-1117, C.R.S. The recommendation is based on the amount necessary for each department to make vehicle lease payments to the Fleet Management Program, which charges lease rates that vary by vehicle model and type. The lease

payments are sufficient to recover the annual costs of program administration and the lease purchase installment payments for replacement and additional vehicles, which are financed by a private company. For FY 2008-09, the Joint Budget Committee approved the replacement of 900 vehicles and the acquisition of 71 additional vehicles statewide. Statewide vehicle variable costs (including fuel, maintenance, and insurance) are estimated to be \$20.7 million in FY 2008-09, for 6,506 vehicles, at an average cost of \$3,178 per vehicle.

#### Workers' Compensation

This line item appears in each department's executive director's office. The recommendation represents each department's share of the statewide cost of workers' compensation coverage, based on a three-year average loss history as verified by an independent actuarial firm. This self-insured program is administered by Pinnacle Assurance (formerly Colorado Compensation Insurance Authority) and covers employees in all departments (except the University of Colorado and the Colorado State University, which operate separate, self-insured programs). A matching amount of spending authority is provided to the Department of Personnel and Administration to pay administrative, legal, and claims costs. In FY 2008-09, this coverage will cost \$33.4 million. Note that these figures include the institutions of the Department of Higher Education that have not exempted themselves from this program under the provisions of H.B. 04-1009.

## Department of Agriculture

**Department Description:** The Department of Agriculture regulates, promotes and supports various agriculture activities throughout Colorado. Department personnel perform a wide range of services including regulatory and inspection services relating to agriculture; to make investigations and conduct hearings; foster and encourage the standardizing, grading, inspection, labeling, handling, storage, and marketing of agricultural products; and agricultural-related policy analysis. The Department is comprised of the Commissioner's Office and Administrative Services, the Agricultural Services Division, the Agricultural Markets Division, Brand Board, Special Purpose, the Colorado State Fair, and the Conservation Board.

Summary Table for Department of Agriculture						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$36,343,350	\$7,325,509	\$19,248,656	\$5,861,194	\$3,907,991	284.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	5,102,090	(5,102,090)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$36,343,350	\$7,325,509	\$24,350,746	\$759,104	\$3,907,991	284.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Commissioner's Office and Administrative Services	692,087	98,304	373,649	155,231	64,903	5.0
Agricultural Services Division	591,051	160,556	411,374	0	19,121	1.0
Agricultural Markets Division	19,859	15,854	4,005	0	0	0.0
Brand Board	50,591	0	50,591	0	0	0.0
Special Purpose	23,138	0	23,138	0	0	0.5
Colorado State Fair	(356,274)	0	(356,274)	0	0	0.0
Conservation Board	545,689	95,689	450,000	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$37,909,491	\$7,695,912	\$25,307,229	\$914,335	\$3,992,015	290.5
\$ Change from prior year	\$1,566,141	\$370,403	\$956,483	\$155,231	\$84,024	6.5
% Change from prior year	4.3%	5.1%	3.9%	20.4%	2.2%	2.3%

### Recommendation Highlights:

1. Includes a \$140,000 increase in cash funds for the annual purchase of 10 trucks for the Brand Board's fleet of vehicles used when traveling to inspect livestock throughout the state.
2. Includes a \$140,000 increase to accommodate on-going increases in postage rates, State Fleet per mile rates, DPA cost increases, and provide additional funding to enhance the Department's exposure and develop skills by means of participating in conferences, training, and federal policy making.
3. Includes a \$45,000 increase, consisting of \$33,750 General Fund and \$11,250 in other fund sources to replace precision laboratory equipment used by the Metrology Laboratory.

4. Reflects a \$331,330 decrease in the amount of cash funds the State Fair was required to have on-hand in reserves, as a condition of the debt incurred for the building of the Events Center in Pueblo, Colorado.

### Budget Recommendation Detail by Long Bill Division

**Commissioner's Office and Administrative Services:** The Commissioner's Office, in conjunction with the Colorado Agricultural Commission, is responsible for the development and implementation of agricultural policies throughout the state. The Administrative Services section provides administrative and technical support for various programs within the Department, such as accounting, budgeting, human resources, and computer programming.

Commissioner's Office & Administrative Services	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$8,131,882	\$2,323,893	\$1,717,026	\$1,236,066	\$2,854,897	27.7
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>521,962</u>	<u>(521,962)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$8,131,882	\$2,323,893	\$2,238,988	\$714,104	\$2,854,897	27.7
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
FY 2008-09 salary and benefit adjustments	437,721	137,154	270,701	0	29,866	0.0
Operating adjustments	182,269	97,817	67,482	(18,067)	35,037	5.0
Annualize salary and benefit adjustments	56,142	56,142	0	0	0	0.0
Information technology infrastructure	41,626	6,160	35,466	0	0	0.0
Legal services increase	28,652	28,652	0	0	0	0.0
Funding mix adjustment	0	(173,298)	0	173,298	0	0.0
Annualize prior year funding	(54,323)	(54,323)	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$8,823,969	\$2,422,197	\$2,612,637	\$869,335	\$2,919,800	32.7
\$ Change from prior year	\$692,087	\$98,304	\$373,649	\$155,231	\$64,903	5.0
% Change from prior year	8.5%	4.2%	16.7%	21.7%	2.3%	18.1%

### Issue Descriptions

**FY 2007-08 salary and benefit adjustments:** The appropriation includes adjustments to centrally-appropriated line items for salary survey, performance-based pay awards, state contributions to health, life, and dental benefits, shift differential, and state contributions to the Public Employees' Retirement Association (PERA) pension fund. All salary survey and performance based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Operating adjustments:** The recommendation includes a \$182,169 increase in common policy adjustments other than personal services. Of this amount, \$13,585 General Fund is to enhance the Department's exposure and develop skills by means of participating in conferences, training, and federal policy making. This amount represents part of a total Department-wide operating increase of \$138,550 which in addition to what was appropriated to the Commissioner's Office includes: Agricultural Services Division, \$115,610; Agricultural Markets Division, \$2,379; Brand Board, \$608; Wine Promotion Board, \$1,400; Vet Vaccine, \$82; and Conservation Board, \$4,886. The recommendation also includes an increase of 5.0 FTE funded with federal grants related to the following programs: noxious weeds (2.0 FTE), low pathogenic avian influenza (1.0 FTE), chronic wasting disease (1.0 FTE), and the cooperative agricultural pest survey (1.0 FTE).

**Annualize salary and benefit adjustments:** The appropriation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Information technology infrastructure:** The recommendation includes \$41,626 to replace the Department's obsolescent technology and to equip field staff with tools to mitigate lost productivity due to poor performing and aging equipment.

**Legal services increase:** The recommendation includes \$28,652 to retain additional legal services expertise related to the control of contagious diseases. This increase in General Fund is offset with a like decrease in the Personal Services line item in the Agricultural Services Division.

**Funding mix adjustment:** The recommendation includes a funding mix adjustment to spend fund balance in excess of statutory cash fund reserve requirements.

**Annualize prior year funding:** The recommendation includes a reduction of \$54,323 related to a one-time increase in additional legal services expertise related to the control of contagious diseases.

**Agricultural Services Division:** This division administers most of the Department's major programs and various statutory responsibilities and is divided among three distinct programs:

*Inspection and Consumer Services:* This section ensures compliance with product quality standards through licensing and inspection; certifies commercial weights and measurement devices; and analyzes fertilizer and animal feed for chemical contaminants;

*Animal Industry:* This section is responsible for monitoring the health of livestock and other animals used in various fields of agriculture, and for the implementation of pest control; and

*Plant Industry:* This section manages statewide pest control programs, registers pesticides and pesticide applicators, and inspects both plants and plant byproducts intended for domestic and international export.

Agricultural Services Division	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
FY 2007-08 Appropriation	\$11,729,470	\$3,639,163	\$7,497,213	\$40,000	\$553,094	151.4

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>40,000</u>	<u>(40,000)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$11,729,470	\$3,639,163	\$7,537,213	\$0	\$553,094	151.4
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefit adjustments	376,704	164,984	194,190	0	17,530	0.0
Operating adjustments	227,595	33,898	192,106	0	1,591	0.0
Veterinary field FTE	53,121	53,121	0	0	0	1.0
Measurement standards laboratory equipment	45,000	33,750	11,250	0	0	0.0
Fish disease testing	18,437	0	18,437	0	0	0.0
Annualize prior year funding	(96,545)	(96,545)	0	0	0	0.0
Legal services increase	(28,652)	(28,652)	0	0	0	0.0
Eliminate one-time appropriations	(4,609)	0	(4,609)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$12,320,521	\$3,799,719	\$7,948,587	\$0	\$572,215	152.4
\$ Change from prior year	\$591,051	\$160,556	\$411,374	\$0	\$19,121	1.0
% Change from prior year	5.0%	4.4%	5.5%	n/a	3.5%	0.7%

## Issue Descriptions

**Annualize salary and benefit adjustments:** The appropriation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Operating adjustments:** The recommendation includes \$115,610 to accommodate on-going increases in postage rates, State Fleet per mile rates, and DPA cost increases. This amount represents part of a total operating increase of \$138,550 which in addition to what was appropriated to the Agricultural Services Division includes: the Commissioner's Office, \$13,585; Agricultural Markets Division, \$2,379; Brand Board, \$608; Wine Promotion Board, \$1,400; Vet Vaccine, \$82; and Conservation Board, \$4,886. Further, the recommendation includes an increase of \$111,985 to its indirect cost assessment related to increased expenses incurred by the Commissioner's Office for Information Technology Infrastructure and salary and benefits increases that are attributable to the Division. The recommendation also includes a \$175 funding mix adjustment.

**Veterinary field FTE:** The recommendation includes an increase of \$53,121 General Fund and 1.0 FTE Animal Field Technician to assist the State Veterinarian Office on the Western Slope with disease testing and disease control efforts.

**Measurement standards laboratory equipment:** The recommendation includes \$33,750 General Fund and \$11,250 in other fund sources to replace precision laboratory equipment used by the Metrology Laboratory.

**Fish disease testing:** The recommendation includes \$18,437 to test at-risk aquaculture facilities for Viral Hemorrhagic Septicemia (VHS), a serious pathogen of fresh and saltwater fish.

**Annualize prior year funding:** The recommendation includes a reduction of \$96,545 General Fund related to one-time appropriations in FY 2007-08 for large-scale measurement standards test truck and equipment, as well as funding related to the retention of legal services expertise in association with the control of contagious diseases.

**Legal services increase:** The recommendation includes a reduction of \$28,652 from the personal services line item which is to be transferred to the Commissioner's Office Legal Services appropriation to retain additional legal services expertise related to the control of contagious diseases.

**Eliminate one-time appropriations:** The recommendation includes the elimination of one-time cash funds appropriated in FY 2007-08 for testing at-risk aquaculture facilities for Viral Hemorrhagic Septicemia (VHS).

**Agricultural Markets Division:** This division provides marketing assistance and related support to Colorado agricultural-based businesses competing in local, national, and international arenas. The Agricultural Markets Division also coordinates various market orders, promotes Colorado agricultural products, and works to assist start-up or expanding food processing companies within the state.

Agricultural Markets Division	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,079,794	\$409,620	\$50,337	\$619,837	\$0	5.2
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	574,837	(574,837)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,079,794	\$409,620	\$625,174	\$45,000	\$0	5.2
<i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i>						
Annualize salary and benefit adjustments	13,592	13,592	0	0	0	0.0
Operating adjustments	6,267	2,262	4,005	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,099,653	\$425,474	\$629,179	\$45,000	\$0	5.2
\$ Change from prior year	\$19,859	\$15,854	\$4,005	\$0	\$0	0.0
% Change from prior year	1.8%	3.9%	0.6%	0.0%	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefit adjustments:** The appropriation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Operating adjustments:** The recommendation includes an increase of \$3,888 to its indirect cost assessment related to increased expenses incurred by the Commissioner's Office for Information Technology Infrastructure

and salary and benefits increases that are attributable to the Division. The recommendation also includes \$2,379 to accommodate on-going increases in postage rates, State Fleet per mile rates, and DPA cost increases. This amount represents part of a total operating increase of \$138,550 which in addition to what was appropriated to the Agricultural Markets Division includes: the Commissioner's Office, \$13,585; Agricultural Services Division, \$115,610; Brand Board, \$608; Wine Promotion Board, \$1,400; Vet Vaccine, \$82; and Conservation Board, \$4,886.

**Brand Board:** The Brand Board serves the livestock industry and assists the public with problems related to livestock management. This division also administers and records livestock brands. The Board also inspects cattle, horse, and alternative livestock brands (such as deer and elk) to verify ownership at the time of sale, transport, or slaughter. The source of funding is fees for service. Under Section 35-41-101 (5) (a), C.R.S., the Brand Board constitutes an enterprise for the purposes of Section 20 of Article X of the Colorado Constitution (TABOR).

Brand Board	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$3,871,241	\$0	\$0	\$3,871,241	\$0	66.3
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	3,871,241	(3,871,241)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$3,871,241	\$0	\$3,871,241	\$0	\$0	66.3
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Brand trucks	140,000	0	140,000	0	0	0.0
Annualize salary and benefit adjustments	98,398	0	98,398	0	0	0.0
Operating adjustments	3,327	0	3,327	0	0	0.0
Eliminate one-time appropriations	(191,134)	0	(191,134)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$3,921,832	\$0	\$3,921,832	\$0	\$0	66.3
\$ Change from prior year	\$50,591	\$0	\$50,591	\$0	\$0	0.0
% Change from prior year	1.3%	n/a	1.3%	n/a	n/a	0.0%

## Issue Descriptions

**Brand trucks:** The recommendation includes an increase of \$140,000 to increase the program's base funding to replace 10 trucks per year.

**Annualize salary and benefit adjustments:** The appropriation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.



**Operating adjustments:** The recommendation includes an increase of \$2,719 to its indirect cost assessment related to increased expenses incurred by the Commissioner's Office for Information Technology Infrastructure and salary and benefits increases that are attributable to the Division. The recommendation also includes \$608 to accommodate on-going increases in postage rates, State Fleet per mile rates, and DPA cost increases. This amount represents part of a total operating increase of \$138,550 which in addition to what was appropriated to the Brand Board includes: the Commissioner's Office, \$13,585; Agricultural Services Division, \$115,610; Agricultural Markets Division, \$2,379; Wine Promotion Board, \$1,400; Vet Vaccine, \$82; and Conservation Board, \$4,886.

**Eliminate one-time appropriations:** The recommendation includes the elimination of one-time appropriations in FY 2007-08 for 13 trucks and the Brand Book.

**Special Purpose:** This Long Bill section is comprised of the Wine Promotion Board, which promotes wines produced in Colorado; the Vaccine and Service Fund, which provides for the vaccination of calves against brucellosis; and the Brand Estray Fund, which funds the maintenance and sale or return of stray livestock. Cash funds are from the Colorado Wine Industry Development Fund, the Brand Estray Fund, and the Veterinary Vaccine and Service Fund.

Special Purpose	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$712,614	\$0	\$618,564	\$94,050	\$0	1.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>94,050</u>	<u>(94,050)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$712,614	\$0	\$712,614	\$0	\$0	1.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Wine board FTE	15,141	0	15,141	0	0	0.5
Operating adjustments	4,557	0	4,557	0	0	0.0
Annualize salary and benefit adjustments	3,440	0	3,440	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$735,752	\$0	\$735,752	\$0	\$0	1.5
\$ Change from prior year	\$23,138	\$0	\$23,138	\$0	\$0	0.5
% Change from prior year	3.2%	n/a	3.2%	n/a	n/a	50.0%

## Issue Descriptions

**Wine board FTE:** The recommendation includes an increase of \$15,141 and 0.5 FTE to support marketing efforts and promotional activities of the Wine Board and assist with administrative operations.

**Operating adjustments:** The recommendation includes an increase of \$3,075 to its indirect cost assessment related to increased expenses incurred by the Commissioner's Office for Information Technology Infrastructure and salary and benefits increases that are attributable to the Division. The recommendation also includes \$1,482 to accommodate on-going increases in postage rates, State Fleet per mile rates, and DPA cost increases.

Of this amount, \$1,400 is for The Wine Promotion Board and \$82 is for Veterinarian Vaccine administration. This amount represents part of a total operating increase of \$138,550 which in addition to what was appropriated to the Wine Promotion Board and for Veterinarian Vaccine administration includes: the Commissioner's Office, \$13,585; Agricultural Services Division, \$115,610; Agricultural Markets Division, \$2,379; Brand Board, \$608; Vet Vaccine, \$82; and Conservation Board, \$4,886. The recommendation also includes a decrease of \$5,578 due to reductions in the need for temporary staffing related to the hiring of the Wine Promotion Board FTE.

**Annualize salary and benefit adjustments:** The appropriation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Colorado State Fair:** This program includes personal services and operating expenses associated with the Colorado State Fair, which is administered by the 11 member State Fair Authority. The source of funding is fees collected by the Colorado State Fair during its 11-day run each August and from non-fair events held at the State Fairgrounds in Pueblo, Colorado, throughout the remainder of the year. The State Fair is designated as a Type 1 agency under the provisions of Section 24-1-105, C.R.S.

Colorado State Fair	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$9,365,516	\$0	\$9,365,516	\$0	\$0	26.9
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$9,365,516	\$0	\$9,365,516	\$0	\$0	26.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefit adjustments	(24,944)	0	(24,944)	0	0	0.0
Cash fund reserves reduction	(331,330)	0	(331,330)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$9,009,242	\$0	\$9,009,242	\$0	\$0	26.9
\$ Change from prior year	(\$356,274)	\$0	(\$356,274)	\$0	\$0	0.0
% Change from prior year	(3.8)%	n/a	(3.8)%	n/a	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefit adjustments:** The appropriation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division. The amount is negative as a result of the total amount of the 1.0 base reduction (\$39,044) being greater than the Division's increases in salary survey (\$10,500) and performance-based pay (\$3,600) awarded in FY 2007-08.

**Cash fund reserves reduction:** Reflects a \$331,330 decrease in the amount of cash funds the State Fair was required to have on-hand in reserves, as a condition of the debt incurred for the building of the Events Center in Pueblo, Colorado.

**Conservation Board:** The Conservation Board is responsible for providing administrative and fiscal oversight to Colorado's 77 conservation districts. The Board also coordinates various federal programs related to natural resource issues, provides guidance on stream bank erosion, and assists farmers and ranchers in implementing a variety of water and energy practices.

Conservation Board	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,452,833	\$952,833	\$0	\$0	\$500,000	5.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,452,833	\$952,833	\$0	\$0	\$500,000	5.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Matching grants to conservation districts	525,000	75,000	450,000	0	0	0.0
Annualize salary and benefit adjustments	15,803	15,803	0	0	0	0.0
Operating adjustments	4,886	4,886	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,998,522	\$1,048,522	\$450,000	\$0	\$500,000	5.5
\$ Change from prior year	\$545,689	\$95,689	\$450,000	\$0	\$0	0.0
% Change from prior year	37.6%	10.0%	n/a	n/a	0.0%	0.0%

## Issue Descriptions

**Matching grants to conservation districts:** The recommendation includes \$75,000 General Fund and \$450,000 cash funds from the Conservation District Grant Fund for the purpose of implementing and maintaining soil and water conservation efforts by providing moneys to local conservation districts to complete for matching federal dollars available for technical conservation assistance. Moneys in the Conservation District Grant Fund are continuously appropriated, pursuant to Section 35-1-106.7 (1), C.R.S., and are included in the Long Bill for informational purposes only.

**Annualize salary and benefit adjustments:** The appropriation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Operating adjustments:** The recommendation includes \$4,886 to accommodate on-going increases in postage rates, State Fleet per mile rates, and DPA cost increases. This amount represents part of a total operating increase of \$138,550 which in addition to what was appropriated to the Conservation Board includes:

the Commissioner's Office, \$13,585; Agricultural Services Division, \$115,610; Agricultural Markets Division, \$2,379; Brand Board, \$608; Wine Promotion Board, \$1,400; and Vet Vaccine, \$82.

## Department of Corrections

**Department Description:** The Department of Corrections is responsible for the following activities: (1) managing, supervising, and controlling the correctional facilities operated and supported by the State; (2) supervising inmates who are placed on parole or who are placed in community corrections programs; (3) developing a systematic building program providing for the projected, long-range needs of the institutions under the Department's control; and (4) developing correctional industries within the institutions, which have a rehabilitative or therapeutic value for inmates.

Summary Table for Department of Corrections						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$710,797,192	\$624,903,634	\$2,974,432	\$79,697,837	\$3,221,289	6,310.9
Long Bill Supplemental	(297,463)	(297,463)	0	0	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	34,859,304	(34,859,304)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$710,499,729	\$624,606,171	\$37,833,736	\$44,838,533	\$3,221,289	6,310.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Management	27,125,547	29,524,206	284,872	(2,683,531)	0	2.7
Institutions	11,854,118	11,854,118	0	0	0	55.1
Support Services	1,850,525	1,721,272	129,253	0	0	5.6
Inmate Programs	1,607,395	1,669,240	(88,478)	26,325	308	162.7
Community Services	5,449,609	5,449,609	0	0	0	37.5
Parole Board	182,787	182,787	0	0	0	3.3
Correctional Industries	222,199	0	0	222,199	0	0.0
Canteen Operation	710,647	0	710,647	0	0	1.0
<b>Total FY 2008-09 JBC Long Bill Recommendation</b>	\$759,502,556	\$675,007,403	\$38,870,030	\$42,403,526	\$3,221,597	6,578.8
Statutory Appropriations	1,554,754	1,554,754	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$761,057,310	\$676,562,157	\$38,870,030	\$42,403,526	\$3,221,597	6,578.8
\$ Change from prior year	\$50,557,581	\$51,955,986	\$1,036,294	(\$2,435,007)	\$308	267.9
% Change from prior year	7.1%	8.3%	2.7%	(5.4)%	0.0%	4.2%

### Recommendation Highlights:

- Provides \$24.5 million General Fund for salary and benefits adjustments for salary survey; performance-based pay; health, life, and dental insurance; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; and other common policy items.

2. Provides \$14.2 million General Fund for increases to reimburse private prison providers based on the anticipated caseload growth to the private prison population using the Legislative Council Staff inmate population projections.
3. Provides \$4.8 million General Fund associated with a provider rate increase for county jails and in-state private prison providers.
4. Provides \$3.5 million General Fund associated with additional parole officers and community corrections officers based on the projected caseload of offenders in these programs.
5. Provides \$2.0 million General Fund associated with funding flexibility within the External Capacity Subprogram.
6. Provides \$1.8 million General Fund for wrap-around services for parolees.
7. Provides \$1.7 million General Fund for additional mental health professionals.
8. Provides \$1.6 million General Fund associated with annualizing prior year funding and legislation.
9. Provides \$1.2 million General Fund for medical expenses associated with a growth in the inmate population.
10. Includes a reduction of \$3.2 million General Fund associated with the increase in diversion community corrections beds.
11. Includes a reduction of \$2.5 million General Fund associated with the Joint Budget Committee policy for a 0.75 percent reduction to personal services line items.
12. Includes a reduction of \$1.2 million General Fund to eliminate one-time appropriations made in FY 2007-08.

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### **Budget Recommendation Detail by Long Bill Division**

**Management:** The Management Division contains the main departmental management functions including the Executive Director's Office, the External Capacity Subprogram, and the Inspector General Subprogram. The Executive Director's Office provides general administrative oversight for the Department. The External Capacity Subprogram is used to reimburse private prisons, local jails, the pre-release parole revocation facility, and community programs created pursuant to S.B. 03-252. This subprogram also contains staff for the private prison monitoring unit which oversees the private prisons to determine their compliance with contractual provisions. The Inspector General Subprogram is responsible for investigating crimes in prisons.

Management	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$181,751,118	\$173,361,371	\$4,960	\$7,843,169	\$541,618	92.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	4,495,068	(4,495,068)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$181,751,118	\$173,361,371	\$4,500,028	\$3,348,101	\$541,618	92.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
External capacity caseload increase	11,375,085	14,231,450	0	(2,856,365)	0	0.9
Miscellaneous common policies	10,360,281	9,991,421	284,872	83,988	0	0.0
Provider rate increase	4,789,783	4,789,783	0	0	0	0.0
Funding flexibility	2,000,000	2,000,000	0	0	0	0.0
Central impact of various decision items	1,507,093	1,418,615	0	88,478	0	0.0
Annualize salary and benefits adjustments	305,553	306,658	0	(1,105)	0	0.0
Research statistician increase	122,420	122,420	0	0	0	1.8
Annualize prior year funding	92,459	92,459	0	0	0	0.0
Fund mix adjustment	0	(1,473)	0	1,473	0	0.0
Diversion bed impact	(3,203,043)	(3,203,043)	0	0	0	0.0
Eliminate one-time appropriation	(224,084)	(224,084)	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$208,876,665	\$202,885,577	\$4,784,900	\$664,570	\$541,618	94.7
\$ Change from prior year	\$27,125,547	\$29,524,206	\$284,872	(\$2,683,531)	\$0	2.7
% Change from prior year	14.9%	17.0%	6.3%	(80.2)%	0.0%	2.9%

## Issue Descriptions

**External capacity caseload increase:** The recommendation adds funds to support a higher average daily population in private prisons based on the December 2007 Legislative Council Staff inmate population projections. This recommended increase also includes approximately \$50,000 General Fund and 0.9 FTE for the private prison monitoring unit based on projected growth in the average daily population of inmates housed in private prisons.

**Miscellaneous common policies:** The recommendation includes adjustments to the following line items affected by common policies approved by the Joint Budget Committee: salary survey; performance-based pay; health, life, and dental insurance; amortization equalization disbursement; supplemental amortization equalization disbursement; shift differential; workers' compensation; payments to risk management and property funds; legal services; leased space; and capitol complex leased space.

**Provider rate increase:** The recommendation includes funding to support a 1.5 percent increase in the rates paid to county jails and community corrections residential programs created pursuant to the provisions of S.B.

03-252. In addition, the recommendation includes funding to support a 4.25 percent increase in the rates paid to in-state private prison providers

**Funding flexibility:** The recommendation includes funding to allow the Department to transfer moneys from the External Capacity Subprogram for community services programs.

**Central impact of various decision items:** The recommendation includes health, life, and dental insurance, short-term disability insurance, amortization equalization disbursement, and leased space increases associated with various decision items to increase staff throughout the Department.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Research statistician increase:** The recommendation includes funding for 1.8 FTE additional research statisticians to analyze the effectiveness of programs that are aimed at reducing recidivism.

**Annualize prior year funding:** The recommendation includes adjustments associated with annualizing funding and special bills from the prior year.

**Fund mix adjustment:** The recommendation includes a fund mix adjustment to reflect a change in the amount of indirect cost recoveries.

**Diversion bed impact:** The recommendation includes a reduction associated with the impact of adding 161.7 diversion community corrections beds.

**Eliminate one-time appropriation:** The recommendation eliminates one-time appropriations made in FY 2007-08.

**Institutions:** The Institutions Division includes all costs directly attributable to the operation of state-owned and operated prisons. These costs include utilities, maintenance, housing and security, food service, medical services, laundry, superintendents, the Boot Camp, the Youth Offender System, case management, mental health services, inmate pay, the San Carlos Correctional Facility, and legal access for inmates.

Institutions	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$360,580,463	\$359,295,903	\$234,679	\$969,881	\$80,000	4,925.8
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>969,881</u>	<u>(969,881)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$360,580,463	\$359,295,903	\$1,204,560	\$0	\$80,000	4,925.8
<i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i>						



	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Annualize salary and benefits adjustments	8,134,468	8,134,468	0	0	0	0.0
Mental health staff increase	1,638,754	1,638,754	0	0	0	17.4
Medical increases based on caseload growth	1,155,119	1,155,119	0	0	0	0.0
Annualize prior year funding	1,071,576	1,071,576	0	0	0	3.5
Restore one-time reduction	706,856	706,856	0	0	0	13.3
Maintenance and food services operating expenses	550,000	550,000	0	0	0	0.0
CSP II activation team	394,673	394,673	0	0	0	7.2
Caseload increase for laundry operating expenses and dress out expenses	209,614	209,614	0	0	0	0.0
Miscellaneous FTE increases	34,679	34,679	0	0	0	2.7
Reduction for five-year statutory appropriations	(1,554,754)	(1,554,754)	0	0	0	0.0
Eliminate one-time appropriations	(427,894)	(427,894)	0	0	0	0.0
Contract services	(58,973)	(58,973)	0	0	0	11.0
<b>Total FY 2008-09 JBC Recommendation</b>	<b>\$372,434,581</b>	<b>\$371,150,021</b>	<b>\$1,204,560</b>	<b>\$0</b>	<b>\$80,000</b>	<b>4,980.9</b>
\$ Change from prior year	\$11,854,118	\$11,854,118	\$0	\$0	\$0	55.1
% Change from prior year	3.3%	3.3%	0.0%	n/a	0.0%	1.1%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Mental health staff increase:** The recommendation includes funding for additional mental health staff.

**Medical increases based on caseload growth:** The recommendation includes increases associated with medical expenses for inmates based on projected growth in the inmate population.

**Annualize prior year funding:** The recommendation includes adjustments associated with annualizing funding and special bills from the prior year.

**Restore one-time reduction:** The recommendation includes the restoration of a one-time reduction taken in FY 2007-08 due to the expansion of the Denver Reception and Diagnostic Center.

**Maintenance and food services operating expenses:** The recommendation includes an increase of \$350,000 for maintenance operating expenses and an increase of \$200,000 for food services operating expenses. The

maintenance funding will help offset inflationary increases in all maintenance areas while the food services funding will assist with the replacement of critical assets.

**CSP II activation team:** The recommendation includes funding to provide an activation team to oversee the construction and start-up of the Colorado State Penitentiary II (CSP II).

**Caseload increase for laundry operating expenses and dress out expenses:** The recommendation includes additional funding, based on inmate population growth, for clothing and dress out expenses for inmates who are released from prison (clothing, bus ticket, and \$100).

**Miscellaneous FTE increases:** The recommendation includes funding for 1.8 FTE in the Energy Management Program and 0.9 FTE in the SAFE program, which is intended to improve the safety of prison facilities.

**Reduction for five-year statutory appropriations:** The recommendation has been adjusted to reflect the funding that will be provided to the Department of Corrections statutorily in FY 2008-09 for criminal sentencing bills that were enacted in prior legislative sessions.

**Eliminate one-time appropriations:** The recommendation eliminates funds that were appropriated on a one-time basis in FY 2007-08.

**Contract services:** The recommendation includes an adjustment associated with transferring contract services to state staff.

**Support Services:** The Support Services Division includes business operations, personnel, offender services, communication, transportation, training, information systems, and facility services.

Support Services	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$26,183,696	\$25,577,442	\$471,370	\$134,884	\$0	302.4
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	134,185	(134,185)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$26,183,696	\$25,577,442	\$605,555	\$699	\$0	302.4
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	857,082	861,552	(4,470)	0	0	0.0
Common policy adjustments	458,419	434,152	24,267	0	0	0.0
Annualize prior year funding	252,556	128,312	124,244	0	0	2.0
Miscellaneous staff increases	191,437	191,437	0	0	0	3.6
Administrative impacts of staff increases	125,897	125,897	0	0	0	0.0
Fund mix adjustment	0	(13,832)	13,832	0	0	0.0
Eliminate one-time appropriations	(34,866)	(6,246)	(28,620)	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Total FY 2008-09</b>						
<b>JBC Recommendation</b>	\$28,034,221	\$27,298,714	\$734,808	\$699	\$0	308.0
\$ Change from prior year	\$1,850,525	\$1,721,272	\$129,253	\$0	\$0	5.6
% Change from prior year	7.1%	6.7%	21.3%	0.0%	n/a	1.9%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Common policy adjustments:** The recommendation includes adjustments to the following line items based on billing rate adjustments from the Department of Personnel and Administration: purchase of services from computer center, multiuse network, vehicle lease payments, and communication services payments.

**Annualize prior year funding:** The recommendation includes adjustments associated with annualizing funding and special bills from the prior year.

**Miscellaneous staff increases:** The recommendation includes funding for 1.8 FTE in the Personnel Subprogram to assist with human resources functions and 1.8 FTE in the Facility Services Subprogram to assist with construction projects.

**Administrative impacts of staff increases:** The recommendation includes adjustments for communication services payments and vehicle lease payments associated with various staffing increases.

**Fund mix adjustment:** The recommendation includes a fund mix adjustment to reflect a change in the amount of indirect cost recoveries used to offset the need for General Fund in the Business Operations Subprogram.

**Eliminate one-time appropriations:** The recommendation eliminates funds that were appropriated on a one-time basis for FY 2007-08.

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**Inmate Programs:** The Inmate Programs Division includes all inmate labor programs, educational programs, and recreational programs. This division is also responsible for sex offender treatment and drug and alcohol treatment.

<b>Inmate Programs</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$39,530,606	\$32,099,342	\$2,263,423	\$3,014,470	\$2,153,371	417.9
Long Bill Supplemental	(66,896)	(66,896)	0	0	0	0.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>2,110,098</u>	<u>(2,110,098)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$39,463,710	\$32,032,446	\$4,373,521	\$904,372	\$2,153,371	417.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	885,152	860,331	0	24,821	0	0.0
Academic and vocational instructors	629,415	629,415	0	0	0	7.3
Therapeutic community expansion	374,990	374,990	0	0	0	0.0
Annualize prior year funding	115,881	115,257	0	624	0	0.2
Drug and alcohol treatment	417,150	417,150	0	0	0	0.0
Restore one-time reduction	46,510	45,630	0	880	0	0.6
Change in indirect cost recoveries	308	0	0	0	308	0.0
Contract services	(862,011)	(773,533)	(88,478)	0	0	154.6
<b>Total FY 2008-09 JBC Recommendation</b>	\$41,071,105	\$33,701,686	\$4,285,043	\$930,697	\$2,153,679	580.6
\$ Change from prior year	\$1,607,395	\$1,669,240	(\$88,478)	\$26,325	\$308	162.7
% Change from prior year	4.1%	5.2%	(2.0)%	2.9%	0.0%	38.9%

## Issue Descriptions

**Long Bill Supplemental:** The recommendation includes a reduction in FY 2007-08 to correct a technical error.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Academic and vocational instructors:** The recommendation includes funding for 7.3 FTE, to be annualized to five General Education Diploma (GED) instructors and three vocational instructors.

**Therapeutic community expansion:** The recommendation includes funding to expand the therapeutic community at the Arrowhead Correctional Facility by 90 beds.

**Annualize prior year funding:** The recommendation includes adjustments associated with annualizing funding and special bills from the prior year.

**Drug and alcohol treatment:** The recommendation includes additional funds for contract drug and alcohol treatment services for offenders on parole and inmates in prison.

**Restore one-time reduction:** The recommendation includes the restoration of a one-time reduction taken in FY 2007-08 due to the expansion of the Denver Reception and Diagnostic Center.

**Change in indirect cost recoveries:** The recommendation reflects an adjustment in federal funds that are received by the Department in accordance with the statewide indirect cost plan. These funds are used to offset the need for General Fund in the Business Operations Subprogram.

**Contract services:** The recommendation includes an adjustment associated with transferring contract services to state staff.

**Community Services:** The Community Services Division includes the parole, the parole Intensive Supervision Program (ISP), community supervision (transition), and community ISP (transition) subprograms. This section also provides funds to supervise offenders in the aftercare program for the Youthful Offender System. Finally, this section includes the Community Re-entry Subprogram to assist offenders in reintegrating to the community following their incarceration.

Community Services	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$33,987,854	\$33,116,671	\$0	\$424,883	\$446,300	374.9
Long Bill Supplemental	(230,567)	(230,567)	0	0	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	330,000	(330,000)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$33,757,287	\$32,886,104	\$330,000	\$94,883	\$446,300	374.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Additional parole officers	2,608,181	2,608,181	0	0	0	34.3
Wrap-around services program	1,800,000	1,800,000	0	0	0	0.0
Annualize salary and benefits adjustments	1,394,921	1,394,921	0	0	0	0.0
Additional community corrections officers	228,222	228,222	0	0	0	3.2
Annualize prior year funding	163,779	163,779	0	0	0	0.0
Common policies	222	222	0	0	0	0.0
Eliminate one-time appropriations	(745,716)	(745,716)	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$39,206,896	\$38,335,713	\$330,000	\$94,883	\$446,300	412.4
\$ Change from prior year	\$5,449,609	\$5,449,609	\$0	\$0	\$0	37.5
% Change from prior year	16.1%	16.6%	0.0%	0.0%	0.0%	10.0%

## Issue Descriptions

**Long Bill Supplemental:** The recommendation includes a reduction in FY 2007-08 to correct a technical error.

**Additional parole officers:** The recommendation includes funds for additional parole officers based on the projected growth of offenders who will be placed on parole in FY 2008-09.

**Wrap-around services program:** The recommendation includes funding to provide transition services, such as substance abuse treatment and job placement, for parolees leaving prison.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Additional community corrections officers:** The recommendation includes funding for additional community corrections officers based on the projected growth in the number of transition offenders anticipated to be placed in community corrections programs prior to their parole.

**Annualize prior year funding:** The recommendation includes adjustments associated with annualizing funding and special bills from the prior year.

**Common policies:** The recommendation includes a common policy increase for the administrative law judge services line item.

**Eliminate one-time appropriations:** The recommendation eliminates funds that were appropriated on a one-time basis for FY 2007-08.

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**Parole Board:** The Parole Board has discretion to grant or deny parole for persons who were not sentenced under mandatory parole. The Board can stipulate conditions of parole for discretionary and mandatory parolees.

<b>Parole Board</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$1,452,905	\$1,452,905	\$0	\$0	\$0	14.2
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,452,905	\$1,452,905	\$0	\$0	\$0	14.2
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Administrative support staff	111,018	111,018	0	0	0	3.3
Electronic imaging	54,369	54,369	0	0	0	0.0
Annualize salary and benefits adjustments	17,400	17,400	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,635,692	\$1,635,692	\$0	\$0	\$0	17.5
\$ Change from prior year	\$182,787	\$182,787	\$0	\$0	\$0	3.3
% Change from prior year	12.6%	12.6%	n/a	n/a	n/a	23.2%

## Issue Descriptions

**Administrative support staff:** The recommendation includes funding to annualize additional administrative staff approved during the FY 2007-08 supplemental process.

**Electronic imaging:** The recommendation includes funds to convert the parole decision process from hard copy to electronic documents.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Correctional Industries:** Correctional Industries manages profit-oriented work programs that provide inmates with training in various job skills while generating revenue to cover their costs. The major businesses operated by Correctional Industries include manufacturing operations for automobile license plates; office furniture, and modular office systems; a print shop; a leather products shop; and a garment production operation. Correctional Industries sells its products primarily to other government agencies. Correctional Industries is an enterprise. As such, revenues to Correctional Industries do not count toward the limit on state revenues pursuant to Article X, Section 20 of the State Constitution (TABOR). Appropriations of revenues collected from other state agencies are thus reflected as reappropriated funds.

<b>Correctional Industries</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$53,327,684	\$0	\$0	\$53,327,684	\$0	155.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>12,837,206</u>	<u>(12,837,206)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$53,327,684	\$0	\$12,837,206	\$40,490,478	\$0	155.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	215,027	0	0	215,027	0	0.0
Change in indirect cost recoveries	7,172	0	0	7,172	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$53,549,883	\$0	\$12,837,206	\$40,712,677	\$0	155.0
\$ Change from prior year	\$222,199	\$0	\$0	\$222,199	\$0	0.0
% Change from prior year	0.4%	n/a	0.0%	0.5%	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Change in indirect cost recoveries:** The recommendation includes an adjustment for indirect cost recoveries to offset the need for General Fund appropriations for administrative costs and to recover the Department's share of statewide indirect cost recoveries.

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**Canteen Operation:** The Canteen Operation provides various personal items for purchase by inmates including toiletries, snack foods, phone services, and other approved items. All net proceeds are required to be used to provide inmates with additional educational, recreational, and social benefits. The Canteen Operation is an enterprise. As such, canteen revenues do not count toward the limit on state revenues pursuant to Article X, Section 20 of the State Constitution (TABOR).



Canteen Operation	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$13,982,866	\$0	\$0	\$13,982,866	\$0	28.7
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>13,982,866</u>	<u>(13,982,866)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$13,982,866	\$0	\$13,982,866	\$0	\$0	28.7
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Additional funds for canteen operations at private prisons	643,786	0	643,786	0	0	1.0
Annualize salary and benefits adjustments	66,562	0	66,562	0	0	0.0
Change in indirect cost recoveries	299	0	299	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$14,693,513	\$0	\$14,693,513	\$0	\$0	29.7
\$ Change from prior year	\$710,647	\$0	\$710,647	\$0	\$0	1.0
% Change from prior year	5.1%	n/a	5.1%	n/a	n/a	3.5%

## Issue Descriptions

**Additional funds for canteen operations at private prisons:** The recommendation includes funds associated with canteen operations that have expanded at private prisons used to house state inmates. In addition, the recommendation includes funding for 1.0 FTE within the canteen physical plant operations to accommodate the additional workload associated with the additional canteen sales.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Change in indirect cost recoveries:** The recommendation includes an adjustment for indirect cost recoveries to offset the need for General Fund appropriations for administrative costs and to recover the Department's share of statewide indirect cost recoveries.

## Department of Education

**Department Description:** The Department supports the State Board of Education in its duty to exercise general supervision over public schools, including accrediting public schools and school districts. The Department develops and maintains state model content standards, administers associated assessments, and issues annual accountability reports for every public school in the State. The Department distributes state and federal funds to school districts, and it administers a variety of education-related programs, including educator licensure, education programs for children with special needs, English language proficiency programs, the Colorado Preschool and Kindergarten Program, and a variety of grant programs. The Department also includes two separate boards: (1) the State Charter School Institute Board, which is responsible for authorizing and monitoring institute charter schools; and (2) the Board of Trustees for the Colorado School for the Deaf and the Blind, a state-funded school in Colorado Springs which provides educational services to eligible children and youth under the age of 21. Finally, in addition to its responsibilities related to public schools, the Department is charged with ensuring equal access to information and encouraging resource sharing among libraries statewide.

Summary Table for Department of Education						
	Total Funds	General Fund/1	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$4,069,613,743	\$3,064,237,325	\$15,090,644	\$493,445,885	\$496,839,889	477.4
Long Bill Supplemental/2	(112,599,824)	(40,909,344)	0	(71,690,480)	0	(1.3)
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	407,677,254	(407,677,254)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$3,957,013,919	\$3,023,327,981	\$422,767,898	\$14,078,151	\$496,839,889	476.1
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Management and Administration	295,986	(375,676)	(677,188)	1,096,405	252,445	(12.1)
Assistance to Public Schools	206,566,856	149,962,566	58,794,433	257,700	(2,447,843)	11.2
Library Programs	5,239,755	2,052,765	128,302	50,000	3,008,688	36.6
School for the Deaf and the Blind	347,249	317,962	45,000	(15,713)	0	0.0
<b>Total FY 2008-09 Recommendation</b>	\$4,169,463,765	\$3,175,285,598	\$481,058,445	\$15,466,543	\$497,653,179	511.8
\$ Change from prior year	\$212,449,846	\$151,957,617	\$58,290,547	\$1,388,392	\$813,290	35.7
% Change from prior year	5.4%	5.0%	13.8%	9.9%	0.2%	7.5%

/1 Includes General Fund Exempt. See Division Detail for information on General Fund Exempt recommended appropriations.

### Recommendation Highlights:

*Changes to FY 2006-07 and FY 2007-08 Appropriations:*

1. Reduces FY 2007-08 appropriations for public school finance by \$113.6 million, primarily based on a higher than anticipated local share of funding (allowing for a \$65.7 million reduction in state funding), and a lower than anticipated funded pupil count (allowing for a \$50.0 million reduction in state funding). Reduces the General Fund portion of the appropriation by \$33.9 million - the maximum allowable

amount based on the constitutionally required five percent annual increase in General Fund appropriations. Decreases appropriations from the State Education Fund and the State Public School Fund by \$66.3 million, and \$13.4 million, respectively.

2. Modifies the portions of FY 2006-07 and FY 2007-08 General Fund appropriations that are identified as General Fund Exempt based on the Legislative Council Staff March 2008 revenue forecast.
3. Reduces FY 2007-08 General Fund appropriations for categorical programs by a total of \$8.0 million, offset by an \$8.0 million increase in appropriations from the State Education Fund.
4. Appropriates \$1.8 million General Fund for FY 2007-08 for military dependent supplemental pupil enrollment aid.
5. Reduces appropriations for the Colorado Student Assessment Program for FY 2007-08 by a total of \$2.6 million and 1.3 FTE, including about \$800,000 General Fund, based on several contract amendments and actual program staffing levels.

*Recommendation for FY 2008-09:*

1. Provides for a \$240.6 million increase in *total state and local* funding for schools pursuant to the School Finance Act of 1994, as amended, based on the following:
  - a projected 1.4 percent increase in the number of funded pupils (requiring \$70.9 million total funds); and
  - a 3.2 percent increase in the statewide base per-pupil funding amount, based on an actual inflation rate of 2.2 percent in CY 2007 plus an additional 1.0 percent as required by the State Constitution (requiring \$169.7 million total funds).

Although *total* funding will increase by 4.7 percent in FY 2008-09 (\$240.6 million), it is anticipated that *local* property and specific ownership tax revenues (which are not reflected in the Long Bill) will increase by only 2.5 percent (\$48.8 million). The recommendation thus reflects a 6.1 percent (\$191.8 million) increase in the *State's* share of funding for districts' total program funding, including a 5.25 percent (\$146.5 million) increase in the General Fund share of the appropriation.

2. Includes a \$6.7 million increase (3.2 percent) in state funding for categorical programs as required by the State Constitution. The full amount of the required increase is recommended from the State Education Fund.
3. Adds \$4.3 million from the State Education Fund for educational services provided by "eligible facility" schools (on-grounds schools operated by residential child care facilities) over the Summer months.
4. Includes \$1.8 million General Fund for an initiative to address student achievement gaps related to race and income.
5. Includes \$1.0 million General Fund for the Department to make on-line database products available to publicly-supported libraries throughout the state.

6. Adds about \$902,000, including \$555,000 General Fund, for salary and benefit adjustments.
7. Includes about \$433,000 General Fund for the Department to hire five content specialists to support school districts.
8. Includes about \$162,000 General Fund for the Department to implement key recommendations of the Data Infrastructure Review which was recently completed as required by H.B. 07-1270.

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### Budget Recommendation Detail by Long Bill Division

**Management and Administration:** This section provides funding and staff for the State Board of Education, the administration of a variety of education- and library-related programs, educator licensure, and general department administration, including human resources, budgeting, accounting, information management, and facilities maintenance. The FY 2008-09 Long Bill recommendation groups line items in this section under the following headings: (a) Administration and Centrally-Appropriated Line Items; (b) Information Technology; (c) Assessment and Data Analyses; and (d) State Charter School Institute.

Management and Administration	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$41,827,587	\$25,010,778	\$2,031,124	\$6,182,779	\$8,602,906	133.5
Long Bill supplemental	(800,343)	(800,343)	0	0	0	(1.3)
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	1,208,815	(1,208,815)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$41,027,244	\$24,210,435	\$3,239,939	\$4,973,964	\$8,602,906	132.2
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
FY 2008-09 salary and benefit adjustments	901,556	554,530	17,113	96,818	233,095	0.0
State Charter School Institute	631,426	0	0	631,426	0	6.0
Information technology services	512,586	0	0	512,586	0	5.7
Colorado Student Assessment Program (CSAP)	437,865	544,614	0	0	(106,749)	0.0
Annualize salary and benefits adjustments	268,397	165,030	52,509	31,851	19,007	0.0
Data program management office	161,853	161,853	0	0	0	0.9
Federal funding for assessments and related activities	106,749	0	0	0	106,749	2.7
Annualization of S.B. 07-228	14,471	14,471	0	0	0	0.3
Fund mix adjustment	0	78,095	(78,095)	0	0	0.0
Transfers to Assistance to Public Schools section	(1,648,591)	(1,225,375)	(240,000)	(183,216)	0	(15.9)
Transfer to Library Programs section	(743,128)	(743,128)	0	0	0	(11.8)
Eliminate one-time funding	(251,902)	(8,000)	(243,902)	0	0	0.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
State Board of Education travel and operating expenses	(44,000)	(44,000)	0	0	0	0.0
Other	(51,296)	126,234	(184,813)	6,940	343	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$41,323,230	\$23,834,759	\$2,562,751	\$6,070,369	\$8,855,351	120.1
\$ Change from prior year	\$295,986	(\$375,676)	(\$677,188)	\$1,096,405	\$252,445	(12.1)
% Change from prior year	0.7%	(1.6)%	(20.9)%	22.0%	2.9%	(9.2)%

## Issue Descriptions

**Long Bill supplemental:** The FY 2008-09 Long Bill contains a section that adjusts FY 2007-08 appropriations to reduce funding for the Colorado Student Assessment Program (CSAP) by a total of \$2,645,912 and 1.3 FTE, including \$800,343 General Fund, based on several contract amendments and actual program staffing levels. This reduction also includes a decrease of \$1,845,569 federal funds. As these federal funds will be available to the Department to spend for other federally-allowable purposes, the net change in federal funds is zero.

**FY 2008-09 salary and benefit adjustments:** The recommendation includes adjustments to centrally-appropriated line items for salary and benefits, including the following increases: \$515,652 for health, life and dental benefits; \$332,630 for the state contribution for Public Employees' Retirement Association (PERA) as required by S.B. 04-257 and S.B. 06-235; \$50,872 for performance-based pay; and \$2,402 for salary survey and senior executive service.

**State Charter School Institute:** The recommendation increases the amount of reappropriated funds reflected in four line items related to the State Charter School Institute. These increases are based on estimates of the number of Institute charter schools, and the pupil enrollment and per pupil funding for these schools.

**Information technology services:** The recommendation includes a separate line item to consolidate funding and staff related to information technology support functions. The recommendation reflects a total of \$512,586 reappropriated funds and 5.7 FTE to reflect those positions that are supported by various sources of federal funds.

**Colorado Student Assessment Program (CSAP):** The recommendation reflects the following increases for this program: \$294,913 (1.9 percent) for the primary contract with CTB-McGraw Hill for developing, scoring, and reporting results of 27 assessments in reading, writing, math, and science; \$140,548 (7.1 percent) for the contract with CTB-McGraw Hill for developing, scoring, and reporting results of Colorado English language assessments (including both a placement test and an assessment test); and \$104,132 (6.5 percent) for the statewide ACT test. These increases are partially offset by a net reduction of \$101,728 for staff and operating expenses based on actual staffing levels.

**Annualize salary and benefits adjustments:** The recommendation includes \$329,385 for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent fiscal year. The adjustment shown also includes a 1.0 percent base reduction (\$60,988) in the personal services appropriation for the division.

**Data program management office:** The recommendation adds funding to implement key recommendations of the Data Infrastructure Review which was recently completed as required by H.B. 07-1270.

**Federal funding for assessments and related activities:** As the federal share of CSAP costs will decline by \$106,749 in FY 2008-09, the amount of federal funds that will be available to the Department for other federally-allowable purposes will increase by the same amount.

**Annualization of S.B. 07-228:** The recommendation adds funding and staff for monitoring personal services contracts pursuant to S.B. 07-228.

**Fund mix adjustment:** The recommendation reflects General Fund support for a position added through H.B. 07-1320, rather than cash funds support from audit recoveries credited to the State Public School Fund. This recommendation does not increase the overall amount of General Fund appropriated to the Department. Rather, it simply limits the number of line items supported by the State Public School Fund.

**Transfers to Assistance to Public Schools section:** The recommendation reflects the transfer of the following amounts to the Assistance to Public Schools section of the Long Bill: (1) \$1,145,439 General Fund and 13.0 FTE responsible for administering the School Finance Act and the Colorado Preschool and Kindergarten Program, and for auditing school districts; (2) \$200,000 State Education Fund for civic education; (3) \$79,936 General Fund and 0.9 FTE staff responsible for administering federal nutrition programs; (4) \$40,000 State Education Fund for financial literacy; and (4) 2.0 FTE staff who are responsible for administering public school transportation programs. These 2.0 FTE are currently supported by \$183,216 General Fund that is currently appropriated in the Assistance to Public Schools section, and then transferred to this section. The recommendation reflects the 2.0 FTE with the associated General Fund appropriation, eliminating the need to transfer \$183,216 to this section.

**Transfer to Library Programs section:** The recommendation reflects the transfer, to the Library Programs section of the Long Bill, of \$743,128 General Fund and 11.8 FTE staff who are responsible for administering various library programs.

**Eliminate one-time funding:** The recommendation eliminates one-time funding made available through H.B. 07-1320 (\$209,315 cash funds), S.B.07-215 (\$11,547 cash funds), and H.B. 07-1232 (\$8,000 General Fund). The recommendation also eliminates \$23,040 cash funds provided to the Office of Professional Services to address a licensing backlog related to criminal background checks.

**State Board of Education travel and operating expenses:** The recommendation reduces funding for State Board travel and operating expenses by \$44,000 (35 percent).

**Other:** The recommendation reflects relatively small changes in a number of centrally-appropriated line items, including: workers' compensation, administrative law judge services, payment to risk management and property funds, Capitol complex leased space, short-term disability, services from the general government computer center, multiuse network payments, legal services, and indirect costs. The recommendation also reflects an increase of \$13,702 General Fund for travel expenses of the school audit unit, and a decrease of \$365 General fund for emeritus retirement payments.

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**Assistance to Public Schools:** This section includes all funding that is distributed to public schools or is used to directly support public schools. The FY 2008-09 Long Bill recommendation groups line items in this section

into the following subsections: (a) Public School Finance; (b) Categorical Programs; and (c) Grant Programs, Distributions, and Other Assistance.

Assistance to Public Schools Section Summary Table	Total Funds	General Fund/1	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$4,013,412,663	\$3,028,571,846	\$12,774,520	\$483,829,314	\$488,236,983	178.9
Long Bill Supplemental	(111,799,481)	(40,109,001)	0	(71,690,480)	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	406,448,439	(406,448,439)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$3,901,613,182	\$2,988,462,845	\$419,222,959	\$5,690,395	\$488,236,983	178.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Public School Finance	192,979,153	147,649,150	45,330,003	0	0	13.0
Categorical Programs	6,943,805	(200,000)	6,936,155	768	206,882	12.6
Grant Programs, Distributions, and Other Assistance	325,949,123	2,513,416	7,765,275	4,757,631	310,912,801	92.3
Appropriated Sponsored Programs	(319,305,225)	0	(1,237,000)	(4,500,699)	(313,567,526)	(106.7)
<b>Total FY 2008-09 JBC Recommendation</b>	\$4,108,180,038	\$3,138,425,411	\$478,017,392	\$5,948,095	\$485,789,140	190.1
\$ Change from prior year	\$206,566,856	\$149,962,566	\$58,794,433	\$257,700	(\$2,447,843)	11.2
% Change from prior year	5.3%	5.0%	14.0%	4.5%	(0.5)%	6.3%

/1 Includes General Fund Exempt. See Public School Finance Subsection Detail for information on General Fund Exempt recommended appropriations.

## Subsection Detail

*Public School Finance:* This subsection reflects appropriations related to the state share of funding required pursuant to the School Finance Act of 1994, as amended. The local share of funding is not reflected in the appropriation to the Department. In addition, the FY 2008-09 Long Bill recommendation also reflects funding in this subsection for the administration of the School Finance Act, the Colorado Preschool and Kindergarten Program, and school district audits.

## Overview: FY 2008-09 Funding for Public School Finance

The recommendation provides for a \$240.6 million increase in *total state and local* funding for schools pursuant to the School Finance Act of 1994, as amended, based on the following:

- a projected 1.4 percent increase in the number of funded pupils (requiring \$70.9 million total funds); and
- a 3.2 percent increase in the statewide base per-pupil funding amount, based on an actual inflation rate of 2.2 percent in CY 2007 plus an additional 1.0 percent as required by the State Constitution (requiring \$169.7 million total funds).

Although *total* funding will increase by 4.7 percent in FY 2008-09 (\$240.6 million), it is anticipated that *local* property and specific ownership tax revenues (which are not reflected in the Long Bill) will increase by only

2.5 percent (\$48.8 million). The recommendation thus reflects a 6.1 percent (\$191.8 million) increase in the *State's* share of funding for districts' total program funding to provide the total required increase. The following table details the data and figures related to overall school finance funding.

<b>School Finance: Total Program</b>	<b>FY 07-08 Amended Appropriation</b>	<b>FY 08-09 Recommendation</b>	<b>Change</b>
Funded Pupil Count	760,917.3	771,555.2	10,637.9
<i>Annual Percent Change</i>	<i>1.0%</i>	<i>1.4%</i>	
Statewide <u>Base</u> Per-Pupil Funding	\$5,087.61	\$5,250.41	\$162.80
<i>Annual Percent Change</i>	<i>4.6%</i>	<i>3.2%</i>	
Statewide <u>Average</u> Per-Pupil Funding	\$6,661.03	\$6,881.06	\$220.04
<i>Annual Percent Change</i>	<i>4.7%</i>	<i>3.3%</i>	
Total Program Funding	\$5,068,490,332	\$5,309,121,089	\$240,630,757
<i>Annual Percent Change</i>	<i>5.8%</i>	<i>4.7%</i>	
<u>Local Share</u> of Districts' Total Program Funding (excluding amount foregone due to business incentive agreements)	\$1,915,779,555	\$1,964,576,598	\$48,797,043
<i>Annual Percent Change</i>	<i>10.8%</i>	<i>2.5%</i>	
<u>State Share</u> of Districts' Total Program Funding (including appropriation related to business incentive agreements)	\$3,152,710,777	\$3,344,544,491	\$191,833,714
<i>Annual Percent Change</i>	<i>3.0%</i>	<i>6.1%</i>	
<i>State Share as % of Districts' Total Program</i>	<i>62.2%</i>	<i>63.0%</i>	

The following table and the narrative that follows detail all of the funding changes included in the recommendation.

<b>Public School Finance Subsection</b>	<b>Total Funds</b>	<b>General Fund/1</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$3,266,328,775	\$2,824,496,821	\$9,491,876	\$432,340,078	\$0	0.0
Long Bill supplemental	(113,617,998)	(33,949,953)	0	(79,668,045)	0	0.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>352,672,033</u>	<u>(352,672,033)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$3,152,710,777	\$2,790,546,868	\$362,163,909	\$0	\$0	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Fund projected enrollment growth and 3.2 percent increase in base per pupil funding	191,833,714	146,503,711	45,330,003	0	0	0.0
Transfer from Management and Administration section	1,145,439	1,145,439	0	0	0	13.0



	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Total FY 2008-09 JBC Recommendation</b>	\$3,345,689,930	\$2,938,196,018	\$407,493,912	\$0	\$0	13.0
\$ Change from prior year	\$192,979,153	\$147,649,150	\$45,330,003	\$0	\$0	13.0
% Change from prior year	6.1%	5.3%	12.5%	n/a	n/a	n/a

/1 Includes General Fund Exempt.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
<b>FY 2007-08 Appropriation</b>	\$2,824,496,821	\$2,480,596,821	\$343,900,000
Long Bill supplemental	<u>(33,949,953)</u>	<u>(17,649,953)</u>	<u>(16,300,000)</u>
<b>FY 2007-08 Adjusted Appropriation</b>	<b>\$2,790,546,868</b>	<b>\$2,462,946,868</b>	<b>\$327,600,000</b>
Fund projected enrollment growth and 3.2 percent increase in base per pupil funding	147,857,384	147,857,384	0
Adjust General Fund Exempt amount based on FY 2008-09 revenue projections	0	(41,400,000)	41,400,000
Transfer from Management and Administration section	<u>1,145,439</u>	<u>1,145,439</u>	<u>0</u>
<b>Total FY 2008-09 Long Bill Recommendation</b>	<b>\$2,939,549,691</b>	<b>\$2,570,549,691</b>	<b>\$369,000,000</b>

## General Fund Exempt

In November 2005, the Colorado voters passed Referendum C. Referendum C allows the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account [see Section 24-77-103.6 (2), C.R.S.]. The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated for FY 2007-08 and FY 2008-09 from the General Fund Exempt Account for preschool through twelfth grade education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (3), C.R.S.

## Issue Descriptions

**Long Bill supplemental:** The FY 2008-09 Long Bill contains sections that adjust both FY 2006-07 and FY 2007-08 appropriations in order to modify the portion of the General Fund appropriation for the State Share of Districts' Total Program Funding that is identified as General Fund Exempt. These adjustments are based on the Legislative Council Staff March 2008 revenue forecast.

In addition, the recommendation includes a \$113.6 million reduction in FY 2007-08 appropriations, primarily based on a higher than anticipated local share of funding (allowing for a \$65.7 million reduction in state funding), and a lower than anticipated funded pupil count (allowing for a \$50.0 million reduction in state funding). These decreases in state funding are partially offset by slightly higher than anticipated per pupil funding. The recommendation reduces the General Fund portion of the appropriation by \$33.9 million - the maximum allowable amount based on the constitutionally required five percent annual increase in General Fund appropriations. The recommendation also decreases appropriations from the State Education Fund and the State Public School Fund by \$66.3 million, and \$13.4 million, respectively.

**Fund projected enrollment growth and 3.2 percent increase in base per pupil funding:** Section 17 of Article IX of the Colorado Constitution (Amendment 23) requires the General Assembly to increase the statewide base per-pupil funding amount by inflation plus one percent annually for FY 2001-02 through FY 2010-11, and by inflation annually thereafter. The recommendation provides the required \$191.8 million (6.1 percent) increase in *state* funding for the School Finance Act<sup>1</sup>, including:

- General Fund increases totaling \$146.5 million (5.25 percent);
- a \$42.9 million increase (16.6 percent) in appropriations from the State Education Fund; and
- a \$2.4 million increase (2.3 percent) in appropriations from the State Public School Fund.

Amendment 23 includes a requirement related to the sources of funds the General Assembly uses to provide the required inflationary increases. Specifically, for FY 2001-02 through FY 2010-11, the General Assembly is required to annually increase the General Fund appropriation for districts' total program funding by at least five percent<sup>2</sup>. The recommendation for FY 2008-09 reflects a 5.25 percent increase in the General Fund appropriation for districts' total program funding. While the recommended General Fund increase is more than the minimum required 5.0 percent General Fund increase, it is less than the overall 6.1 percent required increase in state funding for FY 2008-09.

The recommended cash funds appropriation from the State Public School Fund is based on projected Fund revenues and expenditures. Finally, the State Education Fund appropriation is adjusted to support the remaining required increase in state funding.

**Transfer from Management and Administration section:** The recommendation reflects the transfer, from the Management and Administration section, of the \$1,145,439 General Fund and 13.0 FTE responsible for administering the School Finance Act and the Colorado Preschool and Kindergarten Program, and for auditing school districts.

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*Categorical Programs:* This subsection includes appropriations for all "categorical programs", which are programs designed to serve particular groups of students (e.g., students with limited proficiency in English) or particular student needs (e.g., transportation). With the passage of Amendment 23 in 2000, this group of programs is now defined in Article IX, Section 17, of the State Constitution.

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<sup>1</sup> The recommendation includes \$418,016 General Fund to backfill the property taxes foregone as a result of locally negotiated business incentive agreements. This amount is calculated based on the estimated foregone property taxes under the four existing agreements.

<sup>2</sup> This five percent General Fund "maintenance of effort" requirement, however, does not apply in any fiscal year in which Colorado personal income grows less than 4.5 percent between the previous two calendar years. Current estimates indicate that it will apply for FY2007-08 through FY 2010-11.

<i>Categorical Programs Subsection</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$374,844,077	\$182,665,025	\$0	\$28,387,820	\$163,791,232	60.5
Long Bill supplemental	0	(7,977,565)	0	7,977,565	0	0.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	36,267,385	(36,267,385)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$374,844,077	\$174,687,460	\$36,267,385	\$98,000	\$163,791,232	60.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Increase state funding by 3.2 percent	6,736,155	(200,000)	6,936,155	0	0	1.0
Federal funds and transfers from other agencies	207,650	0	0	768	206,882	9.6
Transfer from Management and Administration section	0	0	0	0	0	2.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$381,787,882	\$174,487,460	\$43,203,540	\$98,768	\$163,998,114	73.1
\$ Change from prior year	\$6,943,805	(\$200,000)	\$6,936,155	\$768	\$206,882	12.6
% Change from prior year	1.9%	(0.1)%	19.1%	0.8%	0.1%	20.8%

## Issue Descriptions

**Long Bill supplemental:** The FY 2008-09 Long Bill contains a section that adjusts FY 2007-08 appropriations to various categorical programs, decreasing General Fund appropriations by a total of \$7,977,565 and increasing appropriations from the State Education Fund by the same amount.

**Increase state funding by 3.2 percent:** As required by Amendment 23, the FY 2008-09 recommendation includes a \$6.7 million (3.2 percent) increase in *state funding* for categorical programs (based on the actual inflation rate for 2007). The full amount of the increase is from the State Education Fund. In addition, the recommendation increases the appropriation from the Comprehensive Health Education Fund by \$200,000, and decreases the General Fund appropriation by the same amount. Finally, the recommendation authorizes the Department to utilize funding for the Comprehensive Health Education Fund to support 1.0 FTE to administer the program. This following table details the recommended allocation of the required \$6.7 million funding increase among categorical programs.

<b>Recommended Increase in State Funding for Categorical Programs for FY 2008-09</b>			
<b>Long Bill Line Item</b>	<b>FY 2007-08 Appropriation of State Funds</b>	<b>Allocation of FY 2008-09 Increases in State Funds</b>	<b>FY 2008-09 Appropriation of State Funds</b>
<b>District Programs Required by Statute:</b>			
Special education - children with disabilities	\$121,980,438	\$3,381,687 2.8%	\$125,362,125
English Language Proficiency Program	7,219,597	1,392,460 19.3%	8,612,057

Recommended Increase in State Funding for Categorical Programs for FY 2008-09				
Long Bill Line Item	FY 2007-08 Appropriation of State Funds	Allocation of FY 2008-09 Increases in State Funds		FY 2008-09 Appropriation of State Funds
<b>Other Categorical Programs:</b>				
Public school transportation	44,215,305	1,193,537	2.7%	45,408,842
Colorado Vocational Act distributions	21,208,319	464,153	2.2%	21,672,472
Special education - gifted and talented children	7,997,177	198,922	2.5%	8,196,099
Expelled and at-risk student services grant program	6,340,676	0	0.0%	6,340,676
Small attendance center aid	943,333	0	0.0%	943,333
Comprehensive health education	600,000	105,396	17.6%	705,396
<b>Total</b>	<b>\$210,504,845</b>	<b>\$6,736,155</b>	<b>3.2%</b>	<b>\$217,241,000</b>

**Federal funds and transfers from other agencies:** The recommendation reflects anticipated changes in federal funds and reappropriated funds transferred from other agencies, along with the associated FTE.

**Transfer from Management and Administration section:** The recommendation reflects the transfer, from the Management and Administration section, of 2.0 FTE responsible for administering public school transportation programs. These 2.0 FTE are currently supported by \$183,216 General Fund which is appropriated in this subsection and then transferred to the Management and Administration section; the recommendation eliminates the need for this funds transfer.

*Grant Programs, Distributions, and Other Assistance:* This subsection includes funding for a variety of education-related grant programs and programs that distribute funds to public schools, other than those programs that are defined as categorical programs. The FY 2008-09 Long Bill recommendation groups line items in this section under the following headings: (a) Health and Nutrition; (b) Capital Construction; (c) Reading and Literacy; (d) Professional Development and Instructional Support; (e) Summer and After-school Programs; and (f) Other Assistance.

<i>Grant Programs and Other Distributions Subsection</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$52,934,586	\$21,410,000	\$2,472,644	\$18,173,717	\$10,878,225	11.7
Long Bill supplemental	1,818,517	1,818,517	0	0	0	0.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>17,082,021</u>	<u>(17,082,021)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$54,753,103	\$23,228,517	\$19,554,665	\$1,091,696	\$10,878,225	11.7

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b><i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i></b>						
Transfer from Appropriated Sponsored Programs subsection	316,296,537	0	1,237,000	4,500,699	310,558,838	82.9
Facility Summer School Grant Program	4,300,000	0	4,300,000	0	0	0.0
Closing the Achievement Gap	1,800,000	1,800,000	0	0	0	0.0
Read-to-Achieve Grant Program	1,397,884	0	1,397,884	0	0	0.0
Science and Technology Center Grant Program	600,000	0	300,000	300,000	0	0.0
Content specialists	433,480	433,480	0	0	0	4.6
Contingency Reserve Fund	331,260	0	331,260	0	0	0.0
Transfers from Management and Administration section	319,936	79,936	240,000	0	0	0.9
Dropout Prevention Activity Grant Program	159,131	0	159,131	0	0	0.0
Family Literacy Education Grant Program	0	200,000	(200,000)	0	0	0.0
Other	310,895	0	0	(43,068)	353,963	3.9
<b>Total FY 2008-09 JBC Recommendation</b>	<b>\$380,702,226</b>	<b>\$25,741,933</b>	<b>\$27,319,940</b>	<b>\$5,849,327</b>	<b>\$321,791,026</b>	<b>104.0</b>
\$ Change from prior year	\$325,949,123	\$2,513,416	\$7,765,275	\$4,757,631	\$310,912,801	92.3
% Change from prior year	595.3%	10.8%	39.7%	435.8%	2858.1%	788.9%

## Issue Descriptions

**Long Bill supplemental:** The FY 2008-09 Long Bill contains a section that adjusts FY 2007-08 appropriations, adding a \$1.8 million General Fund appropriation for military dependent supplemental pupil enrollment aid (authorized by H.B. 07-1232).

**Transfer from Appropriated Sponsored Programs subsection:** The recommendation transfers the Appropriated Sponsored Programs line item (excluding library-related funding and staff) to this subsection.

**Facility Summer School Grant Program:** The recommendation adds \$4.3 million from the State Education Fund for this program. While "eligible facility" schools (on-grounds schools operated by residential child care facilities) are generally required to provide 12 months of educational services, the School Finance Act only provides for nine months of per pupil funding. The recommended appropriation for this program is estimated to compensate these schools for educational services provided during the Summer months.

**Closing the Achievement Gap:** The recommendation adds \$1.8 million General Fund for an initiative address student achievement gaps related to race and income.

**Read-to-Achieve Grant Program:** The recommendation reflects an increase in spending authority from the Read-to-Achieve Cash Fund. The total recommended appropriation includes \$5,325,177 in tobacco settlement funding and \$1,350,000 from the Read-to-Achieve Cash Fund balance.

**Science and Technology Center Grant Program:** The recommendation appropriates \$300,000 from the State Education Fund for this program, and provides authority to spend this amount out of the associated cash fund to award grants in FY 2008-09.

**Content specialists:** The recommendation adds funding to hire one individual with expertise in addressing achievement gaps, and four individuals with expertise in the following content areas: math, science, social studies, and the arts. Due to the pay date shift, the recommendation only reflects 4.6 FTE for FY 2008-09.

**Contingency Reserve Fund:** The recommendation reflects a small increase in the balance available to the State Board of Education in the Contingency Reserve Fund.

**Transfers from Management and Administration section:** The recommendation reflects the transfer of the following amounts from the Management and Administration section of the Long Bill: (1) \$200,000 cash funds from the State Education Fund for civic education; (2) \$79,936 General Fund and 0.9 FTE who is responsible for administering federal nutrition programs; and (3) \$40,000 cash funds from the State Education Fund for financial literacy.

**Dropout Prevention Activity Grant Program:** The recommendation authorizes the Department to spend tax check-off contributions anticipated to be collected for tax years 2005 through 2007 by making grant awards for FY 2008-09.

**Family Literacy Education Grant Program:** Due to a lack of specific statutory authority to appropriate State Education Fund moneys for this program, the recommendation substitutes a \$200,000 General Fund appropriation for the existing State Education Fund appropriation.

**Other:** The recommendation reflects a net decrease in reappropriated funds, including a \$16,051 increase in the costs of administering the S.B. 97-101 Public School Health Services program, offset by a \$30,000 decrease in spending authority from the Start Smart Nutrition Program Fund, and a \$29,119 decrease in funds transferred from other agencies. The recommendation reflects a net increase in various sources of federal funds and the associated staff.

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*Appropriated Sponsored Programs:* Prior to FY 2008-09, this subsection reflected the majority of federal funds available to the Department and the associated federally-funded department staff. This section also provided cash funds spending authority for the Department to receive fees related to conferences, as well as cash funds exempt spending authority associated with funds transferred to the Department from other state agencies. The FY 2008-09 Long Bill recommendation eliminates this subsection and reflects these amounts in the Grant Programs, Distributions, and Other Assistance subsection, above, and the Library Programs section (which follows).

<i>Appropriated Sponsored Programs Subsection</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$319,305,225	\$0	\$810,000	\$4,927,699	\$313,567,526	106.7
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>427,000</u>	<u>(427,000)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$319,305,225	\$0	\$1,237,000	\$4,500,699	\$313,567,526	106.7
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Transfer to Grant Programs, Distributions, and Other Assistance subsection	(316,296,537)	0	(1,237,000)	(4,500,699)	(310,558,838)	(82.9)
Transfer to Library Programs section	(3,008,688)	0	0	0	(3,008,688)	(23.8)
<b>Total FY 2008-09 JBC Recommendation</b>	\$0	\$0	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$319,305,225)	\$0	(\$1,237,000)	(\$4,500,699)	(\$313,567,526)	(106.7)
% Change from prior year	(100.0)%	n/a	(100.0)%	(100.0)%	(100.0)%	(100.0)%

## Issue Descriptions

**Transfer to Grant Programs, Distributions, and Other Assistance subsection:** The recommendation transfers the Appropriated Sponsored Programs line item to the Grant Programs, Distribution, and Other Assistance subsection of the Long Bill (excluding library-related funding and staff).

**Transfer to Library Programs section:** The recommendation transfers federal library funding and the associated staff to the Library Programs section of the Long Bill.

**Library Programs:** Prior to FY 2008-09, this section contained appropriations for all library-related programs, with the exception of federal funds and department staff who administer library programs. The FY 2008-09 Long Bill recommendation also reflects funding in this section for the administration of various library programs, as well as staff supported by federal library funds. There are approximately 330 publicly-funded libraries in Colorado, including institutional libraries (e.g., nursing homes, correctional institutions, etc.), as well as libraries operated by school districts, higher education institutions, and counties and municipalities.

<b>Library Programs</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$1,640,819	\$1,420,819	\$0	\$220,000	\$0	0.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>20,000</u>	<u>(20,000)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,640,819	\$1,420,819	\$20,000	\$200,000	\$0	0.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b><i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i></b>						
Transfer from Assistance to Public Schools section	3,008,688	0	0	0	3,008,688	23.8
On-line databases	1,000,000	1,000,000	0	0	0	0.0
Transfer from Management and Administration section	743,128	743,128	0	0	0	11.8
Talking Book Library	137,939	9,637	128,302	0	0	1.0
Reading services for the blind	350,000	300,000	0	50,000	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	<b>\$6,880,574</b>	<b>\$3,473,584</b>	<b>\$148,302</b>	<b>\$250,000</b>	<b>\$3,008,688</b>	<b>36.6</b>
\$ Change from prior year	\$5,239,755	\$2,052,765	\$128,302	\$50,000	\$3,008,688	36.6
% Change from prior year	319.3%	144.5%	641.5%	25.0%	n/a	n/a

## Issue Descriptions

**Transfer from Assistance to Public Schools section:** The recommendation reflects the transfer, from the Assistance to Public Schools section of the Long Bill, of \$3,008,688 federal library funding and the associated 23.8 FTE.

**On-line databases:** The recommendation adds \$1.0 million General Fund to make on-line database products available to publicly-supported libraries throughout the state.

**Transfer from Management and Administration section:** The recommendation reflects the transfer, from the Management and Administration section of the Long Bill, of \$743,128 General Fund and 11.8 FTE staff who are responsible for administering various library programs.

**Talking Book Library:** The recommendation adds \$9,637 General Fund to cover increased utility and facility maintenance costs. The recommendation also reflects \$128,302 in donations from the Friends of the Colorado Talking Book Library, which are currently used to support 1.0 FTE.

**Reading services for the blind:** The recommendation adds \$50,000 reappropriated funds (transferred from the Department of Regulatory Agencies) to cover the additional operating costs associated with providing reading services for the blind via digital, rather than analog, transmitters. The recommendation also includes \$300,000 General Fund for the one-time purchase of digital receivers.

**School for the Deaf and the Blind:** The Colorado School for the Deaf and the Blind provides educational services for children and youth under age 21 who are deaf, hearing impaired, blind, or visually impaired. In FY 2006-07, the School had a total enrollment of 562 children and youth, including 347 infants and toddlers and 215 students (ages 3 to 21) who received services on campus.



<b>School for the Deaf and the Blind</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$12,732,674	\$9,233,882	\$285,000	\$3,213,792	\$0	165.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$12,732,674	\$9,233,882	\$285,000	\$3,213,792	\$0	165.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	302,957	302,957	0	0	0	0.0
Fees and conferences	45,000	0	45,000	0	0	0.0
Fund source adjustment	0	15,713	0	(15,713)	0	0.0
Other	(708)	(708)	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$13,079,923	\$9,551,844	\$330,000	\$3,198,079	\$0	165.0
\$ Change from prior year	\$347,249	\$317,962	\$45,000	(\$15,713)	\$0	0.0
% Change from prior year	2.7%	3.4%	15.8%	(0.5)%	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08 (\$382,619). Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent fiscal year. The adjustment shown also includes a 1.0 percent base reduction in the personal services appropriation for the division (\$79,662).

**Fees and conferences:** The recommendation raises the cap on fee revenues to allow the School to host additional conferences and workshops.

**Fund source adjustment:** Based on a decline in the number of students for whom per pupil operating revenues are transferred from "home" school districts, the recommendation reflects a decrease in reappropriated funds. This reduction requires a commensurate increase in General Fund appropriations.

**Other:** The recommendation includes the following miscellaneous funding changes: an increase of \$2,885 for shift differential; and, a decrease of \$3,593 for vehicle lease payments.

## Governor- Lieutenant Governor-State Planning and Budgeting

**Department Description:** The Department is comprised of the Office of the Governor, the Office of the Lieutenant Governor, the Office of State Planning and Budgeting, Economic Development Programs, the Office of Information Technology, and the Office of the Chief Information Security Officer.

Summary Table for Office of the Governor - Lieutenant Governor - State Planning and Budgeting						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$65,277,257	\$11,794,433	\$8,776,099	\$31,676,275	\$13,030,450	121.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	27,312,879	(27,312,879)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$65,277,257	\$11,794,433	\$36,088,978	\$4,363,396	\$13,030,450	121.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Office of the Governor	31,010,577	2,502,733	8,660,649	90,083	19,757,112	38.5
Office of Lieutenant Governor	43,363	46,368	0	(3,005)	0	0.0
Office of State Planning and Budgeting	52,207	0	0	52,207	0	0.0
Economic Development Programs	(1,148,807)	122,995	(1,347,904)	2,678	73,424	1.8
Office of Information Technology	(114,189)	35,811	0	(150,000)	0	0.0
Office of the Chief Information Security Officer	355,355	350,000	0	5,355	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$95,475,763	\$14,852,340	\$43,401,723	\$4,360,714	\$32,860,986	161.8
\$ Change from prior year	\$30,198,506	\$3,057,907	\$7,312,745	(\$2,682)	\$19,830,536	40.3
% Change from prior year	46.3%	25.9%	20.3%	(0.1)%	152.2%	33.2%

### Recommendation Highlights:

1. Includes a transfer of \$19.8 million in federal homeland security grants and 3.0 FTE from the Department of Local Affairs, Division of Emergency Management, and the addition of 7.0 FTE to the newly established Office of Homeland Security in the Office of the Governor.
2. Includes a \$2.0 million increase in General Fund appropriations for the Colorado Solar Incentive Program.
3. Includes a \$1.8 million increase in additional Limited Gaming Fund moneys and applicable inflationary increases that are estimated to be distributed to cash funds in the Governor's Energy Office and in Economic Development Programs in FY 2008-09. Of this amount, \$1.1 million is for additional distributions and \$749,000 reflects inflationary adjustments.
4. Includes a \$350,000 one-time increase in General Fund appropriations to acquire and deploy critical network perimeter cyber security components, appliances, and software.

5. Includes a \$150,000 one-time increase in General Fund appropriations to retain outside legal counsel to defend the State against a lawsuit challenging the constitutionality of S.B. 07-199 (School Finance Reform).
6. Includes a \$150,000 one-time increase in General Fund appropriations to implement the cyber-security recommendations derived from a risk based security gap assessment conducted through the Office of the Chief Information Security Officer (OCISO).

### Budget Recommendation Detail by Long Bill Division

**Office of the Governor:** As the chief executive of the State, the Governor is responsible for the overall operation of the executive branch of government. This office provides for coordination, direction, and planning of agency operations, as well as maintaining a liaison with local governments and the federal government. Offices within the Governor's Office include: the Governor's Energy Office, the Office of Homeland Security, Boards and Commissions Office, Citizens' Advocate Office, and the Office of Policy and Initiatives.

Office of the Governor	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$23,877,445	\$3,771,881	\$8,706,083	\$285,503	\$11,113,978	39.9
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	85,411	(85,411)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$23,877,445	\$3,771,881	\$8,791,494	\$200,092	\$11,113,978	39.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Establish Office of Homeland Security	19,732,199	0	0	0	19,732,199	10.0
Clean Energy Fund	7,000,000	0	7,000,000	0	0	0.0
Solar incentive	2,013,750	2,013,750	0	0	0	0.0
Cash fund distribution adjustment	1,653,149	0	1,653,149	0	0	0.0
FY 2008-09 salary and benefit adjustments	357,821	199,137	45,911	88,566	24,207	0.0
Mill levy lawsuit	150,000	150,000	0	0	0	0.0
Cyber security implementation	149,880	149,880	0	0	0	0.0
Annualize salary and benefit adjustments	82,098	82,098	0	0	0	0.0
Operating adjustments	10,091	7,868	0	1,517	706	0.0
Annualize prior year funding	7,000	0	7,000	0	0	1.5
Governor's Energy Office FTE	0	0	0	0	0	27.0
Eliminate one-time appropriations	(145,411)	(100,000)	(45,411)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$54,888,022	\$6,274,614	\$17,452,143	\$290,175	\$30,871,090	78.4
\$ Change from prior year	\$31,010,577	\$2,502,733	\$8,660,649	\$90,083	\$19,757,112	38.5

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
% Change from prior year	129.9%	66.4%	98.5%	45.0%	177.8%	96.5%

## Issue Descriptions

**Establish Office of Homeland Security:** Pursuant to Executive Order D 003 08, the Office of Homeland Security was established in the Office of the Governor. The recommendation includes a transfer of \$19.8 million in federal funding and 3.0 FTE from the Department of Local Affairs, Division of Emergency Management to the newly established Office of Homeland Security in the Office of the Governor. The recommendation also includes 7.0 FTE to also be funded with federal grants related to homeland security.

**Clean Energy Fund:** The recommendation includes \$7.0 million cash funds from the Clean Energy Fund to advance energy efficiency and renewable energy throughout the state, pursuant to S.B. 07-246 (Create Clean Energy Fund). Funding to the Clean Energy Fund is continuously appropriated, pursuant to Section 24-75-1201 (2), and is included in the Long Bill for informational purposes only.

**Solar incentive:** The recommendation includes \$2,013,750 General Fund to create the Colorado Solar Incentive Program. This program will leverage local contributions from governmental, non-profits, and utilities to create a total fund of \$4,027,500, to incentivize the installation of photovoltaics (solar electricity), as well as solar thermal (technology to utilize sun to heat water for domestic use and home heating).

**Cash fund distribution adjustment:** The recommendation includes an increase of \$1.0 million cash funds from the Operational Account of the Severance Tax Trust Fund for direct bill payment assistance and home energy efficiency improvements for low-income households. The recommendation also reflects an increase of \$653,149 in the amount of additional Limited Gaming Fund moneys that are estimated to be distributed to the Clean Energy Fund in FY 2008-09. All moneys in the Clean Energy Fund are continuously appropriated to the Governor's Office, Governor's Energy Office, pursuant to Section 24-75-1201 (2), C.R.S., and are included in the Long Bill for informational purposes only.

**FY 2008-09 salary and benefit adjustments:** The recommendation includes adjustments to centrally-appropriated line items for salary survey, performance-based pay awards, state contributions to health, life, and dental benefits, shift differential, and state contributions to the Public Employees' Retirement Association (PERA) pension fund. All salary survey and performance based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Mill levy lawsuit:** The recommendation includes a one-time appropriation of \$150,000 General Fund to fund outside legal counsel to defend the State against the Mill Levy Lawsuit challenging the constitutionality of S.B. 07-199 (School Finance Reform).

**Cyber security implementation:** The recommendation includes \$149,880 General Fund to implement the cyber security recommendations derived from a risk based security gap assessment conducted through the Office of the Chief Information Security Officer (OCISO). The recommendation includes \$99,880 to purchase antiviral software, network security software licenses, and a server, as well as \$50,000 for professional services for 400 programming hours to rewrite custom applications to run on the secure DPA network.

**Annualize salary and benefit adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Operating adjustments:** The recommendation includes increases in operating expenses for common policy adjustments other than personal services such as legal services, purchase of services from the computer center, use of the multi-use network (MNT), and payments to risk management. The recommendation also includes a reduction of \$20,632 General Fund related to the Governor's Office operating costs. The recommendation reflects the average of the actual expenditures for the Governor's Office for fiscal years 2004-05, 2005-06, and 2006-07.

**Annualize prior year funding:** The recommendation includes an increase of \$7,000 cash funds for the School Energy Efficiency program, pursuant to H.B. 07-1309 (School Energy Efficiency). Funding to the Public School Energy Efficiency Fund is continuously appropriated, pursuant to Section 39-29-109.5 (2), and is included in the Long Bill for informational purposes only.

**Governor's Energy Office FTE:** The recommendation includes the addition of 27.0 FTE in the Governor's Energy Office whom are funded with federal grant moneys. This is the first year that the number of FTE whom are funded with these moneys have been included in the Long Bill which accounts for the sharp increase in the number of personnel in the Department.

**Eliminate one-time appropriations:** The recommendation includes the elimination of a one-time \$100,000 General Fund appropriation to fund outside counsel to defend the State against the Mill Levy Lawsuit challenging the constitutionality of S.B. 07-199 (School Finance Reform). The recommendation also includes the elimination of a one-time \$45,411 cash funds appropriation from the Renewable Resource Generation Development Areas Cash Fund, pursuant to S.B. 07-91 (Renewable Energy Task Force).

**Office of the Lieutenant Governor:** Colorado's Constitution provides for the Lieutenant Governor to become Governor in the case of the death, impeachment, felony conviction, incapacitation, or resignation of the Governor. The Lieutenant Governor serves as chairperson of the Colorado Commission of Indian Affairs and handles additional responsibilities assigned by the Governor.

Office of the Lieutenant Governor	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$377,565	\$295,522	\$0	\$82,043	\$0	6.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>1,500</u>	<u>(1,500)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$377,565	\$295,522	\$1,500	\$80,543	\$0	6.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Operating adjustments	37,130	37,130	0	0	0	0.0
Annualize salary and benefit adjustments	11,910	11,910	0	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	(3,005)	0	0	(3,005)	0	0.0
Other	(2,672)	(2,672)	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$420,928	\$341,890	\$1,500	\$77,538	\$0	6.0
\$ Change from prior year	\$43,363	\$46,368	\$0	(\$3,005)	\$0	0.0
% Change from prior year	11.5%	15.7%	0.0%	(3.7)%	n/a	0.0%

## Issue Descriptions

**Operating adjustments:** The recommendation includes an increase of \$37,130 General Fund for increased operating expenditures in the Office of the Lieutenant Governor and the Commission of Indian Affairs due to travel expenses and various office materials and computers.

**Annualize salary and benefit adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Annualize prior year funding:** The recommendation includes a decrease of \$3,005 reappropriated funds from the Early Childhood Cash Fund, pursuant to H.B. 07-1062 (Early Childhood Council).

**Other:** The recommendation includes various small changes to personal services in the Office of the Lieutenant Governor.

**Office of State Planning and Budgeting:** The Office of State Planning and Budgeting is responsible for the development of executive budget requests, the review and analysis of departmental expenditures, and preparation of revenue and economic forecasts for the State.

Office of State Planning and Budgeting	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,389,778	\$0	\$0	\$1,389,778	\$0	19.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,389,778	\$0	\$0	\$1,389,778	\$0	19.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefit adjustments	52,207	0	0	52,207	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,441,985	\$0	\$0	\$1,441,985	\$0	19.5
\$ Change from prior year	\$52,207	\$0	\$0	\$52,207	\$0	0.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
% Change from prior year	3.8%	n/a	n/a	3.8%	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefit adjustments:** The appropriation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Economic Development Programs:** The Office of Economic Development centralizes and coordinates the State's business assistance, retention, expansion, and recruitment programs. The Division is comprised of the Economic Development Commission, the Minority Business Office, Small Business Development Centers, the International Trade Office, Colorado Welcome Centers, the Economic Development Commission, the State Council on the Arts, coordinates programs related to film incentives, Bioscience Discovery Evaluation, and New Jobs Incentives.

<b>Economic Development Programs</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$35,834,651	\$6,528,772	\$70,016	\$27,319,391	\$1,916,472	41.1
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	27,225,968	(27,225,968)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$35,834,651	\$6,528,772	\$27,295,984	\$93,423	\$1,916,472	41.1
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Limited gaming adjustment	1,152,096	0	1,152,096	0	0	0.0
Annualize salary and benefit adjustments	96,853	87,232	0	2,678	6,943	0.0
Arts education FTE	60,103	0	0	0	60,103	0.9
Enterprise zone program transfer	22,963	22,963	0	0	0	1.0
Small business development center FTE	16,184	16,184	0	0	0	0.5
Operating adjustments	4,497	(1,881)	0	0	6,378	0.0
Eliminate one-time appropriations	(2,500,000)	0	(2,500,000)	0	0	(0.6)
Other	(1,503)	(1,503)	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$34,685,844	\$6,651,767	\$25,948,080	\$96,101	\$1,989,896	42.9
\$ Change from prior year	(\$1,148,807)	\$122,995	(\$1,347,904)	\$2,678	\$73,424	1.8
% Change from prior year	(3.2)%	1.9%	(4.9)%	2.9%	3.8%	4.4%

## Issue Descriptions

**Limited gaming adjustment:** The recommendation reflects an increase of \$1,152,096 in the amount of additional Limited Gaming Fund moneys that are estimated to be distributed to the Colorado Travel and Tourism Promotion Fund, the State Council on the Arts Cash Fund, the New Jobs Incentives Cash Fund, and the Film Incentives Cash Fund in FY 2008-09. Distributions to these funds are to be adjusted annually by the rate of inflation for the calendar year ending in the preceding fiscal year, per H.B. 06-1201 (estimated to be 3.0 percent according to the December 2007 Legislative Council Economic Revenue Forecast). Of this amount, \$403,343 is for additional distributions and \$748,753 reflects inflationary adjustments.

**Annualize salary and benefit adjustments:** The appropriation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Arts education FTE:** The recommendation includes \$60,103 federal funds and 0.9 FTE to manage the Council's Arts Learning for Children and Youth programs.

**Enterprise zone program transfer:** The recommendation includes a transfer of certain enterprise zone program administrative responsibilities from the Department of Local Affairs (DOLA) to the Governor's Office of Economic Development (OED) and the Economic Development Commission, pursuant to H.B. 08-1305 (Enterprise Zone Duties from DOLA to OED), totaling \$22,963 General Fund and 1.0 FTE.

**Small business development center FTE:** The recommendation includes \$16,184 General Fund and 0.5 FTE to assist with federal and state reporting guidelines for the program.

**Eliminate one-time appropriations:** The recommendation includes the elimination of one-time \$2.5 million and 0.6 FTE, pursuant to H.B. 07-1060 (Bioscience Research Grants).

**Other:** The recommendation includes a reductions related to common policy adjustments.

**Office of Information Technology:** The Office of Information Technology oversees technology initiatives at the state level, recommending strategies to maximize service delivery efficiency in a cost-effective manner through the application of enterprise technology solutions.

Office of Information Technology	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,348,258	\$1,198,258	\$0	\$150,000	\$0	13.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,348,258	\$1,198,258	\$0	\$150,000	\$0	13.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefit adjustments	35,731	35,731	0	0	0	0.0
Operating adjustment	80	80	0	0	0	0.0
Eliminate one-time appropriations	(150,000)	0	0	(150,000)	0	0.0



	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,234,069	\$1,234,069	\$0	\$0	\$0	13.0
\$ Change from prior year	(\$114,189)	\$35,811	\$0	(\$150,000)	\$0	0.0
% Change from prior year	(8.5)%	3.0%	n/a	(100.0)%	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefit adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Operating adjustment:** The recommendation includes an increase of \$80 General Fund related to common policy adjustments for legal services.

**Eliminate one-time appropriations:** The recommendation includes the elimination of a one-time \$150,000 General Fund appropriation, pursuant to H.B. 07-1270 (Education Data Systems Review and Study).

**Office of the Chief Information Security Officer:** The Office of the Chief Information Security Officer develops information security policies, standards, and guidelines for public agencies; promulgates rules; directs information security audits and assessments in the public agencies; establishes a risk management process and deploys risk mitigation strategies, processes and procedures.

Office of the Chief Information Security Officer	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$2,449,560	\$0	\$0	\$2,449,560	\$0	2.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$2,449,560	\$0	\$0	\$2,449,560	\$0	2.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Cyber security perimeter implementation	350,000	350,000	0	0	0	0.0
Annualize salary and benefit adjustments	5,355	0	0	5,355	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$2,804,915	\$350,000	\$0	\$2,454,915	\$0	2.0
\$ Change from prior year	\$355,355	\$350,000	\$0	\$5,355	\$0	0.0
% Change from prior year	14.5%	n/a	n/a	0.2%	n/a	0.0%

## Issue Descriptions

**Cyber security perimeter implementation:** The recommendation includes a one-time \$350,000 General Fund appropriation to acquire and deploy critical network perimeter cyber security components, appliances, and software identified through the Plan of Action Milestones (POAM). The POAM is developed by agencies as a part of their 2007 cyber security planning. The most critical perimeter security risks identified will be mitigated by the CISO deploying centrally managed firewalls, Intrusion Detection Systems, and gateway antivirus protection from the Information Security Operations Center. The recommendation addresses the highest priority needs as determined by the statewide cyber security planning process.

**Annualize salary and benefit adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

## Department of Health Care Policy and Financing

**Department Description:** The Department of Health Care Policy and Financing provides health care services to approximately 633,900 Colorado residents through four major health care programs: (1) the State's Medicaid medical and mental health programs; (2) the Colorado Indigent Care program (CICP); (3) the Children's Basic Health Plan (CBHP); and (4) the Old Age Pensioner Medical program. The Medicaid, CICP, and CBHP programs are federal and state partnerships; therefore, the State receives approximately \$1.8 billion in federal matching funds for these programs. The Department also transfers approximately 11.0 percent of its appropriation to other state agencies that administer programs eligible for Medicaid funding. The majority of these funds goes to the Department of Human Services.

Summary Table for Department of Health Care Policy and Financing						
	Total Funds	General Fund/1	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation/2</b>	\$3,483,279,446	\$1,435,402,859	\$2,966,076	\$355,971,972	\$1,688,938,539	257.3
Long Bill Supplemental	65,733,770	24,538,529	6,734	7,757,528	33,430,979	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	340,365,546	(340,365,546)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$3,549,013,216	\$1,459,941,388	\$343,338,356	\$23,363,954	\$1,722,369,518	257.3
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Executive Director's Office	11,391,311	5,649,364	(875,348)	12,874	6,604,421	15.9
Medical Services Premiums	117,982,702	53,379,395	7,312,028	42,234	57,249,045	0.0
Medicaid Mental Health Community Programs	12,832,093	5,086,691	1,083,537	783	6,661,082	0.0
Indigent Care Program	38,522,613	(3,562,219)	14,738,153	(4,200)	27,350,879	0.0
Other Medical Services	(756,109)	(1,280,810)	2,306,660	0	(1,781,959)	0.0
Department of Human Services Medicaid-Funded Programs	16,165,116	8,873,613	(812,336)	82,551	8,021,288	0.0
<b>Total FY 2008-09 Long Bill Recommendation</b>	\$3,745,150,942	\$1,528,087,422	\$367,091,050	\$23,498,196	\$1,826,474,274	273.2
S.B. 08-118 Transfer for Medicaid Disease Management	4,000,000	0	2,000,000	0	2,000,000	0.0
H.B. 08-1373 Remove Cap on PACE Program Rate	2,914,018	1,457,009	0	0	1,457,009	0.0
H.B. 08-1374 Breast and Cervical Cancer Fund	0	(1,800,529)	1,800,529	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$3,752,064,960	\$1,527,743,902	\$370,891,579	\$23,498,196	\$1,829,931,283	273.2
\$ Change from prior year	\$203,051,744	\$67,802,514	\$27,553,223	\$134,242	\$107,561,765	15.9
% Change from prior year	5.7%	4.6%	8.0%	0.6%	6.2%	6.2%

/1 This amount includes General Fund Exempt that is describe in the Divisions that follow. A total of \$495,000 is not subject to the statutory limitation on General Fund appropriation growth or any other spending limitation existing in law pursuant to Article X, Section 21 (8) of the State Constitution.

/2 The FY 2007-08 impacts from H.B. 08-1374 are not shown in the above table. For detail on JBC budgeting bills that impact the FY 2007-08 appropriation please see the Summary Section of this document.

## **Recommendation Highlights:**

### *Changes to FY 2006-07 and FY 2007-08 Appropriations:*

The FY 2008-09 Long Bill contains sections that adjust both FY 2006-07 and FY 2007-08 appropriations in order to modify the portion of the General Fund appropriation for Medical Services Premiums that is identified as General Fund Exempt. These adjustments are based on the Legislative Council Staff March 2008 revenue forecast. In addition, the recommendation includes the following adjustments to the FY 2007-08 appropriations.

1. An increase of \$44.1 million total funds (\$20.6 million General Fund) based on the current caseload and medical cost estimates for the Medicaid program.
2. An increase of \$30.0 million total funds (\$5.5 million General Fund) based on current caseload and medical costs associated with the Children's Basic Health Plan. Included in this recommendation is a deposit of \$5.5 million General Fund into the Children's Basic Health Plan to ensure future stability of the fund.
3. An increase of \$2.5 million General Fund for additional costs for the Medicare Modernization Act State Contribution Payment (MMA Clawback) above the original estimate.
4. An increase of \$75,464 total funds (\$17,996 General Fund) for administrative costs associated with implementing the Medical Home Program and to correct a technical error in the current appropriation.
5. A decrease of \$9.1 million total funds (\$4.5 million General Fund) for community-based developmental disability services based on projected Medicaid waiver program utilization and the impact of a new billing structure.
6. A decrease of \$2.5 million total funds (contains an increase of \$81,514 General Fund) for Medicaid mental health services based on current caseload projections, per capita costs, and the case mix of clients using the services.

### *Recommendations for FY 2008-09:*

Major changes for FY 2008-09 include the following:

1. An increase of \$87.4 million total funds (\$38.2 million General Fund) for base caseload and cost projections for the Medicaid program, including both the medical and mental health programs. The FY 2008-09 projected Medicaid caseload is 380,588 clients before any policy changes.
2. An increase of \$43.2 million total funds (\$20.4 million General Fund) for various provider rate increases in the Medicaid medical program.
3. An increase of \$30.1 million total funds (\$15.7 million General Fund) for increased Medicaid funding for people with developmental disabilities.

3. An increase of \$26.9 million total funds (including a negative General Fund impact of \$11,011) for base caseload and cost projections for the Children's Basic Health Plan (CBHP) before policy changes. The FY 2008-09 projected CBHP caseload is 71,047 clients before any policy changes.
4. An increase of \$20.5 million total funds (including \$3.8 million General Fund) for initiatives related to Health Care Reform, including additional outreach for the CBHP program. These activities are anticipated to add 6,052 and 536 eligible but not enrolled children to the CBHP and Medicaid programs, respectively.

### **JBC Budget Package Legislation:**

**S.B. 08-118 Transfer for Medicaid Disease Management:** Senate Bill 08-118 reinstates a \$2.0 million Prevention, Early Detection, and Treatment Fund (PEDT Fund) transfer from the Department of Public Health and Environment to the Department of Health Care Policy and Financing beginning in FY 2008-09. This funding will be matched by \$2.0 million in federal funds. The funding will be used to pay for the administrative costs associated with disease management programs related to qualifying chronic conditions in the Medicaid program. The disease management programs are anticipated to improve the cost-effectiveness of the Medicaid program as well as improve health quality for the clients that participate in the programs. Without this bill, the General Assembly would have to appropriate General Fund for the state match in order to continue the disease management programs in FY 2008-09. This transfer will not put at risk any currently awarded grant from the PEDT Fund because the funding will come from the current fund balance in the PEDT Fund.

**H.B. 08-1373 Remove Cap on PACE Program Rate:** House Bill 08-1373 increases rates for the Program for All-Inclusive Care for the Elderly (PACE) from 95 percent of the fee-for-service rates up to 100 percent of the fee-for-service rates. The PACE program is a long-term care managed care program for Medicaid clients, including both home-and-community based programs and nursing home care. Last year, the General Assembly passed H.B. 07-1346 which eliminated the 95 percent cap on managed care organizations that provide acute care services to Medicaid clients. However, because the PACE program's clients receive their acute care services through the Medicare program, the rate cap for the PACE program was not impacted by H.B. 07-1346. House Bill 08-1373 will allow long-term care managed care organizations to have the same rate cap as acute care managed care organizations. The JBC's estimated fiscal impact for H.B. 07-1346 is \$2,914,018 total funds. Of this amount, \$1,457,009 is General Fund and \$1,457,009 is federal matching funds.

**H.B. 08-1374 Breast and Cervical Cancer Fund:** House Bill 08-1374 allows the Breast and Cervical Cancer Treatment Fund to pay 100 percent of the state match costs for the Breast and Cervical Cancer Treatment traditional caseload in FY 2007-08 and FY 2008-09. From FY 2009-10 through FY 2013-14, the Breast and Cervical Cancer Treatment Fund will pay 50 percent of the state match and the General Fund will pay 50 percent of the state match for the traditional caseload. The expansion caseload that was added in H.B. 05-1262 will continue to receive their state match from the Prevention, Early Detection, and Treatment Fund pursuant to Section 24-22-117 (2) (d) (II) (D), C.R.S. The JBC estimates that H.B. 08-1374 will reduce General Fund expenditures by \$1,232,925 in FY 2007-08 and by \$1,800,529 in FY 2008-09.

## Budget Recommendation Detail by Long Bill Division

**Executive Director's Office:** This division contains the majority of administrative funding for the Department. Specifically, this division's funding supports the Department's personnel and operating expenses. In addition, this section contains funding for provider audits, eligibility determinations, client and provider services, utilization and quality reviews, and information technology contracts.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$91,845,207	\$29,454,901	\$2,680,877	\$7,897,163	\$51,812,266	257.3
Long Bill Supplemental	536,264	238,505	0	(388)	298,147	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>6,118,881</u>	<u>(6,118,881)</u>	<u>0</u>	<u>0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$92,381,471	\$29,693,406	\$8,799,758	\$1,777,894	\$52,110,413	257.3
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Building Blocks to Health Care Reform	6,240,024	3,012,842	0	0	3,227,182	0.0
Increased recoupment and fraud avoidance efforts	1,790,238	477,450	0	0	1,312,788	5.5
Accuracy in budgeting	1,300,000	650,000	0	0	650,000	0.0
Salary and benefits adjustments	1,180,984	561,207	9,024	20,129	590,624	0.0
Additional FTE for productivity gains	636,767	242,332	152,103	0	242,332	6.4
Special projects and contract services	627,500	253,750	0	0	373,750	0.0
Annualize prior year legislation and budget actions	505,153	(24,006)	871,691	0	(342,532)	2.2
Additional leased space	432,625	216,314	0	0	216,311	0.0
MMIS and web portal contract increases	430,843	105,363	3,287	0	322,193	0.0
Operating expenses and other administrative cost adjustments	188,727	93,299	3,821	314	91,293	0.0
Implement preferred drug list	180,940	25,715	0	0	155,225	0.9
Restore funding for IT replacement plan	66,836	33,418	0	0	33,418	0.0
340D pharmacy pilot program	61,086	30,543	0	0	30,543	0.9
Transfer funding to other divisions	(1,731,130)	(37,282)	(1,656,566)	0	(37,282)	0.0
Eliminate one-time funding	(539,709)	(122,015)	(114,740)	0	(302,954)	0.0
Other	20,427	130,434	(143,968)	(7,569)	41,530	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$103,772,782	\$35,342,770	\$7,924,410	\$1,790,768	\$58,714,834	273.2
\$ Change from prior year	\$11,391,311	\$5,649,364	(\$875,348)	\$12,874	\$6,604,421	15.9
% Change from prior year	12.3%	19.0%	(9.9)%	0.7%	12.7%	6.2%

## Issue Descriptions

**Long Bill Supplemental:** The recommendation includes adjustments to FY 2007-08 appropriations that were not included in the regular supplemental bill. Specifically, the bill makes the following total fund adjustments to the FY 2007-08 appropriation: (1) an increase of \$460,800 for a contractor to aid the Department in writing a request for proposals (RFP) for a centralized eligibility vendor to process medical assistance eligibility; and (2) an increase of \$81,958 for administrative costs associated with implementing a Medical Home program for children in the Medicaid or Children's Basic Health Plan. These increases are offset by a decrease of \$6,494 to correct an appropriation error in H.B. 08-1285 related to transferring staff from the Governor's Office to the Department for management of the Colorado Benefits Management System (CBMS).

**Building Blocks to Health Care Reform:** The recommendation includes a total fund increase of \$6.7 million in FY 2008-09 for administrative costs resulting from the Governor's Building Blocks to Health Care Reform. Specifically, the increased funding is allocated as follows: (1) \$5.3 million to design and begin programming an interface to the CBMS system that would expedite the processing of medical assistance applications; (2) \$500,000 for the Department to provide grant funding to the Regional Health Information Organization; (3) \$384,942 for contract services to recruit and certify providers as Medical Home providers and to evaluate the effectiveness of the program; (4) \$362,282 for increased costs for the enrollment broker to explain and notify Medicaid clients of their option to choose a Medical Home for their children; and (5) \$153,600 for the remaining costs for developing an RFP to contract for a centralized eligibility vendor. These increases are offset by a decrease of \$460,800 total funds for one-time expenses in FY 2007-08 related to the RFP for the centralized eligibility vendor project.

**Increased recoupment and fraud avoidance effort:** The recommendation includes an increase of \$1.8 million total funds and 5.5 FTE to enhance the Department's ability to detect fraud and to avoid or recoup erroneous payments. The funding will buy new fraud detection software as well as allow the Department to inspect providers that are at risk for fraudulent practices. The funding will allow the Department to implement some of the best practices that were cited in a 2004 United States Government Accountability Office (GAO) report titled "State and Federal Efforts to Prevent and Detect Improper Payments." The administrative costs from this effort are offset by forecasted savings in the Medical Services Premiums division of \$3.9 million total funds.

**Accuracy in budgeting:** The recommendation includes a transfer of \$650,000 from the Department of Human Services (DHS) to the administrative case management line item to draw down \$650,000 in matching federal Medicaid moneys. In order to maximize federal funds when possible, Section 24-75,106 (1), C.R.S. provides that DHS and Health Care Policy and Financing (HCPF) may transfer General Fund between the two Departments when the funds can receive a federal Medicaid match. In FY 2006-07, DHS transferred \$650,000 General Fund to HCPF to draw down additional federal match. This recommendation appropriates this funding in HCPF in FY 2008-09 so that the budget will more accurately reflect the amount of funds assumed to be eligible for federal match. An offsetting reduction is made in the Department of Human Services budget.

**Salary and benefits adjustments:** The recommendation includes an increase of \$1.2 million total funds for salary and employee-related benefit adjustments for state employees. Specifically, the recommendation includes the following total fund increases: (1) \$676,435 for salary survey and senior executive pay; (2) \$314,483 for health, life, and dental benefits; (3) \$207,724 for performance-based pay awards; (4) \$163,872 for amortization of equalization disbursements for PERA; and (5) \$9,136 for short-term disability and worker's compensation. These increases are offset with a 1.0 percent total fund personal services base reduction of \$190,666 for vacancy savings.

**Additional FTE for productivity gains:** The recommendation includes \$636,767 and 6.4 FTE to address staff shortages throughout the Department. The additional FTE will be used to fill staff gaps in the budget, eligibility determination monitoring, customer service, business analysis, training, and web maintenance.

**Special projects and contract services:** The recommendation includes \$627,500 for special projects and general professional contract services. Specifically, the recommendation includes the following: (1) \$250,000 to complete a study and data manual for mental health rates; (2) \$200,000 for a contract with University Physician Incorporated to provide clinical and policy assistance to the Department on medical issues; (3) \$150,000 to study the adequacy of PACE rates; and (4) \$27,500 to redesign the Department's web page.

**Annualize prior year legislation and budget actions:** The recommendation includes a net increase of \$505,153 and 2.2 FTE to annualize legislation and budget items that were partially funded or had one-time expenditures in FY 2007-08.

**Additional leased space:** The recommendation includes an increase of \$432,625 for additional leased space and build-out of that leased space in FY 2008-09. Of this amount, \$131,465 reflects the annualized costs for the new lease that was entered into in FY 2007-08 to alleviate the Department's overcrowding at its current space. The remaining \$301,160 is for one-time costs associated with replacing cubicles and providing office space at the Department's current and new leased space.

**MMIS and web portal contract increases:** The recommendation includes \$313,010 to fund inflationary costs associated with the Department's fixed price contract for the Medicaid Management Information System. An additional \$117,833 is recommended to increase the capacity for the Department's web portal site to allow for more concurrent users of the site and to more promptly address requests for changes to the web site.

**Operating expenses and other administrative cost adjustments:** The recommendation includes a total fund increase of \$188,727 for various operating and administrative costs. Specifically, the recommendation includes the following total funds increases: (1) \$119,130 for purchase of computer services; (2) \$38,939 due to an increase in the legal rate charged by the Department of Law; (3) \$21,183 based on the estimate of the number of administrative judge hours the Department will use; and (4) \$11,505 for risk management and property funds. These increases are offset by a total fund decrease of \$2,030 in the Department's capitol complex leased space costs.

**Implement preferred drug list:** The recommendation includes \$180,940 and 0.9 FTE to implement the second phase of the preferred drug list. The majority of the increase, \$140,020, is for the Department to purchase clinical data from the Drug Effectiveness Review Project. The remaining \$40,920 is for the costs of personnel and operating expenses associated with an FTE position that will provide additional staff support to the Pharmacy and Therapeutics Committee. These additional administrative costs are offset by savings of \$962,456 total funds in the Medical Services Premiums line item from implementing the preferred drug list.

**Restore funding for IT replacement plan:** The recommendation includes \$66,836 in additional funding to enable the Department to move to a four-year replacement cycle for end user IT equipment and to maintain the Department's software licensing agreements.

**340D pharmacy pilot program:** The recommendation includes an increase of \$61,086 total funds to implement a 340D pharmacy pilot program. In 1992, Congress passed the Veterans Health Care Act, which included a provision that allowed significant discounts to certain pharmaceuticals for providers who serve primarily indigent clients. Providers who are designated as a 340B pharmacy receive these discounted prices.



Currently, the Department pays only a small portion of pharmacy claims to these providers. This recommendation will provide funding to the Department to develop a pilot program to encourage greater use of the 340B pharmacies. These administrative costs are offset by savings of \$74,308 in the Medical Services Premiums line item related to implementing the 340D pharmacy pilot program.

**Transfer funding to other divisions:** The recommendation includes a transfer of \$1,731,130 to move the appropriations for certain program lines to other Department divisions. Specifically, the recommendation transfers \$1.7 million for the Colorado Cares Rx Program to the Other Medical Programs division and \$74,564 to the Department of Human Services (DHS) Medicaid Funded Programs division to more accurately reflect the total amount of funding transferred to DHS from the Department.

**Eliminate one-time funding:** The recommendation contains a decrease of \$539,709 to eliminate funding for projects that have been or will be completed during FY 2007-08. Specifically, the recommendation eliminates funding for the following projects that will be completed and no longer need funding: (1) \$441,375 for the Payment Error Rate Measurement; (2) \$75,000 for an internal audit of the Primary Care Program; (3) \$19,334 for the Primary Care Physician Rate Study; and (4) \$4,000 for the Department of Regulatory Agencies review of in-home support services.

**Other:** The recommendation includes a total funds increase of \$20,247 for various technical changes to the appropriations. These changes include adjusting fund splits to reflect available indirect cost recoveries, eliminating the funding from the Breast and Cervical Cancer Treatment Fund pursuant to Section 25.5-5-308 (9) (c), C.R.S., and reflecting adjustments for centrally-appropriated items in line items transferred to other Departments so that the maximum federal funds can be obtained.

**Medical Services Premiums:** This division provides the health care funding for an estimated 381,189 Medicaid clients. Clients are determined eligible based on 11 different eligibility categories. Medical services provided include acute care services (*i.e.* physician visits, prescription drugs, hospitalization) and long-term care services (*i.e.* nursing home care and community-based services).

Medical Services Premiums	Total Funds	General Fund/1	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$2,155,306,192	\$1,000,043,633	\$38,256	\$76,001,368	\$1,079,222,935	0.0
Long Bill Supplemental	44,124,048	20,603,713	(38,256)	547,102	23,011,489	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	75,822,706	(75,822,706)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$2,199,430,240	\$1,020,647,346	\$75,822,706	\$725,764	\$1,102,234,424	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Caseload and cost projections	74,274,790	32,721,525	6,115,942	42,234	35,395,089	0.0
Increase dental rates	11,880,290	5,565,054	375,091	0	5,940,145	0.0
Increase to evaluation and management rates	11,750,000	5,504,022	370,978	0	5,875,000	0.0
Increase home and community-based services rates	5,322,778	2,661,389	0	0	2,661,389	0.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Increase hospital rates	4,679,688	2,192,094	147,750	0	2,339,844	0.0
Cash accounting adjustment for additional managed care organizations	3,928,032	1,964,016	0	0	1,964,016	0.0
Medical home incentive reimbursements	3,305,400	1,548,340	104,360	0	1,652,700	0.0
Other provider rate increases	2,593,162	1,214,709	81,872	0	1,296,581	0.0
Increase radiology rates	2,250,000	1,053,962	71,038	0	1,125,000	0.0
Impact of rate increases to MCO rates	1,425,186	667,596	44,997	0	712,593	0.0
Caseload impact from Children's Basic Health Plan outreach efforts	981,108	490,554	0	0	490,554	0.0
Caseload impact from developmental disability waiver program expansion	806,178	403,089	0	0	403,089	0.0
Increased recoupment and fraud avoidance efforts	(3,875,000)	(1,937,500)	0	0	(1,937,500)	0.0
Preferred drug list savings	(962,456)	(481,228)	0	0	(481,228)	0.0
Savings from developmental disability regional center conversion to ICF/MR	(302,146)	(151,073)	0	0	(151,073)	0.0
340D pharmacy pilot program	(74,308)	(37,154)	0	0	(37,154)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$2,317,412,942	\$1,074,026,741	\$83,134,734	\$767,998	\$1,159,483,469	0.0
\$ Change from prior year	\$117,982,702	\$53,379,395	\$7,312,028	\$42,234	\$57,249,045	0.0
% Change from prior year	5.4%	5.2%	9.6%	5.8%	5.2%	n/a

/1 This amount includes a General Fund Exempt Appropriation.

<b>General Fund Summary</b>	<b>Total General Fund</b>	<b>General Fund</b>	<b>General Fund Exempt</b>
<b>FY 2007-08 Appropriation</b>	\$1,000,043,633	\$656,943,633	\$343,100,000
Long Bill supplemental	<u>20,603,713</u>	<u>36,203,713</u>	<u>(15,600,000)</u>
<b>FY 2007-08 Adjusted Appropriation</b>	<b>1,020,647,346</b>	<b>693,147,346</b>	<b>327,500,000</b>
Medical Services Premiums	<u>53,379,395</u>	<u>11,879,395</u>	<u>41,500,000</u>
<b>Total FY 2008-09 Long Bill Recommendation</b>	<b>\$1,074,026,741</b>	<b>\$705,026,741</b>	<b>\$369,000,000</b>

## General Fund Exempt

In November 2005, the Colorado voters passed Referendum C that allowed the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), Colorado Revised Statutes). The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated from the General Fund Exempt Account for purposes of funding health care for Colorado's elderly, low-income, and disabled populations pursuant to Sections 24-77-103.6 (2) (a) and 24-77-104.5 (2) (a) (I), Colorado Revised Statutes.

## Issue Descriptions

### FY 2007-08

**Long Bill Supplemental:** The recommendation increases the FY 2007-08 appropriations for Medicaid medical services premiums by a total of \$44.1 million (\$20.6 million is from the General Fund). The supplemental recommendation is the result of both caseload adjustments and cost-per-client assumption changes. In addition, the supplemental recommendation makes changes to the amount of funds that can be certified at public facilities under the Medicare Upper Payment Limit calculations. Each of these assumption changes are discussed below.

- ✓ *Caseload and cost-per-client changes:* For the most part, the supplemental is being driven by higher than anticipated cost-per-client. Last year, the Joint Budget Committee assumed that the average monthly caseload would be 385,010 clients. Based on more recent data, the JBC now forecasts an average monthly caseload of 383,656 for FY 2007-08. This is a decrease of 1,355 total clients or 0.4 percent. Although caseload is slightly down from the original forecast, the cost for serving these clients is higher than originally anticipated. Last year, the JBC forecasted that the average cost-per-client would be \$5,541.04. However, more recent expenditure data puts the average cost-per-client at approximately \$5,676.62. This is an increase of \$135.58 or 2.45 percent.
- ✓ *Medical Services Costs:* Medical service costs are driven by the utilization of medical services, the price of services, and the case mix of the caseload (*i.e.* elderly vs. children). Table 1 summarizes the FY 2007-08 supplemental assumptions for the Medicaid caseload and the medical costs per aid category.

Table 1: FY 2007-08 Expansion Medicaid Caseload and Dollar Changes -- Base Adjustments Only to Medical Costs (does not include county transportation, bottom line financing and non-base supplemental items)						
	Original Caseload Estimate	New Caseload Estimate	Difference	Original Medical Cost	New Estimated Medical Cost	Difference
<b>Elderly Caseloads</b>						
SSI 65+	36,703	35,790	(913)	\$725,962,821	\$710,406,015	(\$15,556,806)
SSI 60-64	6,252	6,098	(154)	99,144,640	96,806,680	(2,337,960)
Partially Dual Eligible	13,294	14,086	792	16,883,263	18,652,994	1,769,731
<b>Disabled Caseload</b>						0
SSI Disabled	48,942	49,565	623	600,430,923	629,481,459	29,050,536
<b>Low-Income Adults</b>						
Categorical Eligible Adults	46,708	43,972	(2,736)	171,414,454	190,420,544	19,006,090
Baby Care Adults	5,264	5,895	631	46,947,636	52,925,915	5,978,279
Expansion Adults	10,377	8,567	(1,810)	25,355,828	18,348,943	(7,006,885)
Breast and Cervical Cancer Adults	277	271	(6)	7,048,959	6,768,394	(280,565)
<b>Children</b>						
Categorical Eligible Children	193,981	198,500	4,519	329,652,308	339,642,905	9,990,597
Foster Children	18,521	16,940	(1,581)	63,864,689	61,927,349	(1,937,340)
<b>Other</b>						
Non-Citizens	4,691	3,972	(719)	46,650,843	52,487,282	5,836,439
<b>Total</b>	<b>385,010</b>	<b>383,656</b>	<b>(1,354)</b>	<b>\$2,133,356,364</b>	<b>\$2,177,868,480</b>	<b>\$44,512,116</b>

**Table 1: FY 2007-08 Expansion Medicaid Caseload and Dollar Changes -- Base Adjustments Only to Medical Costs (does not include county transportation, bottom line financing and non-base supplemental items)**

	Original Caseload Estimate	New Caseload Estimate	Difference	Original Medical Cost	New Estimated Medical Cost	Difference
Average Cost Per Client				\$5,541.04	\$5,676.62	\$135.58
Percent Change			-0.35%			2.45%

- ✓ *Certification of Public Funds:* In addition to the medical cost changes noted above, the FY 2007-08 supplemental also makes adjustments to the assumptions regarding the amount of funding that can be certified by public entities in order to draw down additional federal match. The original FY 2007-08 appropriation assumed \$14.5 million could be certified by public entities. The current FY 2007-08 estimate is for \$13.7 million. Therefore, the amount of certified funds has been reduced by \$778,760.
- ✓ *Additional Supplemental Items:* In addition to the base supplemental changes, the recommendation also includes a total fund increase of \$2.4 million for other issues. Specifically, these issues include: (1) a transfer of \$1.7 million to adjust for cash accounting impacts that result when fee-for-service clients enroll in managed care organizations; (2) \$422,556 to reflect lower than anticipated savings for the preferred drug list in FY 2007-08; and (3) \$253,740 to begin a pilot program to provide incentive payments to medical home providers.

The increases described above are offset by a roll forward appropriation from FY 2006-07 of \$2.0 million for disease management costs. As stated earlier, the total FY 2007-08 supplemental recommendation, after all adjustments, is \$44.1 million total funds.

### **FY 2008-09 Discussion -- Caseload and Cost Projections for the Base**

**Caseload and cost projections:** The FY 2008-09 recommendation supports medical services for an estimated 380,588 Medicaid clients, before policy changes. The FY 2008-09 caseload forecast reflects a decrease of 3,068 clients from the final recommended FY 2007-08 caseload forecast. The majority of the caseload decline is anticipated in the low-income categorical eligible adults and children. Table 2 shows the projected caseload growth from FY 2007-08 to FY 2008-09.

**Table 2: FY 2008-09 Base Caseload -- Before Policy Changes**

Eligibility Category	FY 2007-08	FY 2008-09	# Change	%
<i><b>Elderly Caseloads</b></i>				
SSI 65+	35,790	36,278	488	1.3%
SSI 60-64	6,098	6,216	118	1.9%
Partially Dual Eligible	14,086	15,068	982	6.5%
<i><b>Disabled Caseload</b></i>				
SSI Disabled	49,565	50,058	493	1.0%
<i><b>Low-Income Adults</b></i>				
Categorical Eligible Adults	43,972	41,667	(2,305)	-5.5%

Table 2: FY 2008-09 Base Caseload -- Before Policy Changes					
Eligibility Category	FY 2007-08	FY 2008-09	# Change	%	
Baby Care Adults	5,895	6,028	133	2.2%	
Expansion Adults	8,567	9,629	1,062	11.0%	
Breast and Cervical Cancer Adults	271	301	30	10.0%	
Children					
Categorical Eligible Children	198,500	192,948	(5,552)	-2.9%	
Foster Children	16,940	18,657	1,717	9.2%	
Other					
Non-Citizens	3,972	3,738	(234)	-6.3%	
Total Caseload Forecast	383,656	380,588	(3,068)	-0.8%	

After the caseload forecast is established, then the base service costs are calculated. The base service costs are the amount of funding needed for the Medicaid program under current law before any policy issues are added. The base service costs are a function of both the caseload forecast as well as the forecast for the cost of medical services based on prior year utilization patterns and rates. The base service costs include the following major groupings of medical services: (1) the cost of acute, community long-term care, institutional long-term care, supplemental insurance, and medical administrative costs; (2) the mix of services used by the different caseload aid categories described above; and (3) the acuity level of the caseload using the various services. Table 3 compares the FY 2007-08 estimated costs (including the FY 2007-08 Long Bill supplemental) with the FY 2008-09 base service cost recommendation for each service category.

<b>Table 3: FY 2008-09 Medical Services Costs</b>				
<b>Service Category</b>	<b>FY 2007-08</b>	<b>FY 2008-09</b>	<b>\$ Change</b>	<b>%</b>
Acute Care Services/1	\$1,286,605,778	\$1,321,689,731	\$35,083,953	2.7%
Community Long-Term Care Services/2	236,641,584	245,294,174	8,652,590	3.7%
Long-Term Care and Insurance	632,656,532	663,023,109	30,366,577	4.8%
Medical Administrative Costs	29,802,563	29,543,854	(258,709)	-0.9%
Bottom Line Financing	13,723,783	14,154,162	430,379	3.1%
<b>Total Service Costs</b>	<b>\$2,199,430,240</b>	<b>\$2,273,705,030</b>	<b>\$74,274,790</b>	<b>3.4%</b>

/1 FY 2008-09 does not include any policy rate increases. Rate increases are discussed as a separate issue.

/2 FY 2008-09 does not include any policy rate increases. Rate increases are discussed as a separate issue.

Lastly, after determining the caseload and estimated medical costs, the funding sources for the Medical Services Premiums base are calculated. Certain populations are eligible to receive funding from different funding sources (*i.e.* some adults and children on Medicaid can be funded from the Health Care Expansion Fund, etc.). Table 4 shows the funding sources for the Medical Services Premiums line item for FY 2008-09 compared to FY 2007-08 (before policy changes).

**Table 4: Fund Splits for FY 2008-09 JBC Medical Services Premiums Recommendation**

<b>Fund</b>	<b>JBC FY 2007-08 Recommendation</b>	<b>JBC FY 2008-09 Base Recommendation</b>	<b>Difference</b>
General Fund & GFE	\$1,020,647,346	\$1,053,368,871	\$32,721,525
Certified Funds	13,412,247	13,842,626	430,379
Health Care Expansion Fund	61,442,614	67,862,979	6,420,365
Gifts, Grants, & Donations	126,870	0	(126,870)
Transfer from DPHE	725,764	767,998	42,234
Breast and Cervical Cancer Fund	410,975	0	(410,975)
Autism Fund	430,000	233,043	(196,957)
<u>Federal Funds</u>	<u>\$1,102,234,424</u>	<u>\$1,137,629,513</u>	<u>\$35,395,089</u>
<b>TOTAL FUNDS</b>	<b>\$2,199,430,240</b>	<b>\$2,273,705,030</b>	<b>\$74,274,790</b>

\*Does not include roll forward appropriations in FY 2007-08. In FY 2008-09 reflects only the Long Bill estimates for the base calculations before policy changes. Does not include impacts from special bills that are being introduced as part of the JBC package.

### **FY 2008-09 Discussion -- Policy Changes**

**Increase dental rates:** The recommendation includes an increase of \$11.9 million total funds to increase Medicaid dental rates to 52 percent of average commercial rates, as published by the American Dental Association.

**Increase to evaluation and management rates:** The recommendation includes an increase of \$11.8 million total funds in order to raise all evaluation and management physician codes to 90 percent of the equivalent Medicare rate. Evaluation and management codes are used by physicians for general preventative and routine primary care. Some of these codes are currently reimbursed at between 36.5 percent and 58.5 percent of Medicare rates while others are closer to the 90 percent level (based on prior budget actions in this area).

**Increase home and community-based services rates:** The recommendation includes a total fund increase of \$5.3 million to provide a 1.5 percent rate increase for home and community-based services. Home and community-based services include waiver services for community long-term care services, home health, and private duty nursing rates.

**Increase hospital rates:** The recommendation includes an increase of \$4.7 million for a 1.5 percent provider rate increase for inpatient hospital services. During the last several years, the General Assembly has approved rate increases for inpatient hospital in order to maintain the Medicaid rate at or above 90 percent of the Medicare rate (it has been between 90 and 92 percent of Medicare rates for the last three years). In August 2007, Medicare published new rate methodologies for inpatient rates. Due to this methodology change, Medicare and Medicaid rates will no longer be directly comparable. The proposed 1.5 percent increase is more directly related to the Committee's common policy for other community provider rate increases than trying to maintain a rate structure at 90 percent of Medicare.

**Cash accounting adjustment for additional managed care organizations:** Last year the General Assembly passed H.B. 07-1346 in order to encourage a greater use of managed care organizations in the Medicaid

program. Because the Medical Services Premiums line item uses cash accounting, when a client transitions from the fee-for-service program to managed care, the Department will be required to pay for both the fee-for-service claims that were incurred prior to the client's enrollment in managed care and the capitation to the managed care organization. Because of the billing lag in cash-based fee-for-service, the Department will temporarily pay for prior months and the current month concurrently during the transition period. The recommendation includes an increase of \$3.9 million total funds for the one-time accounting impacts of adding another 20,000 clients into managed care in FY 2008-09.

**Medical home incentive reimbursements:** The recommendation includes \$3.3 million to increase reimbursements for providers acting as a Medical Home provider to children in the Medicaid program. Last year, the General Assembly passed S.B 07-130, which required the Department to maximize the number of children in the Medicaid program who have a Medical Home. One of the barriers that exists for children to be enrolled in a Medical Home is the low reimbursement rates for primary care physicians. The recommendation will increase the reimbursement for well-child visits in order to provide an incentive for primary care providers to accept Medicaid clients and to coordinate their care. Under this program, providers will be paid an additional incentive payment of \$10.00 per annual well child visit for children 0-4 and an additional incentive payment of \$40.00 for annual well child visits for children ages 5 to 20. The Joint Budget Committee estimates that 94,440 Medicaid children (49.5 percent of the estimated caseload) will be enrolled in a Medical Home in FY 2008-09. Of this amount, 23,610 will be children under 2 years old with an average cost of \$50.00 for five well-child visits, 23,610 will be 2 to 4 years old with an average cost of \$10.00 for their annual well child visit, and 47,220 children will be between ages 5 to 20 at an average cost of \$40.00 per annual well child visit.

**Other provider rate increases:** The recommendation includes a total fund increase of \$2.6 million to address other areas where the Medicaid reimbursement rate is significantly below comparable Medicare or private rates and is having a direct impact on the ability to provide services to Medicaid clients because of the low reimbursement. The table below shows the additional rate increases included in the recommendation.

	JBC Recommendation
Increase for Vision Benefits	\$500,000
Increase for Prenatal Plus	\$500,000
Substance Abuse Rates	\$750,000
MCO Rates to 100%	\$843,162
Pharmacy Dispensing Fee to \$5.60 in April 2009	\$1,000,000
<u>Federal Deficit Reduction Act of 2005 Estimated Savings April 2009</u>	<u>(\$1,000,000)</u>
<b>TOTAL Other Rate Adjustments in Long Bill</b>	<b>\$2,593,162</b>

1. **Vision benefits:** The recommendation includes \$500,000 total funds to increase rates for vision benefits. Currently, the state Medicaid program pays for eyeglasses for children and for adult clients following eye surgery. The majority of the rates were set in 1987. The recommendation increases reimbursement rates for these services by \$33.45 on average in order to rebase the rates.

2. **Prenatal Plus:** The recommendation includes \$500,000 to increase rates paid to Prenatal Plus providers. The Prenatal Plus program is a program administered in partnership with the Department of Public Health Environment to identify and provide services to women at high risk of pre-term (low-birth weight) births. The program enhances prenatal programs to assist women with nutritional and social services assistance, including discouraging the use of tobacco, alcohol, and illicit drugs. The recommendation will bring rates up to covering approximately 69 percent of the provider costs for these services.
3. **Substance abuse rates:** The recommendation includes \$750,000 to increase the hourly reimbursement rates for substance abuse group sessions by 23 percent and for individual sessions by 63 percent. During the 2005 legislative session, the General Assembly passed HB 05-1015 to add the outpatient substance abuse treatment service to the Medicaid State Plan. Prior to the passage of this bill, Medicaid did not pay for outpatient substance abuse treatment, and Medicaid clients received such care through the Department of Human Services Drug and Alcohol Abuse Treatment program. Because of low Medicaid reimbursement, the number of providers participating in the program have not been sufficient to meet the needs of Medicaid clients. The recommendation seeks to increase the Medicaid rates so that the Medicaid clients will be able to find providers willing to serve their needs. This recommendation should also allow the Drug and Alcohol Abuse Treatment program to serve more indigent clients who do not qualify for Medicaid.
4. **MCO rates to 100 percent:** The recommendation includes \$843,162 above the base calculations to increase managed care rates from 99 percent of fee-for-service rates to 100 percent of fee-for-service rates.
5. **Pharmacy Dispensing Fee to \$5.60 in April 2009:** The recommendation includes \$1.0 million total funds to increase pharmacy dispensing fees from \$4.00 to \$5.60 in April 2009. This represents a 40 percent increase to the currently paid dispensing fee. The delayed implementation is recommended to reduce the costs in FY 2008-09 to \$1.0 million total funds. The rate increase will annualize to approximately \$4.0 million total funds in FY 2009-10. The delayed implementation is also recommended to determine if any savings will result in the pharmacy program from implementation of the federal Deficit Reductions Act (DRA) of 2005 which requires that pharmaceuticals be reimbursed at average manufacture prices. If savings are insufficient to pay for this rate increase, then the General Assembly may take action during the 2009 Legislative Session to delay or suspend this recommended increase.
6. **Deficit Reduction Act Estimated Savings April 2009:** The recommendation includes an estimated savings impact of \$1.0 million due to the implementation of the Deficit Reduction Act of 2005. The recommendation assumes that the DRA will not be implemented until April 2009. Currently, the Centers of Medicare and Medicaid Services (CMS) cannot implement the DRA rules due to a court-ordered injunction. The savings estimate is based on the estimate that reimbursements for affected drugs classes will decrease by 36 percent for those drugs subject to the new limit. This would result in \$12.0 million in savings for Colorado. However, because of the court case, the JBC has lowered the anticipated savings to a conservative \$1.0 million in FY 2008-09 to account for possible changes to the CMS rule.

**Increase radiology rates:** The recommendation includes a total fund increase of \$2.3 million to increase radiology rates. In FY 2002-03, radiology services were cut by 5.0 percent in order to help balance the State's



budget. These rate cuts have never been restored. Currently, on average, the Department is reimbursing at approximately 23 percent of the Medicare rate for these services. The recommendation will increase these rates by approximately 7.7 percent.

**Impact of rate increases to MCO rates:** The recommendation includes \$1.4 million to adjust the managed care organization rates based on the rate increases for the fee-for-service Medicaid program that are described above.

**Caseload impact from Children's Basic Health Plan outreach efforts:** The recommendation includes a total fund increase of \$981,108 to reflect a caseload impact of an additional 536 Medicaid children being served due to additional outreach efforts in the Children's Basic Health Plan (CBHP) program. All children who apply for CBHP must also be screened for Medicaid eligibility. Therefore, additional outreach efforts to enroll more children in the CBHP program should also have a caseload impact in the Medicaid program.

**Caseload impact from developmental disability waiver program expansion:** The recommendation reflects the impact on Medicaid premiums of the expansion of the developmental disability supported living services waiver program. An estimated 30 percent of persons added to the supported living services waiver are not eligible for Medicaid State Plan services prior to their waiver program enrollment. The calculation reflects the assumption that 65 "full year equivalent" persons with disabilities will be added to the State Plan services caseload for FY 2008-09 as a result of new individuals added to the supported living services waiver.

**Increased recoupment and fraud avoidance efforts:** The recommendation includes a reduction of \$3.9 million total funds to reflect savings that are anticipated from increased fraud and recoupment efforts. These savings are partially offset by increased administrative costs in the Executive Director's Office of \$1.8 million total funds. Therefore, the total savings from this new initiative will be \$2.1 million. By enhancing the Department's fraud detection activities, the Department anticipates an increase in the amount of avoided or recovered payments that were made in error. Public Works, the contractor for the Governor's Office Gem Study, estimates that five percent of all Medicaid payments are made in error. Of the five percent of payments made in error, Public Works estimates that twenty percent are recoverable or avoidable. This translates to approximately \$24.8 million in possible recoveries. The recommended savings estimate assumes that the Department will only be able to recover \$3.9 million in the first year that the enhanced fraud activities are implemented.

**Preferred drug list savings:** The recommendation includes a decrease of \$962,456 total funds for additional savings beyond those savings already in the base calculations, for implementing additional portions of the preferred drug list in FY 2008-09. Including the savings of \$186,820 that are in the base calculations, the total savings estimated for the preferred drug list are \$1.1 million in FY 2008-09. The savings are based on an implementation schedule that will move a total of 12 drug classes onto the preferred drug list by the end of FY 2008-09. These savings are partially offset by approximately \$313,663 in administrative costs in the Executive Director's Office.

**Savings from developmental disability regional center conversion to ICF/MR:** The recommendation reduces the Medicaid premiums appropriation by \$302,146 total funds associated with converting 20 group homes at the Wheat Ridge Regional Center from licensure and billing under the Medicaid developmental disability comprehensive waiver program to licensure and billing as "intermediate care facilities for the mentally retarded" (ICFs/MR). For individuals enrolled in the waiver program, billing for durable medical equipment, physician services, and therapies is through the State Plan. For individuals in an ICF/MR, these

costs are incorporated into the daily rate for the ICF/MR. The reductions in State Plan costs partially offset recommended increases in the Department of Human Services associated with ICF/MR conversion.

**340D pharmacy pilot program:** The recommendation includes a decrease of \$74,308 for the 340D pharmacy pilot program. In 1992, Congress passed the Veterans Health Care Act, which included a provision that allowed significant discounts for certain pharmaceuticals to providers who serve primarily indigent clients. Providers who are designated as a 340B pharmacy receive these discounted prices. Currently, the Department pays only a small portion of pharmacy claims to these providers. This recommendation is the savings impact associated with developing a pilot program to encourage more use of 340D pharmacies. These savings are offset by increased administrative costs in the Executive Director's Office of \$61,086.

**Medicaid Mental Health Community Programs:** This division provides for mental health services through the purchase of services from five regional behavioral health organizations (BHOs), which manage mental health services for eligible Medicaid recipients in a capitated, risk-based model. This division contains funding for Medicaid mental health fee-for-service. Funding for FY 2008-09 reflects funding for 361,782 Medicaid clients who are eligible for mental health services.

Medicaid Mental Health Community Programs	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$198,280,044	\$92,547,538	\$0	\$6,829,511	\$98,902,995	0.0
Long Bill Supplemental	(2,463,660)	81,514	0	(1,315,661)	(1,229,513)	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	5,507,428	(5,507,428)	0	0
<b>FY 2007-08 Adjusted Appropriation</b>	\$195,816,384	\$92,629,052	\$5,507,428	\$6,422	\$97,673,482	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Caseload and cost forecast	13,115,700	5,472,190	1,083,537	783	6,559,190	0.0
Caseload impact from Children's Basic Health Plan outreach efforts	103,544	51,772	0	0	51,772	0.0
Caseload impact from developmental disability waiver program expansion	100,240	50,120	0	0	50,120	0.0
Eliminate one-time funding for federal disallowance	(487,391)	(487,391)				0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$208,648,477	\$97,715,743	\$6,590,965	\$7,205	\$104,334,564	0.0
\$ Change from prior year	\$12,832,093	\$5,086,691	\$1,083,537	\$783	\$6,661,082	0.0
% Change from prior year	6.6%	5.5%	19.7%	12.2%	6.8%	n/a

## Issue Descriptions

### FY 2007-08

**Long Bill Supplemental:** The Long Bill supplemental includes the components shown on the table below.

	Total Funds	General Fund	Cash Funds Exempt	Federal Funds
Capitation caseload and costs	(2,559,927)	33,380	(1,315,661)	(1,277,646)
Fee for service costs	96,267	48,134	0	48,133
Total	(\$2,463,660)	\$81,514	(\$1,315,661)	(\$1,229,513)

*Capitation caseload and costs:* The FY 2007-08 *mental health capitation* reduction of \$2.6 million is primarily based on revised estimates of program costs projected from actual expenditures and caseload for the first half of the year. These changes are based on the population of individuals eligible for the Medicaid program across the State, partially offset by higher actuarially-certified rates. Table 1 below compares the projected changes in rates and caseload by eligibility category.

Table 1: FY 2007-08 Appropriation Compared to Staff's FY 2007-08 Expenditure Estimate							
Eligible MH Medicaid Caseload	Original Caseload Projection	Est. Capitation Rate for Aid Category	Cost Estimate	New Caseload Projection	Est. Capitation Rate for Aid Category	New Cost Estimate	Cost Difference
SSI 65+	36,703	\$167.98	\$6,165,370	35,790	\$160.50	\$5,744,295	(\$421,075)
SSI 60-64	6,252	\$1,387.23	\$8,672,962	6,098	\$1,487.13	\$9,068,519	\$395,557
SSI Disabled	48,942	\$1,387.23	\$67,893,811	49,565	\$1,487.13	\$73,709,598	\$5,815,788
LI Adults	46,708	\$210.39	\$9,826,896	43,972	\$249.39	\$10,966,177	\$1,139,281
Ex LI Adults	10,377	\$210.39	\$2,183,217	8,567	\$249.39	\$2,136,524	(\$46,693)
BC Adults	5,264	\$210.39	\$1,107,493	5,895	\$249.39	\$1,470,154	\$362,661
BCCTP	277	\$160.32	\$44,409	271	\$221.05	\$59,905	\$15,496
Children	193,981	\$172.33	\$33,428,746	198,500	\$186.29	\$36,978,565	\$3,549,819
Foster Children	<u>17,295</u>	<u>\$3,602.19</u>	<u>\$62,299,876</u>	<u>16,572</u>	<u>\$3,223.73</u>	<u>\$53,423,654</u>	<u>(\$8,876,222)</u>
Subtotal	365,799	n/a	\$191,622,780	365,230	n/a	\$193,557,391	\$1,934,610
Recoupment Adjustment	n/a	n/a	\$300,000	n/a	n/a	(\$1,000,000)	(\$1,300,000)
S.B. 07-02 Adj not included above	<u>1,226</u>	<u>\$3,573.30</u>	<u>4,380,871</u>	<u>368</u>	<u>\$3,223.73</u>	<u>\$1,186,333</u>	<u>(\$3,194,538)</u>
Total	367,025	n/a	\$196,303,651	365,598	n/a	\$193,743,723	(\$2,559,927)

*Fee for service costs:* The fee for service supplemental increase of \$96,267 is based on actual expenditure data through February 2008 and projections for the rest of the year. This program pays the costs for Medicaid clients who receive mental health treatment that is not covered by the mental health capitation program.

## **FY 2008-09**

**Caseload and cost forecast:** The recommendation includes a total fund increase of \$13.1 million in FY 2008-09 in order to fund the Medicaid mental health program's forecasted caseload and capitation costs. Of this amount, \$3.0 million results from the caseload impacts of S.B. 07-02 (extending Medicaid eligibility to foster children up to age 21) being fully implemented. The remaining increase of \$10.1 million results from the increases related to caseload and capitation rate increases. The capitation rate increases are based on contractual obligations and are reviewed for actuarial soundness. Table 2 compares the projected costs for the mental health program by aid category in FY 2008-09 to the final estimates for FY 2007-08.

<b>Table 3: Final FY 2007-08 Estimates Compared to FY 2008-09 JBC Recommendation</b>							
<b>Eligible MH Medicaid Caseload</b>	<b>FY 2007-08 Caseload</b>	<b>FY 2007-08 Est. Capitation Rate for Aid Category</b>	<b>FY 2007-08 Cost Estimate</b>	<b>FY 2008-09 Caseload</b>	<b>FY 2008-09 Capitation Rate for Aid Category</b>	<b>FY 2008-09 Cost Estimate</b>	<b>Cost Difference</b>
SSI 65+	35,790	\$160.50	\$5,744,295	36,278	\$166.44	\$6,038,110	\$293,815
SSI 60-64	6,098	\$1,487.13	\$9,068,519	6,216	\$1,542.15	\$9,586,004	\$517,486
SSI Disabled	49,565	\$1,487.13	\$73,709,598	50,058	\$1,542.15	\$77,196,945	\$3,487,346
LI Adults	43,972	\$249.39	\$10,966,177	41,667	\$258.62	\$10,775,920	(\$190,258)
Ex LI Adults	8,567	\$249.39	\$2,136,524	9,629	\$258.62	\$2,490,252	\$353,728
BC Adults	5,895	\$249.39	\$1,470,154	6,028	\$258.62	\$1,558,961	\$88,807
BCCTP	271	\$221.05	\$59,905	301	\$229.23	\$68,998	\$9,094
Children	198,500	\$186.29	\$36,978,565	192,948	\$193.18	\$37,273,695	\$295,130
Foster Children (w/ S.B. 07-02)	<u>16,940</u>	<u>\$3,223.73</u>	<u>\$54,609,986</u>	<u>18,657</u>	<u>\$3,343.01</u>	<u>\$62,370,538</u>	<u>\$7,760,551</u>
Subtotal	365,598	n/a	\$194,743,723	361,782	n/a	\$207,359,423	\$12,615,700
Recoupment Adjustment	<u>0</u>	<u>0</u>	<u>(\$1,000,000)</u>	<u>0</u>	<u>0</u>	<u>(\$500,000)</u>	<u>\$500,000</u>
Total	365,598		\$193,743,723	361,782		\$206,859,423	\$13,115,700

**Caseload impact from Children's Basic Health Plan outreach efforts:** The recommendation includes a total fund increase of \$103,544 to reflect a caseload impact of an additional 536 Medicaid children being served due to additional outreach efforts in the Children's Basic Health Plan (CBHP) program. All children who apply for CBHP must also be screened for Medicaid eligibility. Therefore, additional outreach efforts to enroll more children in the CBHP program should also have a caseload impact in the Medicaid program.

**Caseload impact from developmental disability waiver program expansion:** The recommendation reflects the impact on Medicaid mental health for the expansion of the developmental disability supported living services waiver program. An estimated 30 percent of persons added to the supported living services waiver

are not eligible for Medicaid mental health services prior to their waiver program enrollment. The calculation reflects the assumption that 65 "full year equivalent" persons with disabilities will be added to the State Plan services caseload for FY 2008-09 as a result of new individuals added to the supported living services waiver.

**Eliminate one-time funding for federal disallowance:** The recommendation eliminates \$487,391 in one-time funding that was provided in FY 2007-08 to reimburse the Centers of Medicare and Medicaid Services (CMS) for federal funds that were claimed by the state for the mental health capitation program but were later disallowed by CMS.

**Indigent Care Program:** This division contains funding for the following programs: (1) Safety Net Provider Payments; (2) Indigent Care Clinics; (3) Pediatric Specialty Hospital Payments; (4) Primary Care Program; (5) Medically Indigent Program; (6) Children's Basic Health Plan; (7) Hospital Provider Fee Payments; and (8) Comprehensive Primary and Preventative Care Grants. The first five programs provide funding for the Colorado Indigent Care Program (CICP) which partially reimburses health care providers for medical services provided to Colorado's indigent population that do not qualify for Medicaid or the Children's Basic Health Plan. The CICP provides health care reimbursement for approximately 172,500 Coloradans at 45 participating hospitals and 16 participating clinics.. The Children's Basic Health Plan provides health care insurance for children and adult pregnant women with incomes up to 205 percent of federal poverty level. The program is forecasted to serve 75,402 clients in FY 2008-09. The Hospital Provider Fee Payment program allows local governments to assess fees on hospitals in order to maximize the amount of federal reimbursement available under the federal upper payment limits. Finally, the Comprehensive Primary and Preventative Care Grants program provides grant funding to build and maintain the health care infrastructure in medically under served areas.

Indigent Care Program	Total Funds	General Fund/1	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$503,887,692	\$35,225,673	\$246,943	\$228,105,734	\$240,309,342	0.0
Long Bill Supplemental	30,046,458	5,533,208	44,990	8,588,269	15,879,991	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	221,194,803	(221,194,803)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$533,934,150	\$40,758,881	\$221,486,736	\$15,499,200	\$256,189,333	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Children's Basic Health Plan (CBHP) forecast	26,945,048	(11,011)	9,503,536	0	17,452,523	0.0
Additional outreach for CBHP	10,977,157	0	3,906,880	0	7,070,277	0.0
Annualize prior year legislation	5,420,407	0	2,010,821	0	3,409,586	0.0
Additional funding for pediatric specialty hospital	4,000,000	2,000,000	0	0	2,000,000	0.0
Building blocks to health care reform - medical home	1,777,534	0	626,593	0	1,150,941	0.0
Revenue adjustments	1,180,550	(4,200)	1,193,150	(4,200)	(4,200)	0.0
Eliminate one-time funding for CBHP Trust Fund	(5,547,008)	(5,547,008)	0	0	0	0.0

Indigent Care Program	Total Funds	General Fund/1	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
Adjustment to local government hospital provider fee	(5,005,654)	0	(2,502,827)	0	(2,502,827)	0.0
Adjustment to federal match received for Primary Care Program	(1,225,421)	0	0	0	(1,225,421)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$572,456,763	\$37,196,662	\$236,224,889	\$15,495,000	\$283,540,212	0.0
\$ Change from prior year	\$38,522,613	(\$3,562,219)	\$14,738,153	(\$4,200)	\$27,350,879	0.0
% Change from prior year	7.2%	(8.7)%	6.7%	0.0%	10.7%	n/a

/1 This amount includes a General Fund Exempt Appropriation. In addition, a total of \$495,000 is not subject to the statutory limitation on General Fund appropriation growth or any other spending limitation existing in law pursuant to Article X, Section 21 (8) of the State Constitution.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
FY 2007-08 Appropriation	\$35,225,673	\$34,712,673	\$513,000
Long Bill Supplemental	<u>(13,800)</u>	<u>0</u>	<u>(13,800)</u>
FY 2007-08 Adjusted Appropriation	35,211,873	34,712,673	499,200
Program General Fund Issues	\$1,988,989	\$1,988,989	\$0
<u>Tobacco Tax Revenue adjustment</u>	<u>(\$4,200)</u>	<u>\$0</u>	<u>(\$4,200)</u>
Total FY 2007-08 Long Bill Recommendation	\$37,196,662	\$36,701,662	\$495,000

## General Fund Exempt

In November 2004, the Colorado voters passed Amendment 35 to the Colorado Constitution. Amendment 35 requires that 3.0 percent of the new tobacco tax be appropriated to the General Fund and the Old Age Pension Fund, and be distributed to the counties and cities. Because Amendment 35 moneys are exempt from the TABOR limit, the General Fund appropriations of these moneys are General Fund Exempt. House Bill 05-1262 requires that 50 percent of the tobacco tax revenues appropriated to the General Fund be appropriated to the Pediatric Specialty Hospital Fund pursuant to Section 24-22-117 (1) (c) (I) (B), C.R.S.

## Issue Descriptions

### FY 2007-08

**Long Bill Supplemental:** The Long Bill supplemental includes the components shown on the table below.

	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
Caseload and cost changes for Children's Basic Health Plan	\$24,580,949	\$0	\$44,990	\$8,615,869	\$15,920,090
Increase for Children's Basic Health Plan Trust Fund	5,547,008	5,547,008	0	0	0

	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds
Technical adjustments and revenue changes	(81,499)	(13,800)	0	(27,600)	(40,099)
Total	\$30,046,458	\$5,533,208	\$44,990	\$8,588,269	\$15,879,991

*Caseload and cost changes for Children's Basic Health Plan:* The recommendation includes a total fund increase of \$24.6 million to the FY 2007-08 appropriations for the Children's Basic Health Plan (CBHP). The increase results from higher caseload and per-capita costs than originally estimated and has the following components: (1) \$22.4 million for increased medical costs; (2) \$2.1 million for increased dental costs; and (3) \$44,900 in additional enrollment fees collected for the program. The following table summarizes the impact of the caseload and cost adjustments that are recommended for the FY 2007-08 supplemental.

Table 1: FY 2007-08 Children's Basic Health Caseload and Dollar Changes/1				
	Children's Premium Caseload	Children's Dental Caseload/2	Adult Prenatal Member Months	
Original FY 2007-08 Caseload Estimate	53,716	37,053	1,656	
New FY 2007-08 Caseload Estimate	58,915	58,915	1,560	
Increase/ (Decrease) in Caseload	5,199	21,862	(96)	
Original Per Capita Estimate	\$1,352.16	\$191.75	\$10,381.20	
New Per Capita Estimate	\$1,610.22	\$156.06	\$11,158.09	
Increase/ (Decrease) in Per Capita Cost	\$258.06	(\$35.69)	\$776.89	
Estimated Costs				
Original Caseload and Cost	\$72,632,627	\$7,104,840	\$17,193,862	
New Caseload Estimate and Cost	94,866,243	9,194,426	17,406,619	
Total Change In Cost	\$22,233,616	\$2,089,586	\$212,757	
Total Fund Increase for CBHP Medical and Dental Costs				\$24,535,959
Increase recommended to CBHP Trust Fund for additional enrollment fees				\$44,990
<b>TOTAL SUPPLEMENTAL RECOMMENDATION</b>				<b>\$24,580,949</b>

/1 Slight rounding differences are contained in the table.

/2 In the original FY 2007-08 appropriation the dental caseload was calculated as approximately 79 percent of the Medical caseload to reflect a month delay in using this service. The methodology has been changed to make the delayed use of this service in the capitation rate instead of in the caseload estimate.

*Increase for Children's Basic Health Plan Trust Fund:* The recommendation includes a General Fund appropriation of \$5.5 million into the Children's Basic Health Plan Trust Fund to ensure the financial solvency of the fund for future CBHP expansions.

*Technical adjustments and revenue changes:* The recommendation also includes the following technical adjustments: (1) a decrease of \$41,400 total funds to reflect a lowered amount of moneys from Amendment 35 Tobacco Tax revenues, and (2) a decrease of \$40,099 federal funds to correct technical errors in the current appropriation.

## **FY 2008-09 Discussion**

**Children's Basic Health Plan (CBHP) forecast:** The recommendation includes a total fund increase of \$26.9 million to fund the forecasted caseload and per-capita-cost increases for the CBHP program before policy changes. The cost changes for the CBHP program are based on the following assumptions: (1) an overall increase to the children's caseload of 11,155 or 19.2 percent; (2) an increase in the adult prenatal program caseload of 137 or 8.8 percent; (3) an increase in the per capita rate for the children's medical program of \$15.85 or 1.0 percent; (4) an increase in the per capita rate for the children's dental program of \$5.32 or 3.4 percent; and (5) an increase in the adult prenatal program per capita of \$1,565.13 or 14.0 percent. The per capita rate changes result from an actuary recommendation based on current health care trends in the community and for the program. Table 2 below shows the FY 2008-09 caseload assumptions and per-capita costs compared to the final recommended caseload and per-capita costs for FY 2007-08.

Table 2: FY 2008-09 Children's Basic Health Plan						
	FY 2007-08 Final Caseload Estimate	FY 2008-09 Recommended caseload Estimate	Difference	FY 2007-08 Per Capita Cost	FY 2008-09 Per Capita Cost	Difference
Children Medical Clients	58,195	69,350	11,155	\$1,610.22	\$1,626.07	\$15.85
Children Dental Clients	58,195	69,350	11,155	\$156.06	\$161.38	\$5.32
Prenatal Adults Member Months	1,560	1,697	137	\$11,158.09	\$12,723.22	\$1,565.13

**Additional outreach for CBHP:** The recommendation includes a total fund increase of \$11.0 million for the caseload impacts and contract costs for additional outreach activities. The outreach activities are aimed at enrolling children who are eligible for the program but have not yet enrolled. The recommendation has the following components: (1) \$1.4 million total funds to increase the current contract for marketing and outreach; (2) \$9.6 million total funds for premium and dental costs associated with an estimated 5,358 addition children who will enroll due to the increased outreach and marketing efforts.

**Annualize prior year legislation:** The recommendation includes \$5.4 million total funds to annualize the costs of legislation that was passed during the 2007 Session. Of this amount, \$4.1 million restores one-time savings that occurred in FY 2007-08 when the program moved from an accrual basis of accounting to a cash basis of accounting (S.B. 07-133). The remaining \$1.3 million is to annualize the impacts of various other bills.

**Additional funding for pediatric specialty hospital:** The recommendation increases the funding to the Pediatric Specialty Hospital line item by \$4.0 million total funds. This line item provides additional Medicaid reimbursement to qualifying children's hospitals that see a disproportionate share of low-income children. The federal match for this item comes from the hospitals Medicare upper payment limit financing.

**Building blocks to health care reform - medical homes:** The recommendation includes \$1.8 million total funds for items related to the Governor's Building Blocks to Health Care Reform. Specifically, the



increased funding is allocated as follows: (1) \$1.2 million for an estimated children's caseload increase of 694 related to medical home providers helping children apply for CBHP (this impact is in addition to the base forecast and outreach efforts caseload forecasts described above); (2) \$513,842 to increase reimbursement to medical home providers as described in the Medical Services Premiums division; and (3) \$15,000 in additional administrative costs associated with implementing the medical home incentive payments.

**Revenue adjustments:** The recommendation includes a total fund increase of \$1.2 million for forecast adjustments to the Tobacco Master Litigation Settlement moneys and Amendment 35 tobacco taxes that will be available in FY 2008-09 for the various programs that receive appropriations from these fund sources.

**CBHP Trust Fund adjustments:** The recommendation reflects a decrease of \$5.5 million General Fund into the CBHP Trust Fund to eliminate a one-time appropriation that was provided in FY 2007-08.

**Adjustment to local government hospital provider fee:** The recommendation includes a total fund reduction of \$5.0 million to remove one-time funding that was claimed in FY 2007-08 for retroactive federal reimbursement for the Hospital Provider Fee Program related to costs in FY 2006-07.

**Adjustment to federal match received for Primary Care Program:** The recommendation includes a federal fund reduction of \$1.2 million to remove one-time matching funds that were claimed in FY 2007-08 for retroactive federal reimbursement for the Primary Care Program related expenditures in FY 2006-07.

**Other Medical Services:** This division contains the funding for the following programs: (1) Old Age Pension State Medical Program; (2) Commission on Family Medicine Residency Training Program; (3) Enhanced Prenatal Care Training and Technical Assistance Medicaid Funding (administered by the Department of Public Health and Environment); (4) Nurse Home Visitor Program Medicaid Funding (administered by the Department of Public Health and Environment); (5) Medicare Modernization Act of 2003 State Contribution Payment; (6) Public School Health Services (administered jointly with the Department of Education); and (7) Colorado Cares RX Program Contract Costs.

Other Medical Services	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$132,171,196	\$81,032,933	\$0	\$33,306,193	\$17,832,070	0.0
Long Bill Supplemental	2,548,557	2,548,557	0	0	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	29,326,193	(29,326,193)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$134,719,753	\$83,581,490	\$29,326,193	\$3,980,000	\$17,832,070	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
State contribution payment increase	9,060,185	9,060,185	0	0	0	0.0
Transfer Colorado Cares Rx Program from Executive Director's Office	2,219,231	0	2,219,231	0	0	0.0
Old Age Pension Medical Program increase	2,018,043	0	2,018,043	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Family medicine residency increase	270,000	135,000	0	0	135,000	0.0
Enhanced prenatal increase	8,412	4,206	0	0	4,206	0.0
Eliminate one-time funding for federal disallowance	(10,480,201)	(10,480,201)	0	0	0	0.0
Realign Public School Health Services program appropriation	(3,826,279)	0	(1,905,114)	0	(1,921,165)	0.0
Adjustment for tobacco tax revenue projection	(25,500)	0	(25,500)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$133,963,644	\$82,300,680	\$31,632,853	\$3,980,000	\$16,050,111	0.0
\$ Change from prior year	(\$756,109)	(\$1,280,810)	\$2,306,660	\$0	(\$1,781,959)	0.0
% Change from prior year	(0.6)%	(1.5)%	7.9%	0.0%	(10.0)%	n/a

## Issue Descriptions

**State contribution payment increase:** The recommendation includes a General Fund increase of \$9.1 million for the Medicare Modernization Act (MMA) of 2003 State Contribution Payment (Medicare Part D "clawback"). Of this amount, \$4.6 million is added to reverse one-time savings that occurred in FY 2007-08 when the program moved from an accrual basis of accounting to a cash basis of accounting (S.B. 07-133). In addition, \$4.4 million is added to reflect current caseload and cost estimates. In FY 2008-09, the total MMA State Contribution Payment is estimated to be \$81.2 million. This amount reflects an average monthly caseload of 55,164 individuals who are eligible for both Medicare and Medicaid at an average cost of \$122.60 per month to the State.

**Transfer Colorado Cares Rx Program from Executive Director's Office:** The recommendation transfers the program costs for the Colorado Cares Rx Program from the Executive Director's Office to the Other Medical Services section. The total recommended amount of \$2.2 million cash funds reflects the annualized costs for S.B. 07-001 in FY 2008-09. The program funding includes \$1.9 million for a contractor to accept and process applications, collect fees, determine eligibility, and produce program identification cards for Coloradans who qualify for the Colorado Cares Rx Program. In addition, \$323,146 is recommended for changes to the Colorado Benefit Management System (CBMS) to determine and track eligibility for the program.

**Old Age Pension Medical Program increase:** The recommendation includes an increase of \$2.0 million cash funds for the Old Age Pension (OAP) Medical Program. This funding will be used to maintain provider rates at the same level as rates currently paid by the program in FY 2007-08. Currently, provider rates for the OAP Medical Program range from 10.0 percent to 70.0 percent of the Medicaid rate for similar services or products. The additional funding will come from the current fund balance in the OAP Supplemental Medical Fund. In FY 2008-09, the total cost of the program is estimated at \$15.3 million for 5,389 clients at an average annual cost-per-client of \$2,841.29.

**Family medicine residency increase:** The recommendation includes an increase of \$270,000 for the Commission on Family Medicine Residency Programs. Of this amount, \$135,000 is from the General Fund and \$135,000 is federal funds. The total recommended appropriation for the Commission on Family

Medicine Residency Programs is \$2,173,558. For FY 2008-09, this program will provide approximately \$241,506 to each of the nine family medicine residency programs throughout the State.

**Enhanced prenatal increase:** The recommendation reflects an increase of \$8,412 for the Enhanced Prenatal Care Training and Technical Assistance program that is administered by the Department of Public Health and Environment. Of this amount, \$4,206 is General Fund and \$4,206 is federal funds. The increased amount reflects adjustments to centrally-appropriated line items in the Department of Public Health and Environment that qualify for federal matching moneys from the Medicaid program.

**Eliminate one-time funding for federal disallowance:** The recommendation eliminates \$10,480,201 in one-time funding that was provided in FY 2007-08 to reimburse the Centers of Medicare and Medicaid Services (CMS) for federal funds that were claimed by the State for the Public School Health Services program and were later disallowed by CMS.

**Realign Public School Health Services program appropriation:** The recommendation includes a decrease of \$3.8 million total funds to realign the appropriation for the Public School Health Services program to the actual expenditures for the program. Of this decrease, \$1.9 million is from local funds certified at school districts and \$1.9 million is federal Medicaid moneys. The program's total FY 2008-09 appropriation with this recommendation will be \$27,501,534 total funds.

**Adjustment for tobacco tax revenue projection:** The recommendation includes a decrease of \$25,500 cash funds to reflect the current Legislative Council Staff revenue forecast for the tobacco taxes and products that are deposited into the Supplemental Old Age Pension Health Medical Care Fund

**Department of Human Services Medicaid-Funded Programs:** This division contains funding for programs administered by the Department of Human Services that are eligible for Medicaid funding. The funds appropriated in this division are transferred to the Department of Human Services. Detail about the programs funded with these dollars can be found in the Department of Human Services section.

Department of Human Services Medicaid-Funded Programs	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$401,789,115	\$197,098,181	\$0	\$3,832,003	\$200,858,931	0.0
Long Bill Supplemental	(9,057,897)	(4,466,968)	0	(61,794)	(4,529,135)	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	2,395,535	(2,395,535)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$392,731,218	\$192,631,213	\$2,395,535	\$1,374,674	\$196,329,796	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Services for People with Disabilities	30,134,069	15,658,871	(812,336)	220,015	15,067,519	0.0
Executive Director's Office	2,199,114	1,029,117	0	(388)	1,170,385	0.0
Division of Youth Corrections	1,004,358	502,178	0	0	502,180	0.0
Division of Child Welfare	(16,099,379)	(8,049,690)	0	0	(8,049,689)	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Information Technology Services	(1,247,875)	(353,919)	0	(113,319)	(780,637)	0.0
Other	174,829	87,056	0	(23,757)	111,530	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$408,896,334	\$201,504,826	\$1,583,199	\$1,457,225	\$204,351,084	0.0
\$ Change from prior year	\$16,165,116	\$8,873,613	(\$812,336)	\$82,551	\$8,021,288	0.0
% Change from prior year	4.1%	4.6%	(33.9)%	6.0%	4.1%	n/a

## Issue Descriptions

**Long Bill Supplemental:** This includes a reduction of \$9.9 million in Medicaid funding for community-based developmental disability services based on projected FY 2007-08 Medicaid waiver program utilization and the impact of a new billing structure, and a reduction of \$1.0 million in Medicaid funding for youth corrections services based on the projected FY 2007-08 caseload. This reduction is partially offset by an increase of \$1.4 million in Medicaid funding for the regional centers (state operated facilities for persons with developmental disabilities) to address unanticipated staffing needs and \$0.4 million for the mental health institutes based on revised Medicaid revenue projections for FY 2007-08.

**Services for People with Disabilities:** The recommended increase includes the following increases to Medicaid funding for services for people with developmental disabilities: (1) \$14.7 million to expand the community-based adult residential and supported living services Medicaid waiver caseload; (2) \$8.6 million to reverse the one-time FY 2007-08 Long Bill supplemental impact on community-based and regional center programs; (3) \$4.3 million for a 1.5 percent community provider rate increase for community-based programs; (4) \$4.0 million for the state-operated regional centers, including adjustments to annualize salary and benefits increases added in FY 2007-08 and to add staff related to converting group homes to "ICF/MR" institutional licensure; and (5) \$3.2 million to annualize to a full year Medicaid waiver program caseload added for six months in FY 2007-08. These increases are partially offset by the following reductions: (1) \$2.4 million to community-based programs to reduce the likelihood of an FY 2008-09 under-expenditure; (2) \$1.6 million (comprised of cash funds and federal funds) for a program that uses federal funds to match locally certified spending for developmental disability services; and (3) \$0.7 million to eliminate the FY 2007-08 leap year adjustment.

**Executive Director's Office:** The recommendation reflects an increase of \$1.6 million in benefits for employees. Additional increases were for payments to other agencies, including the Department of Law for legal services, and are a result of the Joint Budget Committee common policy decisions.

**Division of Youth Corrections:** The recommendation reflects an increase of \$1.0 million to restore reductions made in FY 2007-08 based on caseload.

**Division of Child Welfare:** The recommendation reflects a reduction of \$18.0 million in Medicaid appropriations to more accurately reflect county spending patterns. This adjustment has a statewide General Fund impact of \$0, as the \$9.0 million General Fund reduction to HCPF is matched by an equal \$9.0 million General Fund increase to the child welfare appropriation in the Department of Human Services. The Medicaid reduction is partially offset by an increase of \$1.4 million for child welfare population increases and \$0.5 million for a provider rate increase.

**Office of Information Technology Services:** The recommendation includes a decrease in CBMS expenses due to the removal of one-time expenditures for changes requested by the counties and the federally-required refinancing of FY 2004-05 expenditures. This decrease is partially offset by increases in payment to other agencies for the multi-use network, for purchase from the computer center, and for emergency communications services.

**Other:** The recommendation includes increases of: (1) \$75,000 for the relocation of an appropriation to this section of the HCPF Long Bill from the Executive Director's Office; (2) \$75,000 for common policy adjustments in the Department of Human Services Office of Operations; and (3) \$24,000 for adjustments to Mental Health and Alcohol and Drug Abuse Services.

## Department of Higher Education

**Department Description:** This department is responsible for higher education and vocational training programs in the state. The Colorado Commission on Higher Education (CCHE) serves as the central policy and coordinating board for the Department. Financial aid programs also fall under the purview of CCHE.

Summary Table for Department of Higher Education						
	Total Funds	General Fund <sup>1</sup>	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$2,525,489,083	\$746,385,104	\$22,479,472	\$1,736,146,271	\$20,478,236	19,277.9
Long Bill supplemental	30,584,706	1,332,196	825,051	28,427,459	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	1,089,623,897	(1,089,623,897)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$2,556,073,789	\$747,717,300	\$1,112,928,420	\$674,949,833	\$20,478,236	19,277.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Department Administrative Office	488,391	(136,246)	301,758	278,506	44,373	0.0
Colorado Commission on Higher Education	(439,429)	0	(512,216)	63,346	9,441	0.0
Colorado Commission on Higher Education Financial Aid	10,094,518	10,094,518	0	0	0	0.0
College Opportunity Fund Program	49,954,830	52,990,506	(3,035,676)	0	0	0.0
Governing Boards	153,307,390	0	102,189,864	51,117,526	0	524.2
Local District Junior Colleges	1,067,256	1,067,256	0	0	0	0.0
Advisory Commission on Family Medicine	(1,903,558)	0	0	(1,903,558)	0	0.0
Division of Occupational Education	896,794	604,149	0	612,414	(319,769)	0.0
Auraria Higher Education Center	66,114	0	0	66,114	0	0.0
State Historical Society	1,776,783	0	1,758,951	0	17,832	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$2,771,382,878	\$812,337,483	\$1,213,631,101	\$725,184,181	\$20,230,113	19,802.1
\$ Change from prior year	\$215,309,089	\$64,620,183	\$100,702,681	\$50,234,348	(\$248,123)	524.2
% Change from prior year	8.4%	8.6%	9.0%	7.4%	(1.2)%	2.7%

<sup>1</sup> This amount includes a General Fund Exempt Appropriation. See the division detail for more information on General Fund Exempt recommended appropriations.

### Recommendation Highlights:

1. Provides \$88.7 million in additional tuition spending authority for the governing boards, including the following caps on rate increases for undergraduate resident students:
  - a. 9.5 percent for the research institutions;
  - b. 7.5 percent for state colleges; and
  - c. 5.5 percent for the community colleges.

2. Adds \$53.0 million General Fund for an 8.5 percent increase in stipends and fee-for-service contracts (a \$51.1 million and 8.1 percent effective increase for the state-operated institutions), distributed to the governing boards by a formula that takes into account inflation, peer comparisons developed by the National Center for Higher Education Management Systems, and operating costs of medical programs and small rural institutions.
3. Includes \$10.4 million more from tobacco settlement moneys for the University of Colorado Health Sciences Center pursuant to Section 24-75-1104.5 (1.5) (a) (I), C.R.S.
4. Increases financial aid programs by \$10.1 million General Fund, or 10.6 percent, including \$7.3 million for need based financial aid, \$1.7 million for work study, \$800,000 for precollegiate scholarships, and \$296,000 for Native American students at Fort Lewis College.
5. Adds \$1.1 million General Fund for an 7.2 percent increase for the Local District Junior Colleges.
6. Adds \$752,000 General Fund for an 7.2 percent increase for the Area Vocational Schools.

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### Budget Recommendation Detail by Long Bill Division

**Department Administrative Office:** This division includes funding for centrally appropriated items for the Colorado Commission on Higher Education, Division of Private Occupational Schools, and the Historical Society. These centrally appropriated items include salary survey, risk management, leased space, health benefits, and other miscellaneous expenses. These expenses are not appropriated centrally for the other divisions within the Department.

Department Administrative Office	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,816,364	\$136,246	\$830,117	\$783,439	\$66,562	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	198,914	(198,914)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,816,364	\$136,246	\$1,029,031	\$584,525	\$66,562	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Salary, benefit, insurance, and computer service adjustments	413,711	(74,732)	274,519	169,551	44,373	0.0
Leased space	136,194	0	27,239	108,955	0	0.0
One-time legal services	(61,514)	(61,514)	0	0	0	0.0
<b>Total FY 2008 -09 JBC Recommendation</b>	\$2,304,755	\$0	\$1,330,789	\$863,031	\$110,935	0.0
\$ Change from prior year	\$488,391	(\$136,246)	\$301,758	\$278,506	\$44,373	0.0
% Change from prior year	26.9%	(100.0)%	29.3%	47.6%	66.7%	n/a

## Issue Descriptions

**Salary, benefit, insurance, and computer service adjustments:** The recommendation includes adjustments of: 1) \$199,001 for health, life, and dental premiums; 2) \$129,423 for salary survey; 3) \$88,168 for amortization equalization disbursements; and 4) miscellaneous reductions totaling \$4,224 for other benefits and centrally-appropriated services.

**Leased space:** The recommendation includes an increase of \$136,194 for the Department's administrative office to relocate from 1380 Lawrence Street to 1560 Broadway where it will co-locate with CollegeInvest and College Access.

**One-time legal services:** The recommendation reflects a \$61,514 decrease for one-time funding provided in FY 2007-08 for legal services related to a lawsuit over the eligibility of private institutions to participate in the College Opportunity Fund program.

**Colorado Commission on Higher Education:** This division includes funding for the Commission's staff, the Division of Private Occupational Schools, and special purpose initiatives of the Department. The sources of cash funds include waste tire fees, fees paid to the Division of Private Occupational Schools, payments by members of the Western Interstate Commission on Higher Education, and indirect cost recoveries from CollegeInvest and College Access. The source of reappropriated funds is indirect cost recoveries.

Colorado Commission on Higher Education	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$24,751,587	\$0	\$3,283,082	\$21,117,469	\$351,036	37.9
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	18,431,826	(18,431,826)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$24,751,587	\$0	\$21,714,908	\$2,685,643	\$351,036	37.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary increases	68,183	0	(604)	59,346	9,441	0.0
Private occupational school regulation	60,242	0	60,242	0	0	0.0
WICHE dues	4,000	0	0	4,000	0	0.0
Competitive research authority	(571,854)	0	(571,854)	0	0	0.0
<b>Total FY 2008 -09 JBC Recommendation</b>	\$24,312,158	\$0	\$21,202,692	\$2,748,989	\$360,477	37.9
\$ Change from prior year	(\$439,429)	\$0	(\$512,216)	\$63,346	\$9,441	0.0
% Change from prior year	(1.8)%	n/a	(2.4)%	2.4%	2.7%	0.0%

## Issue Descriptions



**Annualize salary increases:** The recommendation includes \$53,812 for the Commission on Higher Education and \$14,371 for the Division of Private Occupational Schools to annualize salary survey increases awarded in FY 2007-08. These figures are net of the 1.0 percent common policy personal services base reduction.

**Private occupational school regulation:** The recommendation includes an increase in spending authority of \$60,242 from fees paid by private occupational schools to increase regulation and enforcement. Existing fee rates produce sufficient revenue to support this increase in expenditures, and so there will be no increase in the fee rates. The increase will allow the Department to fill an authorized FTE position that is currently vacant.

**WICHE Dues:** The recommendation includes a \$4,000 increase for WICHE (Western Interstate Commission on Higher Education) membership dues.

**Competitive research authority:** The recommendation reflects a \$571,854 decrease in the amount of waste tire funds for distribution to the Higher Education Competitive Research Authority after a one-time high in FY 2007-08 pursuant to S.B. 07-182.

**Colorado Commission on Higher Education Financial Aid:** This division includes the state funded financial aid programs administered by CCHE.

Colorado Commission on Higher Education Financial Aid	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$97,074,278	\$95,174,278	\$0	\$0	\$1,900,000	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$97,074,278	\$95,174,278	\$0	\$0	\$1,900,000	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Need based grants	7,270,600	7,270,600	0	0	0	0.0
Work study	1,728,057	1,728,057	0	0	0	0.0
Precollegiate scholarships	800,000	800,000	0	0	0	0.0
Native American students	295,861	295,861	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$107,168,796	\$105,268,796	\$0	\$0	\$1,900,000	0.0
\$ Change from prior year	\$10,094,518	\$10,094,518	\$0	\$0	\$0	0.0
% Change from prior year	10.4%	10.6%	n/a	n/a	0.0%	n/a

## Issue Descriptions

**Need based grants:** The recommendation includes a \$7.3 million, or 10.8 percent, General Fund increase for need based financial aid.

**Work study:** The recommendation includes a \$1.7 million, or 11.6 percent, General Fund increase for work study grants to return funding to the FY 2002-03 level. Pursuant to federal statute, at least 70 percent of work study grants must be awarded to students with financial need.

**Precollegiate scholarships:** The recommendation includes \$800,00 General Fund to double the size of the precollegiate scholarship program.

**Native American students:** The recommendation includes a \$295,861 General Fund increase for payments to Fort Lewis College for Native American student tuition waivers pursuant to Section 23-52-105, C.R.S.

**College Opportunity Fund Program:** This section includes General Fund for student stipend payments for students attending state-operated higher education institutions and students attending private institutions, and for fee-for-service contracts between CCHE and the institutions. *For a summary of the impact of these changes by governing board, see the Governing Boards section.*

College Opportunity Fund Program	Total Funds	General Fund <sup>1</sup>	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$628,588,858	\$625,553,182	\$0	\$3,035,676	\$0	0.0
Long Bill supplemental	1,332,196	1,332,196	0	0	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>3,035,676</u>	<u>(3,035,676)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$629,921,054	\$626,885,378	\$3,035,676	\$0	\$0	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Fee-for-service contracts	34,914,166	34,914,166	0	0	0	0.0
Stipends state-operated institutions	16,203,360	19,239,036	(3,035,676)	0	0	0.0
Private stipends	38,670	38,670	0	0	0	0.0
One-time appropriation to the College Opportunity Fund	(1,201,366)	(1,201,366)	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$679,875,884	\$679,875,884	\$0	\$0	\$0	0.0
\$ Change from prior year	\$49,954,830	\$52,990,506	(\$3,035,676)	\$0	\$0	0.0
% Change from prior year	7.9%	8.5%	(100.0)%	n/a	n/a	n/a

<sup>1</sup> This amount includes a General Fund Exempt Appropriation.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
<b>FY 2007-08 Appropriation</b>	\$625,553,182	\$314,853,182	\$310,700,000
Stipends state-operated institutions	881,634	17,281,634	(16,400,000)
Fee-for-service contracts	(881,634)	(881,634)	0

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
Private stipends	130,860	130,860	0
One-time appropriation to the College Opportunity Fund	<u>1,201,336</u>	<u>1,201,336</u>	<u>0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	<b>\$626,885,378</b>	<b>\$332,585,378</b>	<b>\$294,300,000</b>
Stipend payments	18,533,286	(17,666,714)	36,200,000
All other changes	<u>34,457,220</u>	<u>34,457,220</u>	<u>0</u>
<b>Total FY 2008-09 Long Bill Recommendation</b>	<b>\$679,875,884</b>	<b>\$349,375,884</b>	<b>\$330,500,000</b>

## General Fund Exempt

In November 2005, the Colorado voters passed Referendum C that allowed the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), Colorado Revised Statutes). The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated from the General Fund Exempt Account for higher education pursuant to Sections 24-77-103.6 (2) (b) and 24-77-104.5 (1) (b) (III), Colorado Revised Statutes.

## Issue Descriptions

**Long Bill supplemental:** The FY 2007-08 Long Bill contains a section that appropriates \$1,201,366 General Fund to the College Opportunity Fund to make the fund whole after higher than expected stipend-eligible enrollment in FY 2006-07. Another section of the bill: 1) increases General Fund appropriations for stipends by \$130,830 for a projected increase in eligible students at participating private institutions; 2) increases stipends by \$857,604 General Fund and decreases fee-for-service contracts by a like amount (net \$0 impact) for the state-operated institutions to reflect an updated forecast of the stipend-eligible population; and 3) adjusts tuition spending authority for a net increase of \$28,427,459 cash funds exempt based on a more recent forecast of revenues. In addition, the bill modifies the portion of the General Fund appropriation for stipends that is identified as General Fund Exempt in FY 2006-07 and FY 2007-08. These adjustments are based on the Legislative Council Staff March 2008 revenue forecast.

**Fee-for-service contracts:** The recommendation includes a net increase of \$34,914,166 General Fund for fee-for-service contracts. The recommendation targets a combined change in stipends and fee-for-service contracts for each governing board to match a distribution formula that includes a 2.8 percent inflationary factor, an allocation based on the gap between the average per-student FTE revenue for each governing board and peer institutions identified by the National Center for Higher Education Management Systems, and operating costs of medical programs and small rural institutions.

**Stipends state-operated institutions:** The recommendation includes \$5,011,590 General Fund for a projected increase in the stipend-eligible population of 1,877 SFTE, or 1.5 percent, and \$11,191,770 General Fund for a \$90 inflationary increase in the stipend rate for full-time students attending public higher education institutions (from \$2,670 per 30 credit hours to \$2,760 per 30 credit hours). The recommendation also reflects the end of a \$3,035,676 one-time cash fund expenditure from the balance of the College Opportunity Fund and the cost of replacing this money in the base with General Fund.

**Private stipends:** The recommendation includes \$38,670 for stipends for eligible students attending participating private institutions. To be eligible a student attending a private institution must demonstrate financial need by qualifying for the federal Pell grant. In FY 2007-08, Regis University and Denver University qualified and elected to participate in the College Opportunity Fund program. The private stipend rate is set by statute at 50 percent of the public stipend rate. Of the increase, \$2,670 is attributable to an increase in the projected stipend-eligible population, and \$36,000 is attributable to increasing the private stipend rate by \$45 (from \$1,335 per 30 credit hours to \$1,380 per 30 credit hours) commensurate with the increase in the stipend rate for students attending public institutions.

**One-time appropriation to the College Opportunity Fund:** The recommendation does not continue a one-time \$1,201,366 General Fund appropriation to the College Opportunity Fund in FY 2007-08 that addressed a shortfall in the fund attributable to a higher-than-expected stipend-eligible population in FY 2006-07.

**Governing Boards:** This division includes cash funds spending authority for the state-operated higher education institutions from tuition, tobacco settlement moneys, and academic and academic facility fees. It also includes reappropriated funds spending authority for student stipend payments, fee-for-service contracts, and appropriated grants.

Governing Boards	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,656,418,346	\$0	\$150,000	\$1,656,268,346	\$0	18,957.5
Long Bill supplemental	28,427,459	0	0	28,427,459	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	1,056,165,916	(1,056,165,916)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,684,845,805	\$0	\$1,056,315,916	\$628,529,889	\$0	18,957.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Tuition	88,726,082	0	88,726,082	0	0	0.0
Stipends and fee-for-service contracts	51,117,526	0	0	51,117,526	0	0.0
Tobacco settlement	10,432,371	0	10,432,371	0	0	0.0
Academic fees	3,181,411	0	3,181,411	0	0	0.0
FTE adjustment	0	0	0	0	0	524.2
Appropriated grants	(150,000)	0	(150,000)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,838,153,195	\$0	\$1,158,505,780	\$679,647,415	\$0	19,481.7
\$ Change from prior year	\$153,307,390	\$0	\$102,189,864	\$51,117,526	\$0	524.2
% Change from prior year	9.1%	n/a	9.7%	8.1%	n/a	2.8%

## Issue Descriptions

**Tuition:** The recommendation provides increases in resident undergraduate tuition spending authority of 9.5 percent for research institutions, 7.5 percent for the other four-year institutions, and 5.5 percent for the

community colleges. The total appropriated spending authority assumes that resident graduate tuition increases will mirror the resident undergraduate increases, and nonresident tuition will increase 5.0 percent, but the tuition footnote does not specifically limit these increases. Combined with projected enrollment changes, the increase in projected tuition revenues is \$88.7 million.

Tuition Spending Authority						
	FY 2007-08 Appropriation	Revised Estimate of FY 2007-08 Revenues	Projected Enrollment Changes FY 2008-09	Resident Rate Increases	Nonresident Rate Increases	FY 2008-09 Recommended Appropriation
Adams	\$6,498,805	\$7,253,000	\$77,653	\$343,086	\$137,809	\$7,811,548
Mesa	21,469,541	21,825,869	1,588,146	1,377,266	252,523	25,043,804
Metro	45,939,334	47,567,973	1,231,506	3,247,806	274,770	52,322,055
Western	9,137,865	8,739,778	20,230	328,241	219,173	9,307,422
CSU System	172,427,154	186,829,052	4,378,473	9,493,955	4,563,558	205,265,038
Fort Lewis	23,310,819	23,108,440	278,019	572,248	787,824	24,746,531
CU Regents	482,155,600	485,133,363	13,198,949	24,294,577	4,092,005	526,718,894
Mines	45,797,409	49,817,709	1,742,904	2,640,185	1,188,460	55,389,258
UNC	52,833,953	49,973,000	(1,580,458)	3,349,715	656,619	52,398,876
Com Colleges	125,737,586	133,487,341	2,607,546	6,144,047	1,219,247	143,458,181
TOTAL	\$985,308,066	\$1,013,735,525	\$23,542,968	\$51,791,126	\$13,391,988	\$1,102,461,607

**Stipends and fee-for-service contracts:** The recommendation includes an additional \$51,117,526 reappropriated funds spending authority, or an 8.1 percent increase in total, for stipends and fee-for-service contracts. The recommendation by governing board targets a combined change in stipends and fee-for-service contracts to match a distribution formula that includes a 2.8 percent inflationary factor, an allocation based on the gap between the average per-student FTE revenue for each governing board and peer institutions identified by the National Center for Higher Education Management Systems, and operating costs of medical programs and small rural institutions. The increase in reappropriated funds spending authority for the governing boards does not match the increase in General Fund for the College Opportunity Fund Program division, because some of the money in the College Opportunity Fund Program division is for students at private institutions, and the recommendation for the College Opportunity Fund Program division includes adjustments for one-time appropriations to manage the balance in the College Opportunity Fund.

Stipends and Fee-for-service Contracts				
	FY 2007-08 Appropriation	FY 2007-08 Supplemental Add-on	Recommended Changes for FY 2008-09	FY 2008-09 Recommended Appropriation
Adams	<u>\$13,624,080</u>	<u>\$13,624,080</u>	<u>\$984,369</u>	<u>\$14,608,449</u>
Stipends	3,770,040	3,713,970	92,070	3,806,040
Fee-for-service	9,854,040	9,910,110	892,299	10,802,409
Mesa	<u>\$22,376,340</u>	<u>\$22,376,340</u>	<u>\$1,629,267</u>	<u>\$24,005,607</u>
Stipends	12,087,090	11,494,350	732,450	12,226,800
Fee-for-service	10,289,250	10,881,990	896,817	11,778,807
Metro	<u>\$44,644,910</u>	<u>\$44,644,910</u>	<u>\$4,999,502</u>	<u>\$49,644,412</u>
Stipends	40,696,140	41,379,660	2,537,460	43,917,120
Fee-for-service	3,948,770	3,265,250	2,462,042	5,727,292

<b>Stipends and Fee-for-service Contracts</b>				
	FY 2007-08 Appropriation	FY 2007-08 Supplemental Add-on	Recommended Changes for FY 2008-09	FY 2008-09 Recommended Appropriation
Western	<u>\$11,355,691</u>	<u>\$11,355,691</u>	<u>\$817,326</u>	<u>\$12,173,017</u>
<i>Stipends</i>	3,866,160	3,738,000	264,000	4,002,000
<i>Fee-for-service</i>	7,489,531	7,617,691	553,326	8,171,017
CSU System	<u>\$133,789,929</u>	<u>\$133,789,929</u>	<u>\$13,072,971</u>	<u>\$146,862,900</u>
<i>Stipends</i>	51,234,630	50,951,610	2,884,950	53,836,560
<i>Fee-for-service</i>	82,555,299	82,838,319	10,188,021	93,026,340
Fort Lewis	<u>\$11,653,935</u>	<u>\$11,653,935</u>	<u>\$1,082,395</u>	<u>\$12,736,330</u>
<i>Stipends</i>	6,829,860	6,795,150	292,530	7,087,680
<i>Fee-for-service</i>	4,824,075	4,858,785	789,865	5,648,650
CU Regents	<u>\$194,986,340</u>	<u>\$194,986,340</u>	<u>\$14,113,109</u>	<u>\$209,099,449</u>
<i>Stipends</i>	73,075,230	73,844,190	3,681,450	77,525,640
<i>Fee-for-service</i>	121,911,110	121,142,150	10,431,659	131,573,809
Mines	<u>\$21,737,271</u>	<u>\$21,737,271</u>	<u>\$1,500,115</u>	<u>\$23,237,386</u>
<i>Stipends</i>	7,235,700	7,080,840	349,080	7,429,920
<i>Fee-for-service</i>	14,501,571	14,656,431	1,151,035	15,807,466
UNC	<u>\$41,156,170</u>	<u>\$41,156,170</u>	<u>\$2,930,141</u>	<u>\$44,086,311</u>
<i>Stipends</i>	23,317,110	21,771,180	32,820	21,804,000
<i>Fee-for-service</i>	17,839,060	19,384,990	2,897,321	22,282,311
Com. Colleges	<u>\$132,329,692</u>	<u>\$132,329,692</u>	<u>\$9,988,331</u>	<u>\$142,318,023</u>
<i>Stipends</i>	104,041,356	106,241,970	5,336,550	111,578,520
<i>Fee-for-service</i>	28,288,336	26,087,722	4,651,781	30,739,503
TOTAL	<u>\$627,654,358</u>	<u>\$627,654,358</u>	<u>\$51,117,526</u>	<u>\$678,771,884</u>
<i>Stipends</i>	326,153,316	327,010,920	16,203,360	343,214,280
<i>Fee-for-service</i>	301,501,042	300,643,438	34,914,166	335,557,604

**Tobacco settlement:** The recommendation reflects a \$10,432,371 increase in the allocation of tobacco settlement moneys to the University of Colorado Health Sciences Center pursuant to Section 24-75-1104.5 (1.5) (a) (I), C.R.S.

**Academic fees:** The recommendation includes an increase of \$3,181,411 for academic fees and academic facility fees. Academic fees and academic facility fees are a small subset of total fees charged by campuses. These fees directly support the academic mission of the institutions. Fees for auxiliary programs like housing, food services, parking, and student government are not appropriated in the Long Bill. Of the increase, \$2,682,394 is attributable to correcting errors in the FY 2007-08 forecast of fee revenue, and \$499,017 is attributable to projected increases in fees for FY 2008-09.

<b>Academic Fees and Academic Facility Fees</b>				
	FY 2007-08 Appropriation	FY 2007-08 Revised Estimate	Recommend ed Changes for FY 2008-09	FY 2008-09 Recommend ed Appropriation
Adams	\$96,240	\$430,000	\$13,000	\$443,000

Academic Fees and Academic Facility Fees				
	FY 2007-08 Appropriation	FY 2007-08 Revised Estimate	Recommend ed Changes for FY 2008-09	FY 2008-09 Recommend ed Appropriation
Mesa	360,000	397,502	27,498	425,000
Metro	750,000	870,807	29,193	900,000
Western	26,000	26,000	0	26,000
CSU System	4,250,000	4,800,000	215,000	5,015,000
Fort Lewis	1,150,000	1,000,000	0	1,000,000
CU Regents	20,762,313	22,332,584	165,796	22,498,380
Mines	150,000	150,000	0	150,000
UNC	756,467	777,890	19,447	797,337
Com Colleges	5,618,026	5,816,657	29,083	5,845,740
TOTAL	\$33,919,046	\$36,601,440	499,017	37,100,457

**FTE adjustment:** The FTE for the higher education institutions are included in the Long Bill for informational purposes only. Pursuant to statute, each governing board retains control over the number of employees hired. Projections submitted by the schools of employment in the current year are used as the best indicator of employment levels in FY 2008-09.

Full-time Equivalent Employees			
	FY 2007-08 Long Bill	Estimate in FY 2008-09 Request	Differenc e
Adams	271.5	285.3	13.8
Mesa	452.2	474.8	22.6
Metro	1,056.3	1,124.0	67.7
Western	230.9	241.5	10.6
CSU System	3,852.4	4,070.7	218.3
Fort Lewis	432.3	449.3	17.0
CU Regents	6,441.1	6,507.6	66.5
Mines	629.4	653.6	24.2
UNC	1,015.0	954.9	(60.1)
Com. Colleges	4,576.4	4,720.0	143.6
TOTAL	18,957.5	19,481.7	524.2

**Appropriated grants:** The recommendation reflects the discontinuance of a one-time appropriation in FY 2007-08 of \$150,000 cash funds from the Operational Account of the Severance Tax Trust Fund for the Colorado Water Resources Research Institute at Colorado State University pursuant to H.B. 07-1096.

**Local District Junior Colleges:** This section subsidizes the operations of the state's two local district junior colleges: Aims Community College and Colorado Mountain College. Institutions that are set up as local district junior colleges have special property tax districts that also support their operations and governing boards that are independent from the rest of the community college system. Students from the special property tax districts pay discounted tuition rates.

Local District Junior Colleges	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$14,823,001	\$14,823,001	\$0	\$0	\$0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$14,823,001	\$14,823,001	\$0	\$0	\$0	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Increase grants	1,067,256	1,067,256	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$15,890,257	\$15,890,257	\$0	\$0	\$0	0.0
\$ Change from prior year	\$1,067,256	\$1,067,256	\$0	\$0	\$0	0.0
% Change from prior year	7.2%	7.2%	n/a	n/a	n/a	n/a

## Issue Descriptions

**Increase grants:** The recommendation includes a \$1,067,256 General Fund increase, or 7.2 percent, for the two local district junior colleges. This percentage increase is equal to the combined stipend and fee-for-service percentage increase for the governing boards.

**Advisory Commission on Family Medicine:** The Commission distributes funds for the support of ten family medicine residency programs throughout the state and assists in the recruitment of family medicine residents.

Advisory Commission on Family Medicine	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,903,558	\$0	\$0	\$1,903,558	\$0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,903,558	\$0	\$0	\$1,903,558	\$0	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Transfer program to the Department of Health Care Policy and Financing	(1,903,558)	0	0	(1,903,558)	0	0.0
<b>Total FY 2007-08 JBC Recommendation</b>	\$0	\$0	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$1,903,558)	\$0	\$0	(\$1,903,558)	\$0	0.0
% Change from prior year	(100.0)%	n/a	n/a	(100.0)%	n/a	n/a

## Issue Descriptions



**Transfer program to the Department of Health Care Policy and Financing:** The recommendation includes transferring funding for the division to the Department of Health Care Policy and Financing.

**Division of Occupational Education:** This division supervises and administers the occupational education programs of the state and approves the allocation and distribution of state and federal vocational education funds to the community colleges, local district junior colleges, area vocational schools, secondary school districts, and any other appropriate state and local educational agencies or institutions. This division also coordinates resources available for the promotion of job development, job training, and job retraining in the state.

<b>Division of Occupational Education</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$52,561,008	\$10,598,397	\$751,739	\$23,933,341	\$17,277,531	32.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	(751,739)	751,739	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$52,561,008	\$10,598,397	\$0	\$24,685,080	\$17,277,531	32.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Area vocational school support	752,410	752,410	0	0	0	0.0
Colorado Vocational Act distributions	464,153	0	0	464,153	0	0.0
Sponsored programs	(319,769)	0	0	0	(319,769)	0.0
Fund source adjustment	0	(148,261)	0	148,261	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$53,457,802	\$11,202,546	\$0	\$25,297,494	\$16,957,762	32.0
\$ Change from prior year	\$896,794	\$604,149	\$0	\$612,414	(\$319,769)	0.0
% Change from prior year	1.7%	5.7%	n/a	2.5%	(1.9)%	0.0%

## Issue Descriptions

**Area vocational school support:** The recommendation includes a \$752,410 General Fund increase, or 7.2 percent, for the post-secondary activities of the four area vocational schools (Emily Griffith Opportunity School, Delta-Montrose Area Vocational-Technical Center, San Juan Basin Technical College, and Pickens Technical College).

**Colorado Vocational Act distributions:** The recommendation includes a \$464,153, or 2.2 percent, increase in the transfer from the Department of Education to secondary career and technical education programs through the Colorado Vocational Act. The reappropriated funds originate as General Fund or State Education Funds in the Department of Education.

**Sponsored programs:** The recommendation reflects an anticipated decrease of \$319,769 federal funds for the Division of Occupational Education for the federal Perkins program.

**Fund source adjustment:** The recommendation includes a decrease of \$148,261 General Fund and an increase of \$148,261 reappropriated funds for administration of the Division of Occupational Education based on higher indirect cost recoveries.

**Auraria Higher Education Center:** Established by statute in 1974, the Auraria Higher Education Center (AHEC) is governed by a Board of Directors who oversee the centralized operations of the campus located in Denver. AHEC houses and provides common services to the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver and Health Sciences Center.

<b>Auraria Higher Education Center</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$15,736,087	\$0	\$15,736,087	\$0	\$0	123.6
Long Bill supplemental	<u>825,051</u>	<u>0</u>	<u>825,051</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>(16,561,138)</u>	<u>16,561,138</u>	<u>0</u>	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$16,561,138	\$0	\$0	\$16,561,138	\$0	123.6
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Increase in campus operating budget	941,165	0	0	941,165	0	0.0
One-time supplemental	(825,051)	0	0	(825,051)	0	0.0
Eliminate appropriation for auxiliaries	(50,000)	0	0	(50,000)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$16,627,252	\$0	\$0	\$16,627,252	\$0	123.6
\$ Change from prior year	\$66,114	\$0	\$0	\$66,114	\$0	0.0
% Change from prior year	0.4%	n/a	n/a	0.4%	n/a	0.0%

## Issue Descriptions

**Increase in campus operating budget:** The board for the Auraria Higher Education Center, which includes representatives from the three tenant institutions, annually establishes the operating budget for the campus and bills the tenant institutions for the costs. The recommendation includes an additional \$166,144 cash funds spending authority based on the requested operating budget.

**One-time supplemental:** The recommendation does not continue \$825,001 in one-time supplemental cash funds spending authority provided in FY 2007-08 for charges by auxiliary businesses operated by AHEC to enterprises. With the passage of S.B. 08-126 these charges no longer need to be reflected in the Long Bill.

**Eliminate appropriation for auxiliaries:** The recommendation does not continue \$50,000 for charges by auxiliary businesses operated by AHEC. With the passage of S.B. 08-126 these charges no longer need to be reflected in the Long Bill.

**State Historical Society:** The State Historical Society, founded in 1879, is an educational institution of the State and acts as trustee for the State in collecting, preserving, exhibiting and interpreting collections and properties of state historical significance. The Society maintains museums and historical sites throughout Colorado and provides assistance to local and regional historical societies and museums. It also distributes gaming revenue to gaming cities and through a state-wide grant program for historic preservation.

State Historical Society	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$31,815,996	\$100,000	\$1,728,447	\$29,104,442	\$883,107	126.9
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	29,104,442	(29,104,442)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$31,815,996	\$100,000	\$30,832,889	\$0	\$883,107	126.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Statewide preservation grant program	819,493	0	819,493	0	0	0.0
Gaming cities distribution	440,566	0	440,566	0	0	0.0
Salary survey adjustment	199,330	0	199,330	0	0	0.0
Annualize salary increases	168,943	0	151,111	0	17,832	0.0
Extend computer network	75,100	0	75,100	0	0	0.0
Annualize supplemental	46,871	0	46,871	0	0	0.0
Auxiliary programs	26,480	0	26,480	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$33,592,779	\$100,000	\$32,591,840	\$0	\$900,939	126.9
\$ Change from prior year	\$1,776,783	\$0	\$1,758,951	\$0	\$17,832	0.0
% Change from prior year	5.6%	0.0%	5.7%	n/a	2.0%	0.0%

## Issue Descriptions

**Statewide preservation grant program:** The recommendation reflects an anticipated \$819,493 increase in statewide preservation grants based on projected gaming revenues that will be deposited in the State Historical Fund through the constitutional formula, less costs for the Society Museum and Preservation Operations appropriated pursuant to Section 12-47.1-1202 (5), C.R.S.

**Gaming cities distribution:** The recommendation includes an increase of \$440,566 in the forecast of the amount of gaming revenues that will be distributed to gaming cities for historic preservation through the constitutional formula.

**Salary survey adjustment:** The recommendation includes a \$199,330 increase based on a salary survey conducted by the Historical Society in response to a May 2006 recommendation of the State Auditor. The source of funds is the State Historical Fund and this expenditure on museum operations reduces the amount available for statewide preservation grants.

**Annualize salary increases:** The recommendation includes an increase of \$168,943 to annualize salary survey increases awarded in FY 2007-08. This amount is net of the 1.0 percent common policy base personal services reduction.

**Extend computer network:** The recommendation includes \$75,100 to extend the Historical Society's computer network to regional museums and storage facilities. The source of funds is the State Historical Fund and this expenditure on museum operations reduces the amount available for statewide preservation grants.

**Annualize supplemental:** The recommendation includes a \$46,871 increase for the additional cost associated with converting an accounting technician position to a chief operating officer for the Historical Society a portion of the way through FY 2007-08. This conversion was approved by the General Assembly as part of a supplemental bill. The source of funds is the State Historical Fund and this expenditure on museum operations reduces the amount available for statewide preservation grants.

**Auxiliary programs:** The recommendation includes a projected increase of \$26,480 in earnings by auxiliary programs.

## Department of Human Services

**Department Description:** The Department of Human Services (DHS) is charged with the administration and supervision of all non-medical public assistance and welfare activities of the State, including assistance payments, food stamps, child welfare services, rehabilitation programs, alcohol and drug treatment programs, and programs for the aging. The Department is also responsible for inspecting and licensing child care facilities and for the care and treatment of the state's dependent citizens who are mentally ill, developmentally disabled, or juvenile offenders. The Department operates two mental health institutes, three regional centers for the developmentally disabled, and ten institutions for juvenile delinquents. The Department also funds services for indigent mentally ill people, funds Community Centered Boards for the Developmentally Disabled, and contracts for the supervision and treatment of delinquent juveniles.

Summary Table for Department of Human Services						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$2,049,549,227	\$650,098,556	\$111,147,027	\$648,501,440	\$639,802,204	5,449.1
Long Bill Supplemental	(15,994,881)	(2,581,550)	(541,566)	(12,690,253)	(181,512)	40.2
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	215,037,616	(215,037,616)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$2,033,554,346	\$647,517,006	\$325,643,077	\$420,773,571	\$639,620,692	5,489.3
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Executive Director's Office	10,321,340	5,807,535	140,106	3,300,223	1,073,476	6.5
Information Technology Services	(478,986)	73,883	(165,295)	(2,376,912)	1,989,338	2.4
Office of Operations	1,214,287	835,959	(262,919)	737,590	(96,343)	(3.0)
County Administration	0	0	0	0	0	0.0
Division of Child Welfare	11,316,168	11,817,153	14,071,002	(16,099,379)	1,527,392	5.5
Division of Child Care	(889,535)	55,041	41,793	(1,022,167)	35,798	1.0
Office of Self Sufficiency	(2,940,159)	26,527	15,412	4,254	(2,986,352)	6.0
Mental Health and ADAD Services	10,888,248	10,261,924	74,157	456,438	95,729	7.5
Services for People with Disabilities	35,201,009	(3,101,222)	7,361,348	30,171,945	768,938	13.8
Adult Assistance Programs	4,207,534	(390,027)	3,561,412	3,667	1,032,482	0.0
Division of Youth Corrections	12,140,993	11,124,276	122	1,005,434	11,161	5.5
<b>Total FY 2008-09 Long Bill Recommendation</b>	\$2,114,535,245	\$684,028,055	\$350,480,215	\$436,954,664	\$643,072,311	5,534.5
Proposed county match bill	0	8,001,927	(8,001,927)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$2,114,535,245	\$692,029,982	\$342,478,288	\$436,954,664	\$643,072,311	5,534.5
\$ Change from prior year	\$80,980,899	\$44,512,976	\$16,835,211	\$16,181,093	\$3,451,619	45.2
% Change from prior year	4.0%	6.9%	5.2%	3.8%	0.5%	0.8%

## **Recommendation Highlights:**

### *Changes to FY 2007-08 Appropriations:*

1. Reduces the FY 2007-08 appropriation for youth corrections programs by \$7.5 million, including \$6.4 million General Fund. This reduction adjusts the appropriation based on the most recent Legislative Council Staff youth population projections for FY 2007-08.
2. Reduces the FY 2007-08 appropriation for developmental disability community programs by \$7.0 million, including a reduction of \$9.9 million Medicaid cash funds, partially offset by an increase of \$2.9 million General Fund. The Medicaid cash funds adjustment is due to projected under-utilization of the FY 2007-08 appropriation for program costs, which reflects the impact of federally-required billing and administrative system changes. The General Fund increase is for developmental disability "hold harmless" funds designed to temporarily assist providers negatively affected by the system changes. The recommendation also provides authority for roll-forward of: (1) up to 3.0 percent of the Medicaid funds appropriation; and (2) hold harmless amounts appropriated in FY 2006-07 and FY 2007-08. Overall, the adjustments provide for a total of \$1.7 million General Fund for hold harmless in FY 2007-08 and \$6.5 million General Fund for hold harmless in FY 2008-09. The overall recommendation provides net General Fund savings statewide (including in the Department of Health Care Policy and Financing) of \$2.0 million.
3. Adds \$1.5 million total Medicaid funds and 39.4 FTE for the state-operated regional centers for people with developmental disabilities to address unexpectedly high staffing needs in FY 2007-08 and a projected over-expenditure. An exceptionally large number of individuals entering the regional centers in FY 2007-08 have required one-to-one staffing. The Department has formed a work group to examine what related adjustments may be necessary for FY 2008-09.
4. Increases the technical assistance available to the community mental health centers to help them to improve the treatment and monitoring of patients whom a court has found to be not guilty by reason of insanity. The recommendation also adjusts revenue estimates at the State's two mental health institutes, based upon updated client data.

### *Recommendation for FY 2008-09:*

1. Adds \$16.4 million, including \$7.6 million net General Fund, to serve additional persons with developmental disabilities. This includes: (1) comprehensive residential services for 305 adults for an average of six months, including 45 persons transitioning from foster care, 62 emergency placements, 78 "high risk" waiting list placements, and 120 regular waiting list placements; (2) supported living services for 345 adults, including 28 persons transitioning from the Children's Extensive Support program for an average of six months, 200 others added for an average of six months, and 117 added for a full year (12 months); and (3) family support services, for an average of six months, for 100 additional families. The recommendation also adds \$3.6 million (including \$1.7 million net General Fund) to annualize costs for new placements added for six months in FY 2007-08.
2. Reflects an increase of \$13.6 million (including \$7.1 million net General Fund) for caseload increases within the child welfare system.

3. Includes an increase of \$10.7 million from various fund sources for annualization of salary and benefits increases that were awarded in FY 2007-08.
4. Reflects an increase of \$7.7 million net General Fund for a 1.5 percent provider rate increase.
5. Provides an increase of \$6.6 million from assorted fund sources for employee benefits.
6. Provides \$6.6 million General Fund to restore funding eliminated in FY 2007-08 due to declines in the Division of Youth Corrections' youth caseload to allow the Division flexibility to expand and implement programs designed to improve outcomes and mitigate future caseload growth.
7. Reflects an anticipated increase of \$3.4 million cash funds for Old Age Pension cash benefits.
8. Adds \$2.9 million General Fund to provide community mental health services for an additional 966 indigent mentally ill patients.
9. Provides an increase of \$2.8 million in federal funds for changes to CBMS related to federal changes in the Temporary Assistance to Needy Families program.
10. Provides an increase of \$2.4 million from assorted fund sources for payments to other agencies, including the Department of Law for legal services.
11. Adds \$2.2 million federal funds to reflect a Promoting Responsible Fatherhood grant received by the State.
12. Provides an additional \$2.0 million General Fund to expand mental health services for juveniles and adults who are involved with the court system.
13. Adds \$1.9 million (including \$900,000 net General Fund) and 38.2 FTE to convert 20 group homes at the Wheat Ridge Regional Center to institutional (ICF/MR) licensure for an average of 6.7 months in FY 2008-09.
14. Provides \$986,000 General Fund to increase salaries at the mental health institutes for Nurse I's who have five or more years of experience.
15. Provides \$669,600 General Fund to expand the Short-Term Residential Rehabilitation Treatment program (STIRRT) for chronic offenders who have substance abuse problems.
16. Provides \$608,000 General Fund to fund and staff the transition to the new Forensics Institute in Pueblo.

### **JBC Budget Package Legislation:**

**Proposed county match bill:** As part of their budget package, the Joint Budget Committee is including the impact of a proposed bill which sets the required county match for residential child care services at 10 percent. In the absence of this legislation, the county match rate would revert to 20 percent of total costs for these services. Based on current law, the Long Bill reflects a General Fund decrease of \$8.1 million and a local funds increase of \$8.1 million for child welfare services for FY 2008-09. The proposed county match bill will

largely reverse this, by increasing the General Fund appropriation for child welfare services by \$8.0 million and decreasing the local share by the same amount. In FY 2006-07 and FY 2007-08, pursuant to statute, county financial participation for most residential child care services was fixed at the FY 2004-05 actual level.

### Budget Recommendation Detail by Long Bill Division

**Executive Director's Office:** This office is responsible for the management and administration of the Department, performing such functions as budgeting, human resources, quality control, as well as some program supervision, coordination, and evaluation. This section includes centrally appropriated line items, such as workers' compensation, legal services, administrative law judge services, and payments related to risk management. In addition, this office includes funding for specific functions including: (1) the Juvenile Parole Board; (2) the Developmental Disabilities Council; (3) funding for the state to comply with the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA); (4) the child welfare administrative review unit; and (5) functions related to maintaining records and reports of child abuse and neglect and using such records to conduct employment/background screenings.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$61,249,279	\$34,206,327	\$1,421,768	\$15,135,000	\$10,486,184	137.7
Long Bill Supplemental	116,169	0	0	116,169	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	588,785	(588,785)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$61,365,448	\$34,206,327	\$2,010,553	\$14,662,384	\$10,486,184	137.7
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
FY 2008-09 salary and benefits adjustments	7,353,591	3,898,343	102,316	2,395,302	957,630	0.0
Payments to other agencies	2,392,456	1,663,366	13,777	824,008	(108,695)	0.0
Annualize salary and benefits adjustments	328,770	150,994	16,344	42,486	118,946	0.0
Add human resources staff	239,636	89,512	7,669	36,860	105,595	5.0
Move commission for the blind and visually impaired	112,067	0	0	112,067	0	1.0
Provider rate increase	5,669	0	0	5,669	0	0.0
Annualize prior year funding	5,320	5,320	0	0	0	0.0
Add staff for commission for deaf and hard of hearing	0	0	0	0	0	0.5
Annualize Long Bill supplemental	(116,169)	0	0	(116,169)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$71,686,788	\$40,013,862	\$2,150,659	\$17,962,607	\$11,559,660	144.2
\$ Change from prior year	\$10,321,340	\$5,807,535	\$140,106	\$3,300,223	\$1,073,476	6.5
% Change from prior year	16.8%	17.0%	7.0%	22.5%	10.2%	4.7%



Note: The reappropriated funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). Most of these funds are appropriated as 50 percent General Fund and 50 percent federal funds in HCPF.

## **Issue Descriptions**

**Long Bill Supplemental:** The recommendation includes an increase for shift differential for FY 2007-08 for additional staff at the regional centers for people with developmental disabilities.

**FY 2008-09 salary and benefits adjustments:** The recommendation includes increases to centrally-appropriated line items for salary survey, performance-based pay awards, state contributions to health, life, and dental benefits, shift differential, and state contributions to the Public Employees' Retirement Association (PERA) pension fund. All salary survey and performance based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Payments to other agencies:** The recommendation includes increases for payments for services delivered by other state agencies, include workers' compensation, legal services purchased from the Department of Law, administrative law judge services, and risk management.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Add human resources staff:** The recommendation includes funding for 5.0 additional human resources FTE for the Department. The human resources staff was cut sharply during the budget crisis that occurred earlier this decade, and has not been restored despite substantial growth in the number of employees.

**Move commission for the blind and visually impaired:** The recommendation includes moving the funding and staff associated with the Colorado Commission for Individuals who are Blind or Visually Impaired to this section to improve alignment with other related functions.

**Provider rate increase:** The recommendation includes a 1.5 percent provider rate increase for legal interpreters for the deaf and hearing impaired.

**Annualize prior year funding:** The recommendation includes an increase to annualize funding added in FY 2007-08.

**Add staff for commission for deaf and hard of hearing:** The recommendation includes an increase in FTE in order to better staff the Colorado Commission for the Deaf and Hard of Hearing. No additional expenses are required for this change.

**Annualize Long Bill supplemental:** The recommendation removes the one-time increase in shift differential for FY 2007-08 related to increased staff at the regional centers for people with developmental disabilities.

**Office of Information Technology Services:** This section includes funding for expenses associated with departmental information systems, including systems that support public benefits programs administered through the State's 64 counties and other local entities. Appropriations in this section include personnel and operating funds that support information systems used by over 8,800 Department and county staff. Major systems funded through this section of the budget include the Colorado Benefits Management System (CBMS), the Colorado Financial Management System, and the Colorado Trails information system, among others.

<b>Office of Information Technology Services</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$51,623,613	18,400,428	2,081,450	11,434,932	19,706,803	174.3
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>125,627</u>	<u>(125,627)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$51,623,613	\$18,400,428	\$2,207,077	\$11,309,305	\$19,706,803	174.3
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
CBMS federal TANF reauthorization changes	2,838,755	0	0	0	2,838,755	0.0
Annualize salary and benefits adjustments	379,136	207,295	7,118	45,238	119,485	0.0
Add IT support staff	164,594	123,817	718	16,065	23,994	2.4
Payments to other agencies	146,216	80,276	837	7,105	57,998	0.0
Refinance CBMS (calculator)	0	43,201	22,143	(30,202)	(35,142)	0.0
Remove one-time funding	(2,443,552)	(380,706)	(196,111)	(850,983)	(1,015,752)	0.0
Remove CBMS federal refinance	(1,564,135)	0	0	(1,564,135)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$51,144,627	\$18,474,311	\$2,041,782	\$8,932,393	\$21,696,141	176.7
\$ Change from prior year	(\$478,986)	\$73,883	(\$165,295)	(\$2,376,912)	\$1,989,338	2.4
% Change from prior year	(0.9)%	0.4%	(7.5)%	(21.0)%	10.1%	1.4%

Note: The reappropriated funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). Most of these funds are appropriated as 50 percent General Fund and 50 percent federal funds in HCPF.

## Issue Descriptions

**CBMS federal TANF reauthorization changes:** The recommendation includes funding to implement CBMS changes necessary to allow the State to achieve compliance with federal changes in the Temporary Assistance for Needy Families (TANF) program. The changes will allow the State and its counties to meet federal data collection and reporting guidelines.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award

and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Add IT support staff:** The recommendation includes funding to allow additional information technology support staff. The support staff was cut sharply during the budget crisis earlier this decade, and has not been restored despite substantial increases in the number of supported clients at both state and county locations.

**Payments to other agencies:** The recommendation includes increases for the expenses associated with the purchase of services from the State's computer center, the multiuse network, and emergency communication services.

**Refinance CBMS (calculator):** The recommendation includes a refinancing of the CBMS line item in order to bring the appropriation back into accord with a standard cost allocation formula. The CBMS system is, by agreement with four federal agencies, to be funded in strict accordance with that formula.

**Remove one-time funding:** The recommendation includes the removal of a variety of one-time increases for FY 2007-08. Most of these expenses were associated with CBMS and were appropriated in separate legislation.

**Remove CBMS federal refinance:** The recommendation includes the removal of costs associated with refinancing CBMS expenses in FY 2004-05. This refinance was necessary under the agreement by which four federal agencies pay a substantial portion of CBMS expenses.

**Office of Operations:** This section contains appropriations for various central departmental functions including accounting, auditing, contracting, purchasing, vehicle leases, and facilities management. This includes housekeeping and maintenance for direct-service facilities such as the mental health institutes, regional centers for persons with developmental disabilities, and youth corrections facilities.

Office of Operations	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$38,811,614	\$19,726,044	\$820,480	\$13,762,975	\$4,502,115	464.2
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	1,821,550	(1,821,550)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$38,811,614	\$19,726,044	\$2,642,030	\$11,941,425	\$4,502,115	464.2
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Facilities support for new high security forensics building at CMHIP	753,440	753,440	0	0	0	6.5
Annualize salary and benefits adjustments	644,614	339,231	14,582	246,143	44,658	0.0
Buildings and grounds rental program - renovation projects	251,894	0	251,894	0	0	0.0
Increase Garage Fund spending authority and FTE	114,742	0	0	114,742	0	0.5

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Vehicle lease adjustments	73,969	46,305	1,945	10,127	15,592	0.0
Annualize 2007 session legislation	57,617	62,122	(4,505)	0	0	1.0
Nursing home indirect costs adjustment	0	(258,075)	0	258,075	0	0.0
Buildings and grounds rental program - eliminate double-counts, move funds	(400,407)	0	(525,920)	125,513	0	0.0
Unused federal fund and FTE authority	(150,000)	0	0	0	(150,000)	(10.0)
Efficiency initiatives	(124,755)	(103,650)	(915)	(17,010)	(3,180)	(1.0)
Capitol complex leased space	(6,827)	(3,414)	0	0	(3,413)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$40,025,901	\$20,562,003	\$2,379,111	\$12,679,015	\$4,405,772	461.2
\$ Change from prior year	\$1,214,287	\$835,959	(\$262,919)	\$737,590	(\$96,343)	(3.0)
% Change from prior year	3.1%	4.2%	(10.0)%	6.2%	(2.1)%	(0.6)%

Note: Most of the reappropriated funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). In the Department of Health Care Policy and Financing, these amounts are generally appropriated as 50 percent General Fund and 50 percent federal funds.

## Issue Descriptions

**Facilities support for new high security forensics building at CMHIP:** The recommendation includes facilities maintenance funding and FTE associated with opening a new high security forensics building on the campus of the Colorado Mental Health Institute at Pueblo (CMHIP). The new 200-bed facility is scheduled to open June 2009. The amounts shown will annualize to \$1,737,615 General Fund and 22.7 FTE in FY 2009-10.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to personal services for line items with 20.0 FTE or more.

**Buildings and grounds rental program - renovation projects:** The recommendation provides spending authority for one-time expenditures from cash fund reserves. The Department leases vacant space on its campuses; revenues are deposited to a cash fund and used to maintain the rental facilities.

**Increase Garage Fund spending authority and FTE:** The recommendation provides an increase in spending and FTE authority for funds received from other state agencies to maintain their vehicles.

**Vehicle lease adjustments:** The recommendation includes funding for the replacement of 56 vehicles in FY 2008-09, annualization of funding for 35 vehicles replaced in FY 2007-08, the annualization of funding for six vehicles added in FY 2007-08, and the addition of six new vehicles in FY 2008-09 associated with the new high security forensics facility at CMHIP and new foster care staff.

**Annualize 2007 session legislation:** The recommendation includes an increase of \$62,122 General Fund and 1.0 FTE associated with S.B. 07-228, and a reduction of \$4,505 cash funds associated with S.B. 07-4.

**Nursing home indirect costs adjustment:** This recommendation has a net zero General Fund impact department-wide. The recommendation moves General Fund that supports indirect costs for the state and veterans nursing homes and moves the General Fund to the Services for people with Disabilities section so that funds supporting the nursing homes are more visible. The General Fund in the Office of Operations is replaced with reappropriated funds.

**Buildings and grounds rental program - eliminate double-counts, move funds:** The recommendation eliminates \$400,407 cash funds for amounts that were inadvertently included in two line items in prior years. It also moves \$125,513 and 1.0 FTE from the Buildings and Grounds Rental program to Office of Operations to reflect facilities maintenance funding for buildings used by Department of Human Services programs. Amounts that remain in the Buildings and Grounds Rental line item are for rentals to private, not-for-profit, and local government entities.

**Unused federal funds and FTE authority:** The recommendation includes a reduction of 10.0 FTE and \$150,000 federal funds to more closely align the Long Bill with actual FTE utilization and anticipated federal receipts.

**Efficiency initiatives:** The recommendation includes a reduction of \$40,596 (including \$30,312 net General Fund) and 1.0 FTE for an efficiency initiative to consolidate some food preparation activities for the two mental health institutes. It also includes a transfer of \$84,149 General Fund from the Office of Operations to the mental health institutes (department-wide impact of \$0) associated with a linen contract.

**Capitol complex leased space:** The recommendation includes adjustments that are a function of recoverable overhead amounts in the Department of Personnel and Administration and the Department of Human Services' proportionate share of utilization.

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**County Administration:** This section contains appropriations for 64 county departments of social services to administer several programs including: Food Stamps, Adult Cash Assistance Programs (except Old Age Pension), Adult Protection, Low Income Energy Assistance, and Child Support Enforcement. Funding for the administration of the Colorado Works Program, child welfare, and child care programs, however, are included in the respective sections for these programs. Funding for the administration of medical services programs were transferred to the Department of Health Care Policy and Financing by S.B. 06-219.

County Administration	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$58,881,878	\$27,297,260	\$0	\$14,654,752	\$16,929,866	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	14,654,752	(14,654,752)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$58,881,878	\$27,297,260	\$14,654,752	\$0	\$16,929,866	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
No change	0	0	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$58,881,878	\$27,297,260	\$14,654,752	\$0	\$16,929,866	0.0
\$ Change from prior year	\$0	\$0	\$0	\$0	\$0	0.0
% Change from prior year	0.0%	0.0%	0.0%	n/a	0.0%	n/a

## Issue Descriptions

There are no recommended changes to this section for FY 2008-09.

**Division of Child Welfare:** This section provides funding and state staff associated with the state supervision and county administration of programs that protect children from harm and assist families in caring for and protecting their children. In FY 2003-04, county departments of social services received approximately 63,000 reports of abuse or neglect and provided child welfare services to approximately 40,000 children and their families.

Division of Child Welfare	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$411,622,283	\$202,397,807	\$0	\$103,692,200	\$105,532,276	32.0
Long Bill Supplemental	(3,129,152)	0	0	(3,129,152)	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	65,559,950	(65,559,950)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$408,493,131	\$202,397,807	\$65,559,950	\$35,003,098	\$105,532,276	32.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Population increase	13,585,602	6,424,842	2,717,120	1,414,170	3,029,470	0.0
Provider rate increase	5,721,447	2,941,872	1,106,701	522,544	1,150,330	0.0
Add monitoring staff	445,526	445,526	0	0	0	5.5
Level of care tool and rate study	90,000	90,000	0	0	0	0.0
Annualize salary and benefits adjustments	84,551	48,745	0	3,227	32,579	0.0
Adjust local share for residential services to 20 percent	0	(8,104,287)	8,104,287	0	0	0.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Reduced federal Title IV-E receipts	0	2,134,518	0	0	(2,134,518)	0.0
More accurately reflect anticipated use of Medicaid funding	(6,750,000)	9,000,000	2,250,000	(18,000,000)	0	0.0
Transfer to HCPF	(650,000)	(650,000)	0	0	0	0.0
Federal CAPTA grant	(536,110)	0	0	0	(536,110)	0.0
Annualize FY 2007-08 leap year	(495,077)	(364,605)	(91,152)	(39,320)	0	0.0
Annualize other one-time FY 2007-08 appropriations	(179,771)	(149,458)	(15,954)	0	(14,359)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	<b>\$419,809,299</b>	<b>\$214,214,960</b>	<b>\$79,630,952</b>	<b>\$18,903,719</b>	<b>\$107,059,668</b>	<b>37.5</b>
\$ Change from prior year	\$11,316,168	\$11,817,153	\$14,071,002	(\$16,099,379)	\$1,527,392	5.5
% Change from prior year	2.8%	5.8%	21.5%	(46.0)%	1.4%	17.2%

Note: Most of the reappropriated funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). In the Department of Health Care Policy and Financing, these amounts are generally appropriated as 50 percent General Fund and 50 percent federal funds.

### Issue Descriptions

**Long Bill Supplemental:** The recommendation includes a reduction of \$3,129,152 for Excess Federal Title IV-E reimbursements to counties, based on a revised projection of the amount of federal Title IV-E funds anticipated to be received in FY 2007-08.

**Population increase:** The recommendation includes an increase to reflect the impact of projected increases in the Colorado child and adolescent population growth on the child welfare caseload.

**Provider rate increase:** The recommendation includes a 1.5 percent cost-of-living adjustment for programs in this section.

**Add monitoring staff:** The recommendation adds \$445,526 General Fund for 5.5 FTE to monitor county child welfare performance. This recommendation annualizes to \$445,357 General Fund and 6.0 FTE in FY 2009-10.

**Level of care tool and rate study:** The recommendation includes \$60,000 to set child welfare "base anchor rates" for foster care and other services and \$30,000 to establish a statewide "level of care" assessment tool for children in the child welfare system. Both recommendations provide one-time funding for contractual services.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to personal services for line items with 20.0 FTE or more.

**Adjust local share for residential services to 20 percent:** Pursuant to statute, county contributions for most residential child welfare services were set at FY 2004-05 levels for both FY 2006-07 and FY 2007-08. Under current law, the county contribution will revert to the standard 20 percent match rate in FY 2008-09. The Long Bill thus reflects an \$8.0 million increase in county funds and an \$8.0 million decrease in General Fund for child welfare services. [However, the JBC's budget package also includes new legislation that sets the county match rate for residential services at 10 percent for FY 2008-09 and FY 2009-10. This new legislation carries a fiscal note that increases General Fund for child welfare services by \$8.0 million and decreases the county contribution by the same amount in FY 2008-09.]

**Reduced federal Title IV-E receipts:** The recommendation includes additional General Fund to offset reductions in the amount of federal Title IV-E moneys anticipated to be received for child welfare services in FY 2008-09.

**More accurately reflect anticipated use of Medicaid funding:** This adjustment has a statewide General Fund impact of \$0. The recommendation reduces the Medicaid funds reflected in the "Child Welfare Services" line item, offset by increases in General Fund and county fund amounts. The Departments of Human Services and Health Care Policy and Financing have statutory authorization to transfer General Fund spending authority between the two departments when required by the amount of Medicaid cash funds earned through programs or services provided under the supervision of the departments (see Section 24-75-106, C.R.S.) In recent years, this provision has been used to reduce child welfare-related Medicaid expenditures and increase General Fund expenditures in Human Services. Thus, the recommendation is designed to more accurately reflect actual county expenditure patterns.

**Transfer to HCPF:** The recommendation transfers \$650,000 General Fund to the Department of Health Care Policy and Financing (HCPF) for administrative case management activities.

**Accurately reflect federal CAPTA grant:** The recommendation is designed to more accurately reflect annual expenditures of federal Child Abuse Prevention and Treatment Act (CAPTA) grant moneys by the Department.

**Annualize FY 2007-08 leap year:** The recommendation eliminates funding for an additional day of child welfare services added in FY 2007-08 due to the leap year.

**Annualize other one-time FY 2007-08 appropriations:** The recommendation eliminates \$100,000 General Fund added for a one-time FY 2007-08 supplemental adjustment and \$79,771 added pursuant to S.B. 07-226.

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**Division of Child Care:** This section provides funding and state staff associated with the state supervision and county administration of the Colorado Child Care Assistance Program (CCAP), through which counties provide child care subsidies to low income families and families transitioning from the Colorado Works Program. In addition, this section provides funding and state staff for the administration of various child care grant programs, and for licensing and monitoring child care facilities. Cash funds amounts reflect fees and fines associated with the licensing of child care facilities, expenditures by counties, and donations. Federal funds primarily reflect Child Care Development Funds, which the General Assembly has authority to appropriate, pursuant to federal law.



Division of Child Care	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$91,974,615	\$18,651,536	\$728,008	\$10,203,665	\$62,391,406	65.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	9,181,498	(9,181,498)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$91,974,615	\$18,651,536	\$9,909,506	\$1,022,167	\$62,391,406	65.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	143,036	71,048	21,538	0	50,450	0.0
Provider rate increase	27,594	0	0	0	27,594	0.0
Add web content staff position	0	0	0	0	0	1.0
Eliminate double-count	(1,006,161)	0	0	(1,006,161)	0	0.0
Annualize one-time FY 2007-08 appropriations	(54,004)	(16,007)	20,255	(16,006)	(42,246)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$91,085,080	\$18,706,577	\$9,951,299	\$0	\$62,427,204	66.0
\$ Change from prior year	(\$889,535)	\$55,041	\$41,793	(\$1,022,167)	\$35,798	1.0
% Change from prior year	(1.0)%	0.3%	0.4%	(100.0)%	0.1%	1.5%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to personal services for line items with 20.0 FTE or more.

**Provider rate increase:** The recommendation includes a 1.5 percent cost-of-living adjustment for programs in this section.

**Add web content staff position:** The recommendation adds 1.0 FTE for a position that will ensure that child care facility licensing information is readily available on the web. Funding for the position will be supported by child care licensing fees. Adequate cash funds spending authority is available within the base appropriation, so no additional cash funds spending authority is required; however, the Department is expected to increase child care licensing fees to generate sufficient revenue to support the position.

**Eliminate double-count:** The recommendation eliminates a \$1.0 million double-count in the appropriation for Early Childhood Councils.

**Annualize one-time FY 2007-08 appropriations:** The recommendation annualizes various one-time appropriations, including amounts for one-time costs in H.B. 07-1062, costs associated with constructing a new Child Care Automated Tracking System, and a one-time supplemental that moved \$180,000 federal funds from the Child Care Assistance program to administration for a federally-required study of improper child care subsidy payments.

**Office of Self Sufficiency:** This section includes appropriations for various cash assistance programs, including the Colorado Works program, the Low-income Energy Assistance Program (LEAP), child support enforcement, and disability determination.

Office of Self Sufficiency	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$331,748,023	\$6,908,656	\$6,641,978	\$29,207,412	\$288,989,977	279.1
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>27,028,206</u>	<u>(27,028,206)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$331,748,023	\$6,908,656	\$33,670,184	\$2,179,206	\$288,989,977	279.1
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Administration	33,719	47,877	0	0	(14,158)	0.0
Colorado Works Program	(3,271,637)	0	5,711	0	(3,277,348)	4.0
Special Purpose Welfare Programs	161,485	15,909	9,701	4,254	131,621	0.0
Child Support Enforcement	(109,583)	(37,259)	0	0	(72,324)	2.0
Disability Determination Services	245,857	0	0	0	245,857	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$328,807,864	\$6,935,183	\$33,685,596	\$2,183,460	\$286,003,625	285.1
\$ Change from prior year	(\$2,940,159)	\$26,527	\$15,412	\$4,254	(\$2,986,352)	6.0
% Change from prior year	(0.9)%	0.4%	0.0%	0.2%	(1.0)%	2.2%

## Subsection Detail

*Administration:* This subsection of the Office of Self Sufficiency includes the State's share of administrative funding for self sufficiency programs.

Administration	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,690,985	\$669,995	\$0	\$0	\$1,020,990	22.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,690,985	\$669,995	\$0	\$0	\$1,020,990	22.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	42,164	52,099	0	0	(9,935)	0.0
Remove one-time appropriation	(8,445)	(4,222)	0	0	(4,223)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,724,704	\$717,872	\$0	\$0	\$1,006,832	22.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
\$ Change from prior year	\$33,719	\$47,877	\$0	\$0	(\$14,158)	0.0
% Change from prior year	2.0%	7.1%	n/a	n/a	(1.4)%	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Remove one-time appropriation:** The recommendation removes a one-time appropriation added in FY 2007-08.

*Colorado Works Program:* This subsection of the Office of Self Sufficiency provides funding and spending authority associated with the Colorado Works Program, through which counties provide cash and other benefits and services intended to promote sustainable employment for low income families with children.

<i>Colorado Works Program</i>	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$249,727,757	\$627,726	\$0	\$25,648,033	\$223,451,998	18.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	25,648,033	(25,648,033)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$249,727,757	\$627,726	\$25,648,033	\$0	\$223,451,998	18.0
<i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i>						
Responsible fatherhood grant	2,222,222	0	0	0	2,222,222	0.0
Colorado Works county oversight	231,048	0	0	0	231,048	4.0
Annualize salary and benefits adjustments	49,819	0	5,711	0	44,108	0.0
Remove one-time appropriation	(5,774,726)	0	0	0	(5,774,726)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$246,456,120	\$627,726	\$25,653,744	\$0	\$220,174,650	22.0
\$ Change from prior year	(\$3,271,637)	\$0	\$5,711	\$0	(\$3,277,348)	4.0
% Change from prior year	(1.3)%	0.0%	0.0%	n/a	(1.5)%	22.2%

## Issue Descriptions

**Responsible fatherhood grant:** The recommendation includes an increase to reflect a grant received by the State from the federal Promoting Responsible Fatherhood program.

**Colorado works county oversight:** The recommendation includes an increase to support the creation of a group to provide quality control on counties' implementation of the Colorado Works program. The added oversight is necessary due to changes in federal requirements of the State.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Remove one-time appropriation:** The recommendation removes one-time appropriations for FY 2007-08, including a \$5.4 million transfer of TANF funds to the counties, and \$250,000 for changes to CBMS related to new federal TANF reporting requirements.

*Special Purpose Welfare Programs:* This subsection of the Office of Self Sufficiency contains appropriations for cash assistance programs for specific purposes, such as energy assistance, food stamp job search, food distribution, telephone assistance, income tax offset, and refugee assistance. This section also contains funding for Systematic Alien Verification for Eligibility (SAVE) and the electronic benefits transfer service (EBTS).

<i>Special Purpose Welfare Programs</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$49,726,348	\$1,118,182	\$6,496,968	\$3,277,890	\$38,833,308	36.2
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>1,098,684</u>	<u>(1,098,684)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$49,726,348	\$1,118,182	\$7,595,652	\$2,179,206	\$38,833,308	36.2
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Additional TANF funds for refugee assistance	89,679	0	0	0	89,679	0.0
Annualize salary and benefits adjustments	71,806	16,177	9,475	4,079	42,075	0.0
Technical corrections	0	(268)	226	175	(133)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$49,887,833	\$1,134,091	\$7,605,353	\$2,183,460	\$38,964,929	36.2
\$ Change from prior year	\$161,485	\$15,909	\$9,701	\$4,254	\$131,621	0.0
% Change from prior year	0.3%	1.4%	0.1%	0.2%	0.3%	0.0%

## Issue Descriptions

**Additional TANF funds for refugee assistance:** The recommendation includes an increase in the use of TANF funds to provide assistance to legal refugees and asylees settling in Colorado.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award

and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Technical corrections:** The recommendation includes technical corrections to fund sources.

*Child Support Enforcement:* This subsection of the Office of Self Sufficiency contains appropriations for the computer system used by county staff to establish paternity, locate absent parents, manage child support enforcement caseloads, track collection efforts, and for several administrative functions.

<i>Child Support Enforcement</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$13,640,356	\$4,492,753	\$145,010	\$281,489	\$8,721,104	62.4
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	281,489	(281,489)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$13,640,356	\$4,492,753	\$426,499	\$0	\$8,721,104	62.4
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	131,342	44,655	0	0	86,687	0.0
Convert to state employees	(121,982)	(41,474)	0	0	(80,508)	2.0
Remove one-time appropriation	(118,943)	(40,440)	0	0	(78,503)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$13,530,773	\$4,455,494	\$426,499	\$0	\$8,648,780	64.4
\$ Change from prior year	(\$109,583)	(\$37,259)	\$0	\$0	(\$72,324)	2.0
% Change from prior year	(0.8)%	(0.8)%	0.0%	n/a	(0.8)%	3.2%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Convert to state employees:** The recommendation includes a decrease in expenditures and increase in FTE to convert two contract positions to regular state employees. These positions are responsible for the child support enforcement web site.

**Remove one-time appropriation:** The recommendation removes a one-time appropriation added in FY 2007-08.

*Disability Determination Services:* This subsection of the Office of Self Sufficiency provides the federal Social Security Administration with medical disability decisions for Colorado residents applying for Social Security Disability Insurance and Supplemental Security Income Programs.

<i>Disability Determination Services</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$16,962,577	\$0	\$0	\$0	\$16,962,577	140.5
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$16,962,577	\$0	\$0	\$0	\$16,962,577	140.5
<i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i>						
Annualize salary and benefits adjustments	245,857	0	0	0	245,857	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$17,208,434	\$0	\$0	\$0	\$17,208,434	140.5
\$ Change from prior year	\$245,857	\$0	\$0	\$0	\$245,857	0.0
% Change from prior year	1.4%	n/a	n/a	n/a	1.4%	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Mental Health and Alcohol and Drug Abuse (ADAD) Services:** This section includes non-Medicaid funded Mental Health Community Programs, the Mental Health Institutes, the Alcohol and Drug Abuse Division, Supportive Housing and Homelessness programs, and funds for central administration of these programs.

<b>Mental Health and Alcohol and Drug Abuse Services</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$215,280,242	\$124,542,292	\$9,034,964	\$24,046,084	\$57,656,902	1,388.1
Long Bill Supplemental	77,895	891,002	(677,261)	(135,846)	0	0.8
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>10,312,319</u>	<u>(10,312,319)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$215,358,137	\$125,433,294	\$18,670,022	\$13,597,919	\$57,656,902	1,388.9
<i>Recommended Changes from FY 2008-09 Adjusted Appropriation</i>						
Administration	(2,057,761)	85,904	(2,313,906)	74,512	95,729	1.4
Mental Health Community Programs	6,014,441	3,984,277	2,075,330	(45,166)	0	0.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Mental Health Institutes	5,139,381	4,626,066	0	513,315	0	6.1
Alcohol and Drug Abuse Division	1,792,187	1,565,677	312,733	(86,223)	0	0.0
<b>Total FY 2007-08 JBC Recommendation</b>	\$226,246,385	\$135,695,218	\$18,744,179	\$14,054,357	\$57,752,631	1,396.4
\$ Change from prior year	\$10,888,248	\$10,261,924	\$74,157	\$456,438	\$95,729	7.5
% Change from prior year	5.1%	8.2%	0.4%	3.4%	0.2%	0.5%

## Subsection Detail

*Administration:* This subsection of Mental Health and Alcohol and Drug Abuse Services contains appropriations for the central administration of mental health and alcohol and drug abuse services for adults and children. It also includes funding for federal housing programs for low income and indigent persons who require specialized care. Beginning in FY 2008-09, the Traumatic Brain Injury Trust Fund program will be reflected in the Vocational Rehabilitation section of the Long Bill.

<i>Administration</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$26,959,650	\$825,560	\$1,932,622	\$938,856	\$23,262,612	53.4
Long Bill Supplemental	16,254	16,254	0	0	0	0.2
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>630,588</u>	<u>(630,588)</u>	<u>0</u>	<u>0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$26,975,904	\$841,814	\$2,563,210	\$308,268	\$23,262,612	54.4
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize one-time funding and separate legislation	154,463	(8,907)	103,865	59,505	0	1.1
Annualize salary and benefits adjustments	140,515	29,911	0	14,875	95,729	0.0
Improve monitoring of community-based NGRI patients	79,588	79,588	0	0	0	0.8
Population in need study	0	0	0	0	0	1.0
Traumatic Brain Injury Trust Fund	(2,411,174)	0	(2,411,174)	0	0	(1.5)
Other	(21,153)	(14,688)	(6,597)	132	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$24,918,143	\$927,718	\$249,304	\$382,780	\$23,358,341	55.8
\$ Change from prior year	(\$2,057,761)	\$85,904	(\$2,313,906)	\$74,512	\$95,729	1.4
% Change from prior year	(7.6)%	10.2%	(90.3)%	24.2%	0.4%	2.6%

## Issue Descriptions

**Annualize one-time funding and separate legislation:** The recommendation annualizes various appropriations added in FY 2007-08.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to personal services for line items with 20.0 FTE or more.

**Improve the monitoring of community-based NGRI patients:** The recommendation funds efforts to improve the monitoring of community-based patients who have been found by a court to be not guilty by reason of insanity (NGRI). It provides the community mental health centers with technical assistance and funds to cover the additional costs associated with caring for this population.

**Population in need study:** The recommendation appropriates an additional FTE to staff the completion of the Department's latest population in need study, which will help to identify unmet needs and to better target the Department's resources.

**Improve the monitoring of community-based NGRI patients:** The recommendation funds efforts to improve the monitoring of community-based patients who have been found not guilty by reason of inanity (NGRI). It provides the community mental health centers with technical assistance and funds to cover the additional costs associated with caring for this population.

**Traumatic Brain Injury Trust Fund:** The recommendation reflects the transfer of the Traumatic Brain Injury Trust Fund from this division to the Vocational Rehabilitation section of the Long Bill, where the program is administered.

**Other:** The recommendation includes minor technical adjustments.

*Mental Health Community Programs:* This subsection of Mental Health and Alcohol and Drug Abuse Services includes funding for over 10,000 indigent mentally ill people. Please note, funding for the Medicaid mental health community services is appropriated to the Department of Health Care Policy and Financing, which administers that program.

<i>Mental Health Community Programs</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$47,326,069	\$37,387,538	\$0	\$3,704,962	\$6,233,569	0.8
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>3,098,275</u>	<u>(3,098,275)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$47,326,069	\$37,387,538	\$3,098,275	\$606,687	\$6,233,569	0.8
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Funds for an additional 966 indigent mentally ill clients	2,998,464	2,998,464	0	0	0	0.0
Annualize funding for mental health services for juvenile and adult offenders	2,010,230	0	2,010,230	0	0	0.0
Provider rate increase	633,447	560,813	72,634	0	0	0.0



	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Behavioral health stabilization services	325,000	325,000	0	0	0	0.0
Improve monitoring of community-based NGRI patients	100,000	100,000	0	0	0	0.0
Annualize one-time funding for family advocacy demonstration	(52,700)	0	(7,534)	(45,166)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	<b>\$53,340,510</b>	<b>\$41,371,815</b>	<b>\$5,173,605</b>	<b>\$561,521</b>	<b>\$6,233,569</b>	<b>0.8</b>
\$ Change from prior year	\$6,014,441	\$3,984,277	\$2,075,330	(\$45,166)	\$0	0.0
% Change from prior year	12.7%	10.7%	67.0%	(7.4)%	0.0%	0.0%

## Issue Descriptions

**Funds for an additional 966 indigent mentally ill clients:** The recommendation is to increase funding for community mental health centers so they can provide services for an additional 966 indigent mentally ill clients.

**Annualize funding for mental health services for juvenile and adult offenders:** The recommendation reflects the annualization of S.B. 07-097, which allocated tobacco settlement funds to provide community mental health support services for people involved in the criminal justice system.

**Provider rate increase:** The recommendation includes a 1.5 percent cost of living increase for community-based providers.

**Behavioral health stabilization services:** The recommendation increases funds for two community mental health centers, in Grand Junction and Durango, to expand the services they provide to their communities.

**Improve monitoring of community-based NGRI patients:** The recommendation supplements the State's contracts with community mental health centers for the additional costs associated with providing care for community-based forensics patients.

**Annualize one-time funding for family advocacy demonstration:** The recommendation annualizes funding for family advocacy demonstration sites, which support the families of youth with mental health issues who are involved in the criminal justice system. The program was created by H.B. 07-1057.

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**Mental Health Institutes:** This subsection of Mental Health and Alcohol and Drug Abuse Services contains appropriations for inpatient mental health services provided at the state mental health institutes in Pueblo and at Fort Logan in Denver. It also contains appropriations for the general hospital in Pueblo and funds for education programs at the institutes.

<b><i>Mental Health Institutes</i></b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$93,726,790	\$72,774,413	\$4,844,403	\$16,107,974	\$0	1,303.9
Long Bill Supplemental	61,641	874,748	(677,261)	(135,846)	0	0.6

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>6,574,448</u>	<u>(6,574,448)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$93,788,431	\$73,649,161	\$10,741,590	\$9,397,680	\$0	1,304.5
<b><i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i></b>						
Annualize salary and benefit adjustments	3,309,840	3,309,840	0	0	0	0.0
Compression pay	986,386	986,386	0	0	0	0.0
Staff and funds to transition to and operate new forensics institute in Pueblo	608,384	608,384	0	0	0	5.1
Improve monitoring of community-based NGRI patients	269,894	269,894	0	0	0	2.9
Linen contract transfer	84,159	84,159	0	0	0	0.0
Annualize mental health institutes' revenue adjustment	0	(502,802)	0	502,802	0	0.0
Menu planning	(98,794)	(98,794)	0	0	0	(1.9)
Other	(20,488)	(31,001)	0	10,513	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$98,927,812	\$78,275,227	\$10,741,590	\$9,910,995	\$0	1,310.6
\$ Change from prior year	\$5,139,381	\$4,626,066	\$0	\$513,315	\$0	6.1
% Change from prior year	5.5%	6.3%	0.0%	5.5%	n/a	0.5%

## Issue Descriptions

**Long Bill Supplemental:** The recommendation reflects the annual revenue adjustments for the institutes that are based on updated information.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The recommendation exempts the mental health institutes from the 1.0 percent base reduction to personal services for line items with 20.0 FTE or more.

**Compression pay:** The recommendation provides funding to increase the salaries of Nurse I's with five or more years of experience at the mental health institutes, with the goal of expanding the pay range between less- and more- experienced nurses. The Department reports that due to the competitive labor market, it must recruit nurses at a rate which is 20 percent higher than the entry-level salary for the job classification, which compresses the salaries between nurses with varying levels of experience.

**Staff and funds to transition to and operate new forensics institute in Pueblo:** The recommendation provides the additional FTE and funds necessary to transition patients to the new forensics institute in Pueblo, and the additional staff and funds necessary to operate the new facility.

**Improve monitoring of community-based NGRI patients:** The recommendation provides funds for technical assistance and specialists to assist community providers in improving the monitoring of community-based patients who have been found not guilty by reason of insanity (NGRI).

**Linen contract transfer:** The recommendation transfers funding associated with the management of the linen contract for the institutes from the Office of Operations to the institutes themselves, with the goal of improving quality control.

**Annualize mental health institutes' revenue adjustment:** The recommendation adjusts revenue sources for the State's two mental health institutes based on updated data.

**Menu planning:** The recommendation consolidates food purchases and preparation at the two institutes in an effort to increase efficiency and reduce costs.

**Other:** The recommendation includes miscellaneous other adjustments.

*Alcohol and Drug Abuse Division:* This subsection of Mental Health and Alcohol and Drug Abuse Services contains appropriations for alcohol and drug abuse prevention, intervention, and treatment services. Treatment, prevention, and detoxification services are provided primarily through six managed service organizations, which manage the provision of services to residents of specified geographic areas of the State. The Division also funds and oversees involuntary commitments to detoxification facilities and substance abuse treatment programs.

<i>Alcohol and Drug Abuse Division</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$47,267,733	\$13,554,781	\$2,257,939	\$3,294,292	\$28,160,721	30.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>9,008</u>	<u>(9,008)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$47,267,733	\$13,554,781	\$2,266,947	\$3,285,284	\$28,160,721	30.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Short-term intensive residential rehabilitation program (STIRRT)	669,600	669,600	0	0	0	0.0
Community treatment and prevention	514,399		514,399	0	0	0.0
Persistent drunk driver	312,733	312,733	0	0	0	0.0
Provider rate increase	226,902	226,902	0	0	0	0.0
Salary and benefit adjustments	86,830	86,830	0	0	0	0.0
Other	(18,277)	269,612	(201,666)	(86,223)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$49,059,920	\$15,120,458	\$2,579,680	\$3,199,061	\$28,160,721	30.0
\$ Change from prior year	\$1,792,187	\$1,565,677	\$312,733	(\$86,223)	\$0	0.0
% Change from prior year	3.8%	11.6%	13.8%	(2.6)%	0.0%	0.0%

## Issue Descriptions

**Short-term intensive residential rehabilitation program (STIRRT):** The recommendation adds funds for the expansion of this program.

**Community treatment and prevention:** The recommendation provides the second year of funding for additional community prevention and treatment services, as specified in S.B.07-097 / H.B. 07-1359.

**Persistent drunk driver:** The recommendation is to increase the Department's spending authority for this line item, commensurate with available resources.

**Provider rate increase:** The recommendation provides for a 1.5 percent cost of living increase for community providers.

**Salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. A one percent personal services base reduction was applied to divisions with more than 20.0 FTE.

**Other:** The recommendation includes miscellaneous other adjustments.

**Services for People with Disabilities:** This section includes funding for Community Services for People with Developmental Disabilities, Regional Centers for People with Developmental Disabilities, the Division of Vocational Rehabilitation, and Homelake Domiciliary and the State and Veterans Nursing Homes.

Services for People with Disabilities	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$511,528,662	\$39,244,460	\$3,436,129	\$411,004,850	\$57,843,223	1,875.9
Long Bill Supplemental	(5,528,870)	2,904,897	135,695	(8,569,462)	0	39.4
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	75,107,594	(75,107,594)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$505,999,792	\$42,149,357	\$78,679,418	\$327,327,794	\$57,843,223	1,915.3
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Community Services for People with Developmental Disabilities	26,357,407	(2,721,368)	1,637,109	27,516,130	(74,464)	(0.1)
Regional Centers for People with Developmental Disabilities	2,812,848	150,667	(80,425)	2,742,606	0	13.4
Work Therapy Program	0	0	0	0	0	0.0
Division of Vocational Rehabilitation	2,298,703	(795,838)	3,192,722	(86,791)	(11,390)	0.5
Homelake Domiciliary and State and Veterans Nursing Homes	3,732,051	265,317	2,611,942	0	854,792	0.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>Total FY 2008-09</b>						
<b>JBC Recommendation</b>	\$541,200,801	\$39,048,135	\$86,040,766	\$357,499,739	\$58,612,161	1,929.1
\$ Change from prior year	\$35,201,009	(\$3,101,222)	\$7,361,348	\$30,171,945	\$768,938	13.8
% Change from prior year	7.0%	(7.4)%	9.4%	9.2%	1.3%	0.7%

## Subsection Detail

*Community Services for People with Developmental Disabilities:* This section includes all funding associated with community-based services available to adults and children with developmental disabilities. Twenty Community Centered Boards (CCBs) located throughout the state provide case management and much of the direct services for over 11,000 Coloradans with developmental disabilities. This includes "comprehensive" (24-hour residential care), and supported living services (day-time care and employment support) for adults with developmental disabilities, early intervention services for infants and toddlers, children's extensive support services for children with intensive in-home supervision needs, and family support services (flexible assistance to families caring for a child with a developmental disability). The majority of funding supports adult residential care.

<i>Community Services for People with Developmental Disabilities</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$365,513,571	\$31,672,530	\$0	\$326,934,075	\$6,906,966	38.9
Long Bill Supplemental	(7,001,858)	2,904,897	0	(9,906,755)	0	0.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>38,406,465</u>	<u>(38,406,465)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$358,511,713	\$34,577,427	\$38,406,465	\$278,620,855	\$6,906,966	38.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Residential services for 305 adults for six months	11,846,832	0	1,173,394	10,673,438	0	0.0
Annualize one-time FY 2007-08 adjustments	6,426,435	(3,464,507)	4,505	9,886,437	0	0.0
Provider rate increase	4,865,280	461,721	137,462	4,266,097	0	0.0
Annualize new caseload added for six months in FY 2007-08	3,635,532	0	314,848	3,320,684	0	0.0
Supported living services for 117 adults for twelve months	2,144,634	0	107,232	2,037,402	0	0.0
Supported living services for 228 adults for six months	2,089,643	0	104,482	1,985,161	0	0.0
Family support services for 100 families for six months	313,737	298,050	15,687	0	0	0.0
Annualize salary and benefits adjustments	93,718	9,525		84,193	0	0.0
Developmental disability waiver transition costs	79,028	0	0	79,028	0	0.0

Decrease for anticipated Program Costs under-expenditure	(2,594,676)	0	(129,734)	(2,464,942)	0	0.0
Reduce Federally-matched Local Program Costs	(1,641,910)	0	0	(1,641,910)	0	0.0
Annualize FY 2007-08 leap year adjustment	(822,865)	(26,157)	(90,767)	(705,941)	0	0.0
Reduction to anticipated federal grant	(74,464)	0	0	0	(74,464)	0.0
Regional center becomes ICF/MR	(3,517)	0	0	(3,517)	0	(0.1)
<b>Total FY 2008-09 JBC Recommendation</b>	<b>\$384,869,120</b>	<b>\$31,856,059</b>	<b>\$40,043,574</b>	<b>\$306,136,985</b>	<b>\$6,832,502</b>	<b>38.8</b>
\$ Change from prior year	\$26,357,407	(\$2,721,368)	\$1,637,109	\$27,516,130	(\$74,464)	(0.1)
% Change from prior year	7.4%	(7.9)%	4.3%	9.9%	(1.1)%	(0.3)%

Note: Most of the reappropriated funds amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). In the Department of Health Care Policy and Financing, these amounts are generally appropriated as 50 percent General Fund and 50 percent federal funds.

## Issue Descriptions

**Long Bill Supplemental:** The recommendation includes a mid-year adjustment to FY 2007-08 appropriations which: (1) reduces the Medicaid cash funds exempt appropriation for developmental disability program costs; (2) increases the General Fund appropriation for developmental disability "hold harmless" funds; and (3) provides net General Fund savings *statewide* (including in the Department of Health Care Policy and Financing) of \$2.0 million. The Medicaid reduction is due to projected under-utilization of the FY 2007-08 appropriation for program costs due to federally-required billing and administrative system changes. The hold harmless funds are designed to temporarily assist providers negatively affected by the system changes. The recommendation provides authority for roll-forward of: (1) up to 3.0 percent of the Medicaid funds appropriation; and (2) "hold harmless" amounts appropriated in FY 2006-07 and FY 2007-08. Overall, the adjustments provide for a total of \$1.7 million General Fund for hold harmless in FY 2007-08 and \$6.5 million General Fund for hold harmless in FY 2008-09.

**Residential services for 305 adults for six months:** The recommendation includes funding to add comprehensive residential services for 305 adults with developmental disabilities for six months. The amount shown will annualize (double) in FY 2009-10. The funds are targeted to individuals transitioning from foster care and emergency placements, as well as individuals at high-risk of out-of-home placement due to age, medical, or behavioral issues.

**Annualize one-time FY 2007-08 adjustments:** The recommendation annualizes one-time FY 2007-08 adjustments, including: (1) reversing the Long Bill supplemental described above; (2) eliminating \$579,928 added in FY 2007-08 for developmental disability waiver transition costs; and (3) moving \$4,505 associated with S.B. 07-4 early intervention services from the Office of Operations to this section.

**Provider rate increase:** The recommendation includes a 1.5 percent cost-of-living adjustment for programs funded in this section.

**Annualize new caseload added for six months in FY 2007-08:** The recommendation annualizes (doubles) funding provided for 78 adult residential placements and 24 adult supported living placements for six months in FY 2007-08.

**Supported living services for 117 adults for twelve months:** The recommendation adds full-year funding to provide supported living services for 117 adults with developmental disabilities.

**Supported living services for 228 adults for six months:** The recommendation includes funding to provide supported living services for 200 adults waiting for developmental disability services and 28 youth transitioning from the Children's Extensive Support program for six months. Amounts shown will annualize (double) in FY 2009-10, when full-year funding is required.

**Family support services for 100 families for six months:** The recommendation includes funding to provide family support services to 100 families with children with developmental disabilities for six months. Amounts shown will annualize (double) in FY 2009-10, when full-year funding is required.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to personal services for line items with 20.0 FTE or more.

**Developmental disability waiver transition costs:** The recommendation adds funding for ongoing costs associated with federally-required system changes. This includes costs associated with an assessment tool (the "Supports Intensity Scale" or SIS) and associated training and inter-rater reliability efforts.

**Anticipated program costs under-expenditure:** The recommendation includes a reduction to the appropriation for adult supported living services to reflect projected under-expenditures. Previously, community centered boards were allowed to retain up to 5.0 percent of allocated supported living services funds, after they had served a contracted number of persons. Under federal rules, this is no longer an option; therefore the appropriation has been reduced and funds redirected to serve additional individuals.

**Reduce federally-matched local program costs:** The recommendation reflects the estimated size of a program that uses certified county funds to draw down federal Medicaid funds for developmental disability services. The program has been greatly reduced as a result of federally-imposed changes that transferred much of the costs associated with this program to the State.

**Annualize FY 2007-08 leap year adjustment:** The recommendation eliminates funding for an additional day of developmental disability services added in FY 2007-08 due to the leap year.

**Reduction in federal Part C grant:** The recommendation reflects an anticipated reduction in funds anticipated to be received from federal authorities to support services and service coordination for children under the age of three who have developmental delays.

**Regional center becomes ICF/MR:** The recommendation includes an adjustment for staff that oversee Medicaid waiver services at the state-operated regional centers. The reduction is based on conversion of home- and community-based group homes at the Wheat Ridge regional center to "intermediate care facilities for the mentally retarded" or ICFs/MR.

*Regional Centers for People with Developmental Disabilities:* This section contains appropriations for three regional centers operated by the Department for persons with developmental disabilities. Persons served by the regional centers in Wheat Ridge, Grand Junction, and Pueblo usually have multiple disabling conditions that may include maladaptive behaviors or severe, chronic medical conditions that require specialized and intensive levels of services. The regional centers have the capacity to serve 403 persons, including 108 on-campus intermediate care facility (ICF) and skilled nursing beds and 295 Medicaid home- and community-based waiver beds. The average annual cost per bed, including costs that are funded through other program areas within the Department and depreciation costs, is projected to be \$156,229 in FY 2007-08. The reappropriated funds amounts reflected in this section of the budget are Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). Most of these funds are appropriated as 50 percent General Fund and 50 percent federal funds in HCPF.

<i>Regional Centers for People with Developmental Disabilities</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$44,938,497	\$244,460	\$2,636,006	\$42,058,031	\$0	903.4
Long Bill Supplemental	1,472,988	0	135,695	1,337,293	0	39.4
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$46,411,485	\$244,460	\$2,771,701	\$43,395,324	\$0	942.8
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	1,988,867	0	0	1,988,867	0	0.0
Change Wheat Ridge group homes to ICF/MR licensure	1,819,583	150,667	0	1,668,916	0	38.3
Annualize FY 2007-08 staffing increase	477,386	0	0	477,386	0	14.5
Fund-split adjustment	0	0	55,270	(55,270)	0	0.0
Annualize one-time funding	(1,472,988)	0	(135,695)	(1,337,293)	0	(39.4)
<b>Total FY 2008-09 JBC Recommendation</b>	\$49,224,333	\$395,127	\$2,691,276	\$46,137,930	\$0	956.2
\$ Change from prior year	\$2,812,848	\$150,667	(\$80,425)	\$2,742,606	\$0	13.4
% Change from prior year	6.1%	61.6%	(2.9)%	6.3%	n/a	1.4%

## Issue Descriptions

**Long Bill Supplemental:** The recommendation adds \$1.5 million total funds and 39.4 FTE to address unexpectedly-high staffing needs in FY 2007-08 and a projected over-expenditure. An exceptionally large number of individuals entering the regional centers in FY 2007-08 have required one-to-one staffing. The Department has formed a work group to examine what related adjustments may be necessary for FY 2008-09.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award



and are incorporated into base funding for each division in the subsequent year. The regional centers were exempted from the 1.0 percent base reduction to personal services for line items with 20.0 FTE or more.

**Change Wheat Ridge group homes to ICF/MR licensure:** The recommendation includes increases associated with modifying the licensure of 20 group homes at the Wheat Ridge Regional Center so that these homes will no longer be classified and billed as Medicaid home- and community-based group homes but will instead be classified and billed as intermediate care facilities for the mentally retarded (ICFs/MR). The conversion drives additional direct care and professional staffing needs. The FY 2008-09 appropriation is for an average of 6.7 months, based on the staging of the conversion of individual homes. For FY 2008-09, the net General Fund impact of the conversion statewide (including various adjustments in the Department of Health Care Policy and Financing and Department of Public Health and Environment) is \$821,005. The total appropriation for the regional centers will annualize in FY 2009-10 to \$3,034,193 (including \$1,357,387 net General Fund) and 68.7 FTE. The statewide net General Fund impact will annualize in FY 2009-10 to \$1,093,515, excluding impacts to centrally-appropriated line items.

**Annualize FY 2007-08 staffing increase:** The recommendation annualizes funding and FTE for staff added for six months in FY 2007-08 to a full year in FY 2008-09.

**Fund-split adjustment:** The recommendation includes an adjustment to anticipated revenue from patients (e.g., for room and board) that offsets Medicaid funds otherwise required.

**Eliminate one-time funding:** The recommendation eliminates the FY 2007-08 Long Bill supplemental described above. The Department has formed a work group to examine whether related adjustments may be necessary for FY 2008-09.

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**Work Therapy Program:** This section appropriates Work Therapy Enterprise Funds for the mental health institute at Fort Logan and the Regional Centers for persons with developmental disabilities in Grand Junction, Pueblo, and Wheat Ridge. These funds support sheltered workshop programs for training and employment of clients. Revenue is derived from contracts with area businesses and organizations for work performed.

<i>Work Therapy Program</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$464,589	\$0	\$324,573	\$140,016	\$0	1.5
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>140,016</u>	<u>(140,016)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$464,589	\$0	\$464,589	\$0	\$0	1.5
<i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i>						
No Changes	0	0	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$464,589	\$0	\$464,589	\$0	\$0	1.5
\$ Change from prior year	\$0	\$0	\$0	\$0	\$0	0.0
% Change from prior year	0.0%	n/a	0.0%	n/a	n/a	0.0%

## Issue Descriptions

There are no recommended changes to this section for FY 2008-09.

*Division of Vocational Rehabilitation:* This section contains appropriations to assist persons with physical and mental disabilities in overcoming barriers to employment. Vocational counseling services are provided statewide through satellite offices, and associated educational and medical services are purchased for program participants. In addition to providing vocational services, the Division assists persons with disabilities in living independently and integrating successfully into their communities. Most funding for the Division is based on a match of 78.7 percent federal vocational rehabilitation funds to 21.3 percent non-federal funds. Cash and cash exempt amounts are from various local and government sources.

<i>Division of Vocational Rehabilitation</i>	<b>Total</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$53,640,354	\$6,411,030	\$475,550	\$5,857,553	\$40,896,221	258.7
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	545,938	(545,938)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$53,640,354	\$6,411,030	\$1,021,488	\$5,311,615	\$40,896,221	258.7
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Relocate Traumatic Brain Injury Trust Fund appropriation to DVR	2,411,498	0	2,411,498	0	0	1.5
Reflect Social Security Administration reimbursements	813,741	0	0	0	813,741	0.0
Annualize salary and benefits adjustments	418,464	78,830	4,304	4,615	330,715	0.0
Provider rate increase	309,762	25,332	0	56,783	227,647	0.0
Independent living centers	100,000	100,000	0	0	0	0.0
One-time refinance of Vocational Rehabilitation program	0	(1,000,000)	1,000,000	0	0	0.0
Eliminate one-time funding	(1,296,322)	0	(223,080)	(53,037)	(1,020,205)	0.0
Eliminate independent living-vocational rehab. pilot	(363,288)	0	0	0	(363,288)	0.0
Transfer Commission on Blind	(95,152)	0	0	(95,152)	0	(1.0)
<b>Total FY 2008-09 JBC Recommendation</b>	\$55,939,057	\$5,615,192	\$4,214,210	\$5,224,824	\$40,884,831	259.2
\$ Change from prior year	\$2,298,703	(\$795,838)	\$3,192,722	(\$86,791)	(\$11,390)	0.5
% Change from prior year	4.3%	(12.4)%	312.6%	(1.6)%	0.0%	0.2%

## Issue Descriptions

**Relocate Traumatic Brain Injury Trust Fund appropriation to DVR:** The recommendation moves the appropriation for the Traumatic Brain Injury Trust Fund the Mental Health and Alcohol and Drug Abuse Services section to this division.

**Reflect Social Security Administration reimbursements:** The recommendation reflects, for informational purposes, federal Social Security Administration funds anticipated to be received by the Division.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to personal services for line items with 20.0 FTE or more.

**Provider rate increase:** The recommendation includes a 1.5 percent cost-of-living adjustment for selected programs funded in this section.

**Independent living centers:** The recommendation adds \$100,000 General Fund for independent living centers.

**One-time refinance of Vocational Rehabilitation program:** The recommendation reduces the General Fund appropriation for vocational rehabilitation programs by \$1.0 million and increases the cash funds appropriation from deferred revenue by the same amount.

**Eliminate one-time funding:** The recommendation eliminates amounts appropriated for one-time only in FY 2007-08. This primarily reflects appropriations from reserves for the Business Enterprise Program for construction and renovation projects at food vending facilities operated by blind vendors.

**Eliminate Independent Living-Vocational Rehabilitation pilot:** The recommendation eliminates a program that enabled independent living centers to use a portion of their General Fund appropriation to draw down federal vocational rehabilitation funds based on the provision of vocational rehabilitation services. Instead, independent living centers are anticipated to use their total General Fund support (which is not reduced) for independent living services. Those that provide vocational rehabilitation services will be funded through the main vocational rehabilitation appropriation and will receive these funds in addition to General Fund and federal independent living services grants.

**Transfer Commission on Blind:** The recommendation moves the appropriation for the Commission on the Blind and Visually Impaired from this division to the Department's Executive Director's Office.

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*Homelake Domiciliary and State and Veterans Nursing Homes:* This section reflects funding for: (1) Homelake Domiciliary, a 46-bed group living facility which serves residents who do not require continuous nursing or medical care but who may need assistance with meals, housekeeping, personal care, laundry, and access to a physician; and (2) the six state nursing homes, five of which are classified as veterans nursing homes and are eligible for federal Veterans Administration support. Homelake Domiciliary and the State and Veterans Nursing Homes are enterprises that have been granted continuous spending authority; therefore, with the exception of any General Fund appropriations, amounts shown are for informational purposes only. Cash funds amounts reflect estimated resident payments for services; federal funds amounts reflect estimated U.S. Veteran's Administration per diem support.

<i>Homelake Domiciliary and State and Veterans Nursing Homes</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$46,971,651	\$916,440	\$0	\$36,015,175	\$10,040,036	673.4
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>36,015,175</u>	<u>(36,015,175)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$46,971,651	\$916,440	\$36,015,175	\$0	\$10,040,036	673.4
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Nursing home expense projection	3,466,734	0	2,611,942	0	854,792	0.0
Nursing home indirect cost location	258,075	258,075	0	0	0	0.0
Annualize salary and benefits adjustments	7,242	7,242	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$50,703,702	\$1,181,757	\$38,627,117	\$0	\$10,894,828	673.4
\$ Change from prior year	\$3,732,051	\$265,317	\$2,611,942	\$0	\$854,792	0.0
% Change from prior year	7.9%	29.0%	7.3%	n/a	8.5%	0.0%

## Issue Descriptions

**Nursing home expense projection:** The recommendation includes an adjustment to the overall amount shown for state and veterans nursing home program costs, based on the homes' anticipated FY 2008-09 expenditures.

**Nursing home indirect cost location:** The recommendation moves General Fund that has historically been used to cover nursing home indirect costs from the Office of Operations to this section. The adjustment is solely for the purpose of making this support visible; it will have no material impact on nursing home support.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08 for Homelake Domiciliary. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Adult Assistance Programs:** This section includes funding for the Old Age Pension Program, for various adult cash assistance programs and for community services for the elderly, including Older Americans Act programs. Additional detail on funding changes in Adult Assistance Programs is reflected in the subsection tables and narratives below.

<b>Adult Assistance Programs</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$137,907,305	\$25,826,176	\$86,892,824	\$10,755,685	\$14,432,620	28.5
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>10,657,335</u>	<u>(10,657,335)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$137,907,305	\$25,826,176	\$97,550,159	\$98,350	\$14,432,620	28.5

<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Administration	19,517	3,700	0	3,667	12,150	0.0
Old Age Pension Program	3,462,937	0	3,462,937	0	0	0.0
Other Grant Programs	(561,340)	(449,072)	(112,268)	0	0	0.0
Community Services for the Elderly	1,286,420	55,345	210,743	0	1,020,332	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$142,114,839	\$25,436,149	\$101,111,571	\$102,017	\$15,465,102	28.5
\$ Change from prior year	\$4,207,534	(\$390,027)	\$3,561,412	\$3,667	\$1,032,482	0.0
% Change from prior year	3.1%	(1.5)%	3.7%	3.7%	7.2%	0.0%

## Subsection Detail

**Administration:** This subsection of Adult Assistance Programs includes funding and staffing for management of all programs within Adult Assistance and for oversight of programs within the Other Grant Programs subsection.

<b>Administration</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$545,909	\$95,936	\$0	\$96,550	\$353,423	6.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$545,909	\$95,936	\$0	\$96,550	\$353,423	6.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	\$19,517	3,700	0	3,667	12,150	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$565,426	\$99,636	\$0	\$100,217	\$365,573	6.0
\$ Change from prior year	\$19,517	\$3,700	\$0	\$3,667	\$12,150	0.0
% Change from prior year	3.6%	3.9%	n/a	3.8%	3.4%	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Old Age Pension Program:** This program, authorized by the State Constitution, provides cash assistance, up to a maximum of \$648 per person, per month (as of January 2007) to eligible individuals age 60 and older. Revenue for the Old Age Pension Fund is generated through 85 percent of license fees, liquor and excise taxes, and 100 percent of inheritance and incorporation taxes; revenues that are not utilized for the OAP Program "spill

over" into the General Fund. As the earmarked revenues are continuously appropriated by the State Constitution, the Long Bill simply reflects anticipated program expenditures for informational purposes.

<i>Old Age Pension Program</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$82,481,186	\$0	\$81,892,824	\$588,362	\$0	14.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>588,362</u>	<u>(588,362)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$82,481,186	\$0	\$82,481,186	\$0	\$0	14.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Old age pension cash benefit adjustment	3,420,600	0	3,420,600	0	0	0.0
Annualize salary and benefits adjustments	42,337	0	42,337	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$85,944,123	\$0	\$85,944,123	\$0	\$0	14.0
\$ Change from prior year	\$3,462,937	\$0	\$3,462,937	\$0	\$0	0.0
% Change from prior year	4.2%	n/a	4.2%	n/a	n/a	0.0%

## Issue Descriptions

**Old age pension cash benefit adjustment:** The recommendation includes an increase in funding for cash benefit payments. The increase reflects anticipated caseload changes and an increase in the maximum grant award, which is set by the State Board of Human Services.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

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**Other Grant Programs:** This subsection of Adult Assistance Programs contains appropriations for programs providing cash assistance to disabled individuals and individuals needing assistance with the activities of daily living. Cash funds sources include county matching funds and interim assistance reimbursements from the federal government for individuals who become eligible for Supplemental Security Income (SSI).

<i>Other Grant Programs</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$29,535,715	\$22,759,514	\$0	\$6,776,201	\$0	0.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>6,776,201</u>	<u>(6,776,201)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$29,535,715	\$22,759,514	\$6,776,201	\$0	\$0	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Eliminate one-time funding	(561,340)	(449,072)	(112,268)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$28,974,375	\$22,310,442	\$6,663,933	\$0	\$0	0.0
\$ Change from prior year	(\$561,340)	(\$449,072)	(\$112,268)	\$0	\$0	0.0
% Change from prior year	(1.9)%	(2.0)%	(1.7)%	n/a	n/a	n/a

## Issue Descriptions

**Eliminate one-time funding:** The recommendation removes a one-time supplemental appropriation to the Aid for the Needy Disabled Programs in FY 2007-08 which covered a shortfall in federal interim assistance reimbursement payments.

*Community Services for the Elderly:* This subsection of Adult Assistance Programs includes appropriations for programs associated with the Older Americans Act, including the Older Coloradans Program established by H.B. 00-1072. These programs are administered by 16 Area Agencies on Aging (AAA) located throughout the state. Services include: supportive services, senior centers, nutrition services, in-home services for persons above the eligibility thresholds for Medicaid, and disease prevention and health promotion services.

<i>Community Services for the Elderly</i>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$25,344,495	\$2,970,726	\$5,000,000	\$3,294,572	\$14,079,197	8.5
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>3,292,772</u>	<u>(3,292,772)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$25,344,495	\$2,970,726	\$8,292,772	\$1,800	\$14,079,197	8.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Community services for the elderly federal funding increase	1,215,014	0	210,743	0	1,004,271	0.0
State ombudsman increase	50,000	50,000	0	0	0	0.0
Annualize salary and benefits adjustments	21,406	5,345	0	0	16,061	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$26,630,915	\$3,026,071	\$8,503,515	\$1,800	\$15,099,529	8.5
\$ Change from prior year	\$1,286,420	\$55,345	\$210,743	\$0	\$1,020,332	0.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
% Change from prior year	5.1%	1.9%	2.5%	0.0%	7.2%	0.0%

## Issue Descriptions

**Community services for the elderly federal funding increase:** The recommendation includes an increase in the estimated amount of federal funds that will be available for community services for the elderly. The cash funds increase reflects the increase in local funds which will be necessary to draw down the additional federal moneys.

**State ombudsman increase:** The recommendation includes an increase for the State Ombudsman Program, which provides services for the elderly. The increase is necessary in order for the State to receive conforming bids from potential providers of the ombudsman service.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Division of Youth Corrections:** The Division of Youth Corrections (DYC) is responsible for the supervision, care, and treatment of: (1) detained juveniles awaiting adjudication; (2) juveniles committed or sentenced to the Department of Human Services by courts; and (3) juveniles on parole from a facility operated or contracted for by the Division. The Division is not responsible for juveniles sentenced as adults to the Department of Corrections' Youthful Offender System. In addition to treating incarcerated and paroled juveniles, DYC administers the S.B. 91-94 grant program intended to divert juveniles from detention and commitment, or to reduce their length of stay. DYC maintains institutional centers and augments this capacity with contracts for community placements, secure placements, and detention placements.

<b>Division of Youth Corrections</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$138,921,713	\$132,897,570	\$89,426	\$4,603,885	\$1,330,832	1,004.3
Long Bill Supplemental	(7,530,923)	(6,377,449)	0	(971,962)	(181,512)	0.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$131,390,790	\$126,520,121	\$89,426	\$3,631,923	\$1,149,320	1,004.3
<b><i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i></b>						
Funding flexibility	7,530,923	6,558,961	0	971,962	0	0.0
Annualize salary and benefits adjustments	2,464,243	2,459,899	0	4,344	0	0.0
Provider rate increase	1,135,482	1,080,054	0	41,982	13,446	0.0
S.B. 91-94 programs	666,308	666,308	0	0	0	0.0
Functional family parole	356,994	356,994	0	0	0	1.8



	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
H.B. 04-1451 programs	120,030	120,030	0	0	0	1.8
Annualize prior year funding	57,272	57,272	0	0	0	1.9
Fund mix adjustment	0	(851)	122	104	625	0.0
Eliminate one-time funding	(190,259)	(174,391)	0	(12,958)	(2,910)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$143,531,783	\$137,644,397	\$89,548	\$4,637,357	\$1,160,481	1,009.8
\$ Change from prior year	\$12,140,993	\$11,124,276	\$122	\$1,005,434	\$11,161	5.5
% Change from prior year	9.2%	8.8%	0.1%	27.7%	1.0%	0.5%

Note: The cash funds exempt amounts reflected in this section of the budget include Medicaid funds transferred from the Department of Health Care Policy and Financing (HCPF). Most of these funds are appropriated as 50 percent General Fund and 50 percent federal funds in HCPF.

## Issue Descriptions

**Long Bill Supplemental:** The recommendation includes a reduction in FY 2007-08 to adjust for a decrease in youth population caseload.

**Funding flexibility:** The recommendation restores funding eliminated in FY 2007-08 due to declines in NYC's youth caseload to allow the Division flexibility to expand and implement programs designed to improve outcomes and mitigate future caseload growth.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Provider rate increase:** The recommendation includes an increase of 1.5 percent for cost-of-living adjustments.

**S.B. 91-94 programs:** The recommendation includes an increase for S.B. 91-94 programs, which provide alternatives to secure detention.

**Functional family parole:** The recommendation includes an increase to implement the functional family parole program statewide. Functional family parole is a structured, family-based intervention aimed at reducing the number of youth on parole who receive a criminal filing and are convicted and sentenced to the Department of Corrections.

**H.B. 04-1451 programs:** The recommendation includes an increase to allow NYC to fully participate in the increasing number of H.B. 04-1451 collaborative management programs around the State.

**Annualize prior year funding:** The recommendation includes an increase associated with annualizing funding added in FY 2007-08.

**Fund mix adjustment:** The recommendation includes an increase to account for available funds.

**Eliminate one-time funding:** The recommendation includes a decrease associated with eliminating the leap year adjustment that was provided in the prior year.

## Judicial Department

**Department Description:** The Judicial Department is comprised of the state court system, which includes the Supreme Court, the Court of Appeals, district courts in 22 judicial districts, and 64 county courts (Denver County Court is not part of the state court system). The Judicial Department is also responsible for the operation of the State's probation system, and monitoring and regulating the practice of law within the State. Additionally, the Judicial Department houses three independent agencies, the Colorado State Public Defender's Office, the Office of Alternate Defense Counsel, and the Office of the Child's Representative.

Summary Table for Judicial Department						
	Total Funds	General Fund /1	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$389,440,358	\$298,917,903	\$77,689,182	\$10,541,809	\$2,291,464	3,854.2
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	4,243,014	(4,243,014)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$389,440,358	\$298,917,903	\$81,932,196	\$6,298,795	\$2,291,464	3,854.2
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Supreme Court/Court of Appeals	1,746,119	517,150	1,228,969	0	0	13.5
Courts Administration	9,270,158	7,572,869	2,023,179	(324,691)	(1,199)	2.6
Trial Courts	11,698,948	4,535,594	7,163,354	0	0	107.0
Probation and Related Services	9,884,824	7,439,711	2,414,285	30,828	0	48.8
Public Defender	4,972,451	4,886,688	16,073	69,690	0	47.6
Alternate Defense Counsel	1,587,354	1,587,354	0	0	0	1.0
Office of the Child's Representative	2,224,515	2,224,515	0	0	0	1.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$430,824,727	\$327,681,784	\$94,778,056	\$6,074,622	\$2,290,265	4,075.7
\$ Change from prior year	\$41,384,369	\$28,763,881	\$12,845,860	(\$224,173)	(\$1,199)	221.5
% Change from prior year	10.6%	9.6%	15.7%	(3.6)%	(0.1)%	5.7%

/1 For FY 2007-08, \$936,317 of the total General Fund shall be exempt from the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S., due to the implementation of a U.S. Supreme Court ruling. For FY 2008-09, \$241,158 of the total General Fund shall be exempt from the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S. due to the implementation of federal mandates included in the "Child and Family Services Improvement Act of 2006" and the "Adam Walsh Child Protection and Safety Act of 2006," as implemented through S.B. 07-226.

### Recommendation Highlights:

1. Adds \$11.5 million General Fund and \$973,000 cash funds to annualize salary increases awarded in FY 2007-08. These increases are partially offset by reductions of \$1.4 million General Fund and \$177,000 cash funds due to the 1.0 percent personal services base reduction.
2. Adds \$7.0 million General Fund and \$1.3 million cash funds for adjustments to centrally-appropriated line items such as salary survey, performance-based pay, short-term disability, state contributions to

health, life, and dental benefits, state contributions to the Public Employees' Retirement Association (PERA) pension fund, workers' compensation, and risk management.

3. Adds a total of \$3.3 million General Fund (including \$849,000 for the Judicial Department, \$1.5 million for the Alternate Defense Counsel, and \$960,000 for the Office of the Child's Representative) to raise court-appointed counsel hourly rates from \$60 per hour to \$65 per hour.
4. Adds \$3.1 million General Fund for 48.8 FTE additional probation officers, supervisors, clerical support, and administrative staff.
5. Adds \$1.5 million General Fund for base increases in leased space costs, mandated costs, information technology costs, and operating expenses for the Public Defender's Office.
6. Adds \$1.2 million General Fund for a 3.0 percent increase in judge salaries.
7. Adds \$1.3 million cash funds for 28.6 FTE additional Trial Courts staff and associated administrative staff
8. Adds \$748,000 General Fund, \$6.4 million cash funds, and 105.6 FTE for the second year impact of H.B. 07-1054 (T. Carroll/Shaffer), which created 43 new judgeships to be phased in over three years, and increased court-related fees starting July 1, 2007 to pay for most of the bill's costs.

### Budget Recommendation Detail by Long Bill Division

**Supreme Court/Court of Appeals:** This division is comprised of the Supreme Court and the Court of Appeals. The Supreme Court is the highest court in the State and has general supervisory control over the lower courts. The Supreme Court provides appellate review of final judgements of lower courts and has original jurisdiction over cases relating to the constitutionality of law; decisions of the state Public Utilities Commission; writs of habeas corpus; certain water cases; certain proceedings arising from the state election code; and some prosecutorial appeals. The Court of Appeals has initial appellate jurisdiction over appeals from district courts and Denver's probate and juvenile courts. In addition, the Court of Appeals has initial statutory jurisdiction over appeals of certain final orders from various state agencies.

Supreme Court/Court of Appeals	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$16,076,281	\$9,633,281	\$6,238,000	\$205,000	\$0	185.2
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	205,000	(205,000)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$16,076,281	\$9,633,281	\$6,443,000	\$0	\$0	185.2
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Second year impact of H.B. 07-1054	1,238,837	0	1,238,837	0	0	13.5
Annualize salary and benefits adjustments	507,282	517,150	(9,868)	0	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Total FY 2008-09 JBC Recommendation</b>	\$17,822,400	\$10,150,431	\$7,671,969	\$0	\$0	198.7
\$ Change from prior year	\$1,746,119	\$517,150	\$1,228,969	\$0	\$0	13.5
% Change from prior year	10.9%	5.4%	19.1%	n/a	n/a	7.3%

## Issue Descriptions

**Second year impact of H.B. 07-1054:** House Bill 07-1054 (T. Carroll/Shaffer) created 43 new judgeships to be phased in over three years, and increased court-related fees starting July 1, 2007, to pay for most of the bill's costs. In FY 2008-09, the bill creates a new, three-judge Court of Appeals panel. The funding shown above is for this panel and its staff.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Courts Administration Division in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 0.2 percent base reduction to the personal services appropriation for the division.

**Courts Administration:** This division contains appropriations for the administration of Colorado's courts and probation department. It also includes several specialized programs. The division contains the following subdivisions: (1) Administration (State Court Administrator's Office); (2) Administrative Special Purpose; and (3) Integrated Information Services.

Courts Administration	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$56,815,658	\$40,920,411	\$13,144,842	\$2,744,853	\$5,552	201.1
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	122,800	(122,800)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$56,815,658	\$40,920,411	\$13,267,642	\$2,622,053	\$5,552	201.1
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Administration (State Court Administrator's Office)	416,876	717,625	17,159	(316,709)	(1,199)	1.8
Administrative Special Purpose	8,499,572	6,500,244	2,006,020	(6,692)	0	0.0
Integrated Information Services	353,710	355,000	0	(1,290)	0	0.8
<b>Total FY 2008-09 JBC Recommendation</b>	\$66,085,816	\$48,493,280	\$15,290,821	\$2,297,362	\$4,353	203.7
\$ Change from prior year	\$9,270,158	\$7,572,869	\$2,023,179	(\$324,691)	(\$1,199)	2.6
% Change from prior year	16.3%	18.5%	15.2%	(12.4)%	(21.6)%	1.3%

## Subdivision Detail

*Administration (State Court Administrator's Office):* Responsibilities of the State Court Administrator's Office include: (1) coordination and control of budgeting, human resources, data processing, and management services for the entire Judicial Department; (2) internal audits, training, and technical assistance for court programs, judicial districts, and probation offices; and (3) support for the probation offices.

Administration (State Court Administrator's Office)	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$11,941,046	\$6,016,144	\$4,122,726	\$1,796,624	\$5,552	67.8
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	122,800	(122,800)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$11,941,046	\$6,016,144	\$4,245,526	\$1,673,824	\$5,552	67.8
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Family Violence Grants	250,000	250,000	0	0	0	0.0
Annualize salary and benefits adjustments	178,458	165,585	12,873	0	0	0.0
State Judicial Building security	146,954	146,954	0	0	0	0.0
Probate audit response	68,719	68,719	0	0	0	1.0
HR staff increase due to additional probation staff	31,689	31,689	0	0	0	0.5
HR staff increase due to additional trial courts staff	19,013	19,013	0	0	0	0.3
Annualize prior year funding	(275,636)	(636)	0	(275,000)	0	0.0
Other	(2,321)	36,301	4,286	(41,709)	(1,199)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$12,357,922	\$6,733,769	\$4,262,685	\$1,357,115	\$4,353	69.6
\$ Change from prior year	\$416,876	\$717,625	\$17,159	(\$316,709)	(\$1,199)	1.8
% Change from prior year	3.5%	11.9%	0.4%	(18.9)%	(21.6)%	2.7%

## Issue Descriptions

**Family Violence Grants:** The recommendation includes a base increase in funding for family violence grants awarded to non-profit agencies that provide legal services to indigent victims of domestic violence.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Courts Administration Division in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**State Judicial Building security:** The recommendation includes funding for the Department to expand its contract with the Colorado State Patrol to provide 1.5 FTE armed state troopers for additional security at the State Judicial Building.

**Probate audit response:** The recommendation includes funding for a probate specialist located in the State Court Administrator's Office who would be responsible for: auditing cases that district staff have identified as problematic, but for which the district does not have relevant expertise; and providing statewide programmatic support in the probate area, as is currently done in other areas of law.

**HR staff increase due to additional probation staff:** Due to the increase of 48.8 probation staff, the recommendation also includes funding for 0.5 Human Resources FTE to allow the Department to maintain a certain base level of support functions.

**HR staff increase due to additional trial courts staff:** Due to the increase of 28.0 trial courts staff, the recommendation also includes funding for 0.3 Human Resources FTE to allow the Department to maintain a certain base level of support functions.

**Annualize prior year funding:** The recommendation includes reductions of \$275,000 reappropriated funds to eliminate a FY 2007-08 supplemental of one-time funding for the Judicial Performance Program, and \$7,042 General Fund to eliminate capital outlay appropriated in FY 2007-08. These reductions are partially offset by an increase of \$6,406 General Fund to annualize funding provided for new General Fund staff in FY 2007-08.

**Other:** The recommendation includes: (1) a reduction of \$2,321 across all fund sources for changes in indirect cost recoveries; and (2) a \$33,982 General Fund increase, offset by an equal reappropriated funds reduction, due to changes in the Judicial Heritage Complex maintenance contract between the Judicial Department and the Historical Society.

*Administrative Special Purpose:* This subdivision includes several programs within the Judicial Department, such as the Office of Dispute Resolution, the Child Support Enforcement Program, and the Retired Judge Program. The subdivision also includes centrally appropriated line items, such as salary survey, workers' compensation, legal services, and payments related to risk management.

Administrative Special Purpose	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$36,739,778	\$29,646,825	\$6,363,724	\$729,229	\$0	84.2
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$36,739,778	\$29,646,825	\$6,363,724	\$729,229	\$0	84.2
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Change in the state contribution for health, life, and dental	4,124,445	3,573,026	551,419	0	0	0.0
Change in PERA amortization equalization disbursement funding	2,155,764	1,796,526	359,238	0	0	0.0
Increase judge salaries	1,158,373	1,158,373	0	0	0	0.0
Miscellaneous common policy changes	571,758	562,869	8,889	0	0	0.0
Annualize salary and benefits adjustments	512,800	0	519,492	(6,692)	0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Health, life, and dental funding for additional probation officers	324,174	324,174	0	0	0	0.0
Health, life, and dental funding for additional trial courts staff	187,152	0	187,152	0	0	0.0
Changes in salary survey and performance-based pay funding	(329,151)	(708,981)	379,830	0	0	0.0
Other	(205,743)	(205,743)	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$45,239,350	\$36,147,069	\$8,369,744	\$722,537	\$0	84.2
\$ Change from prior year	\$8,499,572	\$6,500,244	\$2,006,020	(\$6,692)	\$0	0.0
% Change from prior year	23.1%	21.9%	31.5%	(0.9)%	n/a	0.0%

## Issue Descriptions

**Change in state contribution for health, life, and dental:** The recommendation includes adjustments to this centrally-appropriated line item.

**Change in PERA amortization equalization disbursement funding:** The recommendation includes changes in state funding for Public Employees' Retirement Association (PERA) amortization equalization disbursement (AED) pursuant to S.B. 04-257 and supplemental AED pursuant to S.B. 06-235. Per common policies, the recommendation includes an increase of \$1,129,003 for AED and \$1,026,761 for supplemental AED.

**Increase judge salaries:** The recommendation includes a base salary increase of 3.0 percent for judges to make their salaries more competitive.

**Miscellaneous common policy changes:** The recommendation includes common policy funding changes for short-term disability, worker's compensation, legal services, payments to risk management, and vehicle lease.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Courts Administration Division in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Health, life, and dental funding for additional probation officers:** The recommendation includes funding for health, life and dental benefits for 48.8 new Probation FTE.

**Health, life, and dental funding for additional trial courts staff:** The recommendation includes funding for health, life, and dental benefits for 28.0 new Trial Courts FTE.

**Changes in salary survey and performance-based pay funding:** The recommendation includes changes in state funding for salary survey and performance-based pay. Per common policies, the recommendation includes a reduction of \$423,546 for salary survey, and an increase of \$94,395 for performance-based pay.



**Other:** The recommendation includes the following General Fund reductions: (1) \$281,565 for retired judges (the use of retired judges varies yearly and this change is based on the Department's best projection at FY 2008-09 costs); and (2) \$30,000 for appellate reports (these reports contain the opinions of the state Supreme Court and Court of Appeals; this line item has reverted funding each of the last several years). These reductions are partially offset by General Fund increases of: (1) \$98,710 for annual leased space escalators; and \$7,112 for changes in the Department's telephone lease-purchase contract.

**Integrated Information Services:** This subdivision provides automated data processing services to the state courts and probation offices. Major systems supported by this subdivision include: (1) the Integrated Colorado On-line Network (ICON), which handles case tracking and financial functions for the trial courts and probation departments; (2) the Colorado Integrated Criminal Justice Information System (CICJIS), which shares and tracks data concerning offenders among the various criminal justice agencies, including law enforcement, district attorneys, courts, and adult and youth corrections; (3) the appellate case tracking system; (4) the court-appointed counsel system; and (5) the state court administrator's local-area network.

Integrated Information Services	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$8,134,834	\$5,257,442	\$2,658,392	\$219,000	\$0	49.1
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$8,134,834	\$5,257,442	\$2,658,392	\$219,000	\$0	49.1
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Miscellaneous common policy changes	215,797	215,797	0	0	0	0.0
Annualize salary and benefits adjustments	95,060	96,350	0	(1,290)	0	0.0
IT staff increase due to additional probation staff	27,723	27,723	0	0	0	0.5
IT staff increase due to additional trial courts staff	16,634	16,634	0	0	0	0.3
Annualize prior year funding	(1,504)	(1,504)	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$8,488,544	\$5,612,442	\$2,658,392	\$217,710	\$0	49.9
\$ Change from prior year	\$353,710	\$355,000	\$0	(\$1,290)	\$0	0.8
% Change from prior year	4.3%	6.8%	0.0%	(0.6)%	n/a	1.6%

## Issue Descriptions

**Miscellaneous common policy changes:** The recommendation includes common policy funding changes for purchase of services from the general government computing center, multi-use network payments, and communication services payments.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Courts Administration Division in the year of the

award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**IT staff increase due to additional probation staff:** Due to the increase of 48.8 FTE probation staff, the recommendation also includes funding for 0.5 FTE information technology support staff to allow the Department to maintain a certain base level of support functions.

**IT staff increase due to additional trial courts staff:** Due to the increase of 28.0 FTE trial courts staff, the recommendation also includes funding for 0.3 FTE information technology support staff to allow the Department to maintain a certain base level of support functions.

**Annualize prior year funding:** The recommendation includes a \$7,042 General Fund reduction to eliminate capital outlay appropriated in FY 2007-08. This reduction is partially offset by a General Fund increase of 5,538 to annualize funding provided for new General Fund staff in FY 2007-08.

**Trial Courts:** This division includes district courts in 22 judicial districts, 64 county courts, and seven water courts. Each judicial district includes one district court and a county court in each county served by the district. The Second Judicial District (Denver) also includes a probate court and a juvenile court. However, the Denver County Court is not part of the state court system. The district courts are trial courts of general jurisdiction and have appellate jurisdiction over final judgments of county courts and municipal courts. The county courts have limited jurisdiction, as set by statute. County courts have appellate jurisdiction over municipal courts. Water courts are separately created by the Water Right Determination and Administration Act of 1969 and have general jurisdiction over water use, water rights, and water administration.

<b>Trial Courts</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$155,487,208	\$109,917,701	\$43,244,880	\$1,274,469	\$1,050,158	1,793.5
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	1,017,579	(1,017,579)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$155,487,208	\$109,917,701	\$44,262,459	\$256,890	\$1,050,158	1,793.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Second year impact of H.B. 07-1054	5,163,192	0	5,163,192	0	0	75.0
Annualize salary and benefits adjustments	3,698,941	3,839,416	(140,475)	0	0	0.0
Additional trial courts staff	1,100,153	(35,647)	1,135,800	0	0	28.0
Court-appointed counsel rate increase	849,065	849,065	0	0	0	0.0
Judge education staff	165,047	0	165,047	0	0	2.0
Probate audit response	126,659	(68,719)	195,378	0	0	2.0
Annualize prior year funding	(785,154)	(57,477)	(727,677)	0	0	0.0
Other	1,381,045	8,956	1,372,089	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$167,186,156	\$114,453,295	\$51,425,813	\$256,890	\$1,050,158	1,900.5

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
\$ Change from prior year	\$11,698,948	\$4,535,594	\$7,163,354	\$0	\$0	107.0
% Change from prior year	7.5%	4.1%	16.2%	0.0%	0.0%	6.0%

## Issue Descriptions

**Second year impact of H.B. 07-1054:** House Bill 07-1054 (T. Carroll/Shaffer) created 43 new judgeships to be phased in over three years, and increased court-related fees starting July 1, 2007 to pay for most of the bill's costs. In FY 2008-09, the bill creates a 11 new district court judgeships and five new county court judgeships. The funding shown above is for these judges and the associated court staff.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Courts Administration Division in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 0.2 percent base reduction to the personal services appropriation for the division.

**Additional trial courts staff:** The recommendation includes funding for 28.0 additional trial courts staff.

**Court-appointed counsel rate increase:** The recommendation includes funding to raise the hourly court-appointed counsel rate from \$60 per hour to \$65 per hour.

**Judge education staff:** The recommendation includes funding for 2.0 FTE to provide additional judge education opportunities and programs.

**Probate audit response:** The recommendation includes funding for 2.0 FTE to implement one- to two-year pilot projects to determine the staffing levels and type of staff needed to close the probate case "monitoring gap" identified in the 2006 probate audit report.

**Annualize prior year funding:** The recommendation includes a \$868,700 reduction to eliminate capital outlay appropriated in FY 2007-08. This reduction is partially offset by a General Fund increase of \$83,546 to annualize funding provided for new General Fund staff in FY 2007-08.

**Other:** The recommendation includes the following increases: (1) \$1,807,287 cash funds for victim assistance (these funds are continuously appropriated and shown for informational purposes only; the appropriation has been less than actual expenditures for the last few years); and (2) \$10,385 General Fund for district attorney mandated costs. These increases are partially offset by the following reductions: (1) \$435,198 cash funds for victim compensation (these funds are continuously appropriated and shown for informational purposes only; the appropriation has been significantly greater than the actual expenditures for the last few years); and (2) \$1,429 General Fund for management of the Sex Offender Surcharge Fund.

**Probation and Related Services:** This division administers court-ordered probation and related service programs. Probation is a sentencing alternative available to the courts. The offender serves a sentence in the community under the supervision of a probation officer, subject to the conditions imposed by the court. In addition, probation officers are responsible for investigating the background of persons brought before the court for sentencing.

<b>Probation and Related Services</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$79,669,067	\$57,313,413	\$14,810,960	\$6,308,940	\$1,235,754	1,155.6
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	2,897,635	(2,897,635)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$79,669,067	\$57,313,413	\$17,708,595	\$3,411,305	\$1,235,754	1,155.6
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	4,992,728	4,578,443	414,285	0	0	0.0
Additional probation staff	2,757,721	2,757,721	0	0	0	48.8
Offender Services Cash Fund increase	2,000,000	0	2,000,000	0	0	0.0
Transfer from DHS for persistent drunk driver treatment	312,733	0	0	312,733	0	0.0
Annualize prior year funding	103,547	103,547	0	0	0	0.0
Other	(281,905)	0	0	(281,905)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$89,553,891	\$64,753,124	\$20,122,880	\$3,442,133	\$1,235,754	1,204.4
\$ Change from prior year	\$9,884,824	\$7,439,711	\$2,414,285	\$30,828	\$0	48.8
% Change from prior year	12.4%	13.0%	13.6%	0.9%	0.0%	4.2%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Courts Administration Division in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 0.2 percent base reduction to the personal services appropriation for the division.

**Additional probation staff:** The recommendation includes funding for 48.8 additional probation staff, including 35.5 probation officer FTE, 5.4 probation supervisor FTE, and 7.9 support staff FTE.

**Offender Services Cash Fund increase:** The recommendation includes an Offender Services Cash Fund spending authority increase to enable the Department to expand treatment services in rural parts of the State, and to keep up with inflationary increases in the costs of providing services.

**Transfer from DHS for persistent drunk driver treatment:** House Bill 06-1171 (Reisberg/Groff) provided funding to DHS in FY 2007-08 and FY 2008-09 to pay a portion of the costs for intervention and treatment services for persistent drunk drivers who are unable to pay. The funding received by DHS will be allocated

to the judicial districts and Denver courts. Therefore, the recommendation includes authority for the Department to expend these funds.

**Annualize prior year funding:** The recommendation includes a General Fund increase of \$485,111 to annualize funding provided for new General Fund staff in FY 2007-08. This increase is partially offset by a reduction of \$381,564 to eliminate capital outlay appropriated in FY 2007-08.

**Other:** The recommendation also includes a reduction of \$482,821 to better reflect anticipated victims grants receipts. This reduction is partially offset by an increase of \$200,916 to better reflect the Department's anticipated S.B. 91-94 contract with the Department of Human Services.

**Public Defender:** The Public Defender is responsible for providing legal counsel for criminal defendants whom the courts have found to be indigent and who are facing the possibility of incarceration. The Public Defender maintains 21 regional trial offices and an appellate division. The Public Defender is appointed by an independent Public Defender Commission.

Public Defender	Total Funds	General Fund/1	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$45,921,073	\$45,670,026	\$242,500	\$8,547	\$0	486.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$45,921,073	\$45,670,026	\$242,500	\$8,547	\$0	486.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	901,194	901,194	0	0	0	0.0
Leased space base increase	850,213	850,213	0	0	0	0.0
Change in state contribution for health, life, and dental and short-term disability	845,112	845,095	17	0	0	0.0
Second year impact of H.B. 07-1054	747,736	747,736	0	0	0	17.1
Changes in salary survey and performance-based pay funding	477,891	462,139	15,752	0	0	0.0
Mandated costs base increase	424,412	424,412	0	0	0	0.0
Change in PERA amortization equalization disbursement funding	381,201	380,897	304	0	0	0.0
Automation plan base increase	230,971	230,971	0	0	0	0.0
Annualize prior year funding	69,960	69,960	0	0	0	0.5
Other	43,761	(25,929)	0	69,690	0	30.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$50,893,524	\$50,556,714	\$258,573	\$78,237	\$0	534.1
\$ Change from prior year	\$4,972,451	\$4,886,688	\$16,073	\$69,690	\$0	47.6
% Change from prior year	10.8%	10.7%	6.6%	815.4%	n/a	9.8%

/1 For FY 2007-08, \$936,317 of the total General Fund shall be exempt from the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1 , C.R.S., due to the implementation of a U.S. Supreme Court ruling.

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Courts Administration Division in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Leased space base increase:** The recommendation includes funding to cover the costs associated with renegotiating expiring leases at new rates and the cost of acquiring additional square footage for some offices to accommodate the increase in staff received by the Public Defender in recent years.

**Change in state contribution for health, life, and dental and short-term disability:** The recommendation includes adjustments to this centrally-appropriated line item.

**Second year impact of H.B. 07-1054:** House Bill 07-1054 (T. Carroll/Shaffer) created 43 new judgeships to be phased in over three years. In FY 2008-09, the bill creates a new, three-judge Court of Appeals panel, as well as 11 new district court judgeships and five new county court judgeships. The recommendation includes funding and staff for the Public Defender to cover the additional courtrooms created by these judges, as identified in the bill's fiscal note.

**Changes in salary survey and performance-based pay funding:** The recommendation includes changes in state funding for salary survey and performance-based pay. Per common policies, the recommendation includes increases of \$403,837 for salary survey, and \$74,054 for performance-based pay.

**Mandated costs base increase:** The recommendation includes funding for projected increases in mandated costs due to increases in caseload and case severity, and increasing costs for transcripts, expert witnesses, and discovery.

**Change in PERA amortization equalization disbursement funding:** The recommendation includes changes in state funding for Public Employees' Retirement Association (PERA) amortization equalization disbursement (AED) pursuant to S.B. 04-257 and supplemental AED pursuant to S.B. 06-235. Per common policies, the recommendation includes an increase of \$209,226 for AED and \$171,975 for supplemental AED.

**Automation plan base increase:** The recommendation includes funding to restore the Public Defender's funding for information technology-related appropriation to approximately \$64,000 above its pre-FY 2002-03 level.

**Annualize prior year funding:** The recommendation includes a General Fund increase of \$263,390 to annualize funding provided for new General Fund staff in FY 2007-08, and increases of \$49,975 General Fund and 0.5 FTE to annualize an information technology security officer position approved during FY 2007-08 supplementals. These increases are partially offset by a reduction of \$243,405 to eliminate capital outlay appropriated in FY 2007-08.

**Other:** The recommendation includes the following increases: (1) \$69,690 for grants transferred from the Department of Public Safety; (2) \$7,582 General Fund for increases in operating expenses; (3) \$4,286 General Fund to fund the Public Defender's salary increase which is tied to the judge salary increases via the Long Bill; and (4) 30.0 FTE as a technical adjustment to account for staff for which funding has been historically appropriated but FTE have not. These increases are partially offset by reductions totaling \$37,797 General Fund for multi-use network payments, vehicle lease payments, and purchase of services from the general government computing center.

**Alternate Defense Counsel:** The Office of Alternate Defense Counsel (ADC) is an independent agency that provides representation for indigent defendants when the Public Defender is precluded from doing so because of a conflict of interest. Private attorneys are appointed by the courts and are hired on a per hour contract basis by the Office. The Office also contracts with private investigators to assist in the defense of the appointed cases, and the Office is responsible for the payment of expenses for discovery and interpreters in the appointed cases.

Alternate Defense Counsel	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$21,640,265	\$21,632,265	\$8,000	\$0	\$0	6.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$21,640,265	\$21,632,265	\$8,000	\$0	\$0	6.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Court-appointed counsel rate increase	1,452,059	1,452,059	0	0	0	0.0
Expand evaluation/training staff FTE	49,694	49,694	0	0	0	0.5
Common policy adjustments	29,084	29,084	0	0	0	0.0
Annualize salary and benefits adjustments	24,262	24,262	0	0	0	0.0
Provide half-time support staff	21,659	21,659	0	0	0	0.5
Other	10,596	10,596	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$23,227,619	\$23,219,619	\$8,000	\$0	\$0	7.5
\$ Change from prior year	\$1,587,354	\$1,587,354	\$0	\$0	\$0	1.0
% Change from prior year	7.3%	7.3%	0.0%	n/a	n/a	15.4%

## Issue Descriptions

**Court-appointed counsel rate increase:** The recommendation includes funding to raise the hourly court-appointed counsel rate paid from an average of \$60 per hour to an average of \$65 per hour.

**Expand evaluation/training staff FTE:** In FY 2007-08, the ADC received funding for a half time FTE to evaluate and monitor contract attorneys as part of the ADC's effort to comply with state audit recommendations. The recommendation includes funding to expand this position to full time.

**Common policy adjustments:** The recommendation includes changes to the following common policies: health, life, and dental; short-term disability; salary survey; performance-based pay; Public Employees' Retirement Association (PERA) amortization equalization disbursement (AED) and supplemental AED; and purchase of services from the general government computing center.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Courts Administration Division in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Provide half-time support staff:** The recommendation includes funding for a part-time clerical FTE to provide basic office support functions.

**Other:** The recommendation also includes the following General Fund increases: (1) \$9,278 to annualize funding provided for new General Fund staff in FY 2007-08; (2) \$4,109 to fund the Alternate Defense Counsel's salary increase which is tied to the judge salary increases via the Long Bill; and (3) \$3,219 to fund an annual leased space escalator. These increases are partially offset by a reduction of \$6,010 to eliminate capital outlay appropriated in FY 2007-08.

**Office of the Child's Representative:** The Office of the Child's Representative (OCR) is an independent agency within the Judicial Department that is responsible for providing legal representation for children involved in the court system due to abuse, neglect, high conflict divorce, or delinquency. Private attorneys are appointed by the courts and are hired on a per hour contract basis by the Office, except in El Paso County where the OCR maintains a staffed office.

Office of the Child's Representative	Total Funds	General Fund /1	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$13,830,806	\$13,830,806	\$0	\$0	\$0	25.8
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$13,830,806	\$13,830,806	\$0	\$0	\$0	25.8
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Court-appointed counsel rate increase	961,938	961,938	0	0	0	0.0
Caseload and case cost increases	548,230	548,230	0	0	0	0.0
Additional funding for CASA contracts	500,000	500,000	0	0	0	0.0
Common policy adjustments	81,620	81,620	0	0	0	0.0
Provide additional staff attorney	59,136	59,136	0	0	0	1.0
Annualize salary and benefits adjustments	52,442	52,442	0	0	0	0.0
Mandated costs base increase	15,000	15,000	0	0	0	0.0
Other	6,149	6,149	0	0	0	0.0



	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Total FY 2008-09 JBC Recommendation</b>	\$16,055,321	\$16,055,321	\$0	\$0	\$0	1.0
\$ Change from prior year	\$2,224,515	\$2,224,515	\$0	\$0	\$0	1.0
% Change from prior year	16.1%	16.1%	n/a	n/a	n/a	3.9%

/1 For FY 2008-09, \$241,158 of the General Fund total shall be exempt from the statutory limitation on General Fund appropriations imposed by Section 24-75-201.1, C.R.S. due to the implementation of federal mandates included in the "Child and Family Services Improvement Act of 2006" and the "Adam Walsh Child Protection and Safety Act of 2006," as implemented through S.B. 07-226.

## Issue Descriptions

**Court-appointed counsel rate increase:** The recommendation includes funding to raise the hourly court-appointed counsel rate paid from \$60 per hour to \$65 per hour.

**Caseload and case cost increases:** The recommendation includes funding to account for caseload growth increases and increases in average costs per case.

**Additional funding for CASA contracts:** The recommendation includes an increase of \$500,000 General Fund for contracts with Court-appointed Special Advocates (CASAs).

**Common policy adjustments:** The recommendation includes changes to the following common policies: health, life, and dental; short-term disability; salary survey; performance-based pay; Public Employees' Retirement Association (PERA) amortization equalization disbursement (AED) and supplemental AED; and purchase of services from the general government computing center.

**Provide additional staff attorney:** The recommendation includes funding for an additional staff attorney to enable the Office of the Child's Representative to provide more thorough oversight and evaluation of its attorneys, as recommended by a 2007 State Auditor's Office report, as well as to assist in other capacities.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Courts Administration Division in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Mandated costs base increase:** The recommendation includes funding for projected increases in mandated costs due to increases in caseload and case severity, and increasing costs for transcripts, expert witnesses, and discovery.

**Other:** The recommendation includes the following General Fund increases: (1) \$10,000 to make permanent a one-time funding increase for training provided in FY 2007-08; (2) \$4,109 to fund the Director's salary increase which is tied to the judge salary increases via the Long Bill; and (3) \$2,040 to fund an annual leased space escalator.

## Department of Labor and Employment

**Department Description:** The Department is responsible for: administering state and federal employment and training programs; enforcing state and federal labor laws; operating state regulatory programs for the petroleum industry, school construction, boilers, and mechanical conveyances; and administering the workers' compensation program.

Summary Table for Department of Labor and Employment						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$160,004,291	\$0	\$36,406,500	\$20,402,867	\$103,194,924	1,099.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	19,252,670	(19,252,670)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$160,004,291	\$0	\$55,659,170	\$1,150,197	\$103,194,924	1,099.5
<i>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</i>						
Executive Director's Office	3,203,768	0	2,484,615	4,801	714,352	0.5
Employment and Training	(2,454,586)	0	4,869,180	0	(7,323,766)	(2.5)
Labor	35,077	0	35,077	0	0	0.0
Oil and Public Safety	747,044	0	747,044	0	0	10.0
Workers' Compensation	(1,716,626)	0	(1,716,626)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$159,818,968	\$0	\$62,078,460	\$1,154,998	\$96,585,510	1,107.5
\$ Change from prior year	(\$185,323)	\$0	\$6,419,290	\$4,801	(\$6,609,414)	8.0
% Change from prior year	(0.1)%	n/a	11.5%	0.4%	(6.4)%	0.7%

### Recommendation Highlights:

1. Provides an increase of \$2.5 million from cash funds to restore service cuts to the One-Stop Centers caused by decreases in federal funding in prior years. Only a portion of the federal cuts could be replaced due to the limited revenues of the Employment Support Fund.
2. Provides \$503,000 from cash funds to provide the operating expenses portion of a \$6.3 million capital project that will expand the Internet self-service capabilities of the unemployment insurance program. The new capabilities will provide clients with the ability to both submit and request information without the lengthy delays of the current call center.
3. Provides \$457,000 from cash funds to annualize the expansion of the Department's public school construction inspection program. The expansion is the result of a report by the State Auditor's Office that found serious problems in the program.
4. Provides \$440,000 from cash funds for the purchase of two new octane test engines. The test engines are the only test method approved for legal enforcement actions, and the existing engines are more than 50 years old.

5. Reflects an anticipated decrease of \$5.4 million in federal funds for a variety of programs. The decrease is due to reduced appropriations by Congress, and by the relative performance of Colorado's economy compared to other parts of the country.

### Budget Recommendation Detail by Long Bill Division

**Executive Director's Office:** The Executive Director's Office performs departmental administrative functions including public relations, information management, accounting, budgeting, data processing, and personnel management. The Office also administers the Industrial Claims Appeal Panel, which adjudicates appeals relating to unemployment insurance and workers' compensation issues, the Public Employees' Social Security Program, which administers the federal-state agreement with the U.S. Social Security Administration, and Investigations and Criminal Enforcement, which investigates potential fraud in the Workers' Compensation programs.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$29,675,155	\$0	\$13,370,106	\$2,256,288	\$14,048,761	166.9
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	1,135,207	(1,135,207)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$29,675,155	\$0	\$14,505,313	\$1,121,081	\$14,048,761	166.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
FY 2008-09 salary and benefits adjustments	1,785,639	0	1,313,461	0	472,178	0.0
Disaster recovery	484,144	0	484,144	0	0	0.0
Annualize salary and benefits adjustments	412,371	0	303,327	4,801	104,243	0.0
Operating adjustments	399,724	0	294,025	0	105,699	0.0
Workers' compensation	163,905	0	120,563	0	43,342	0.0
Leased space escalators	116,650	0	85,804	0	30,846	0.0
S.B. 07-228 adjustment	31,061	0	22,848	0	8,213	0.5
Legal services	22,520	0	16,565	0	5,955	0.0
Statewide indirect cost assessment	(212,246)	0	(156,122)	0	(56,124)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$32,878,923	\$0	\$16,989,928	\$1,125,882	\$14,763,113	167.4
\$ Change from prior year	\$3,203,768	\$0	\$2,484,615	\$4,801	\$714,352	0.5
% Change from prior year	10.8%	n/a	17.1%	0.4%	5.1%	0.3%

## Issue Descriptions

**FY 2008-09 salary and benefits adjustments:** The recommendation includes adjustments to centrally-appropriated line items for salary survey, performance-based pay awards, state contributions to health, life, and dental benefits, shift differential, and state contributions to the Public Employees' Retirement Association (PERA) pension fund. All salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Disaster recovery:** The recommended funding will allow the Department to bring its information systems into conformance with state disaster recovery requirements issued by the Governor's Office of Information Technology.

**Salary survey:** The recommendation reflects the common policy decision regarding funds for salary survey.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Operating adjustments:** The recommendation includes adjustments to several line items used to reimburse the Department of Personnel and Administration for services it provides, including: payments to the computer center, the multi-use network, vehicle lease payments, and capitol complex leased space.

**Workers' compensation:** The recommendation reflects the common policy decision regarding funds for workers' compensation expenses.

**Leased space escalators:** The recommendation includes additional funds based on anticipated increases in the rates for the Department's leased space. In addition to space in Denver, the Department leases space at various locations around Colorado for workforce centers.

**S.B. 07-228 adjustment:** S.B. 07-228 (Centralized Contract Management System) requires state agencies, beginning in FY 2008-09, to monitor personal services contracts and evaluate whether relevant performance measures are being met. The recommendation reflects the cost, consistent with the fiscal note, to the Department of performing the explicit monitoring necessary.

**Legal services:** The recommendation reflects the common policy decision regarding the hourly cost for legal services purchased from the Department of Law.

**Statewide indirect cost assessment:** Agencies are assessed a portion of the General Fund expenses of shared state resources including parts of the Governor's Office. The Department deducts from its assessment its own small General Fund expenses, and transfers the remainder. The recommendation reflects a decrease in the total assessment.

**Employment and Training:** The Division administers the following programs: (1) unemployment insurance, which is responsible for administering all aspects of unemployment insurance, including benefits, taxes, appeals, and fraud detection; (2) employment and training programs, which provide job placement and related services to job-seeking applicants and employers; and (3) the Labor Market Information section, which tracks and disseminates labor market and economic trend information and statistics.

<b>Employment and Training</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$99,851,344	\$0	\$10,529,461	\$740,147	\$88,581,736	739.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	730,547	(730,547)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$99,851,344	\$0	\$11,260,008	\$9,600	\$88,581,736	739.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Restore workforce services cut due to federal funding decreases	2,517,645	0	2,517,645	0	0	6.0
Annualize salary and benefits adjustments	1,346,072	0	1,346,072	0	0	0.0
Internet self-service	503,720	0	503,720	0	0	2.5
Decrease in federal funds, and partial offset	(5,422,023)	0	501,743	0	(5,923,766)	(11.0)
Remove WELLS center one-time funding	(1,400,000)	0	0	0	(1,400,000)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$97,396,758	\$0	\$16,129,188	\$9,600	\$81,257,970	736.5
\$ Change from prior year	(\$2,454,586)	\$0	\$4,869,180	\$0	(\$7,323,766)	(2.5)
% Change from prior year	(2.5)%	n/a	43.2%	0.0%	(8.3)%	(0.3)%

## Issue Descriptions

**Restore workforce services cut due to federal funding decreases:** In recent years, cuts in federal funds have required that one-stop workforce centers in the State to reduce expenses and services. The recommended increase in cash funds from the Employment Support Fund will be used to restore a portion of the service cuts.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Internet self-service:** This recommendation will cover the personal services expenses associated with a capital project to expand the Department's Internet self-service applications for unemployment insurance. Clients will be able to both file and obtain a variety of information more quickly than they currently obtain the information through the Department's call center.

**Decrease in federal funds, and partial offset:** The recommendation reflects anticipated decreases in federal funding, and recommends a partial offset of those decreases with increased cash funds. The amount of the recommended cash funds increase is limited by the estimated revenues in the funding source.

**Remove WELLS center one-time funding:** The WELLS Center at the Fitzsimons Biosciences Park provides state-of-the-art nurse training through simulated emergency care environments. The Center was established using the first half of a two-part federal grant. The federal government was unable to make the second grant payment, and a supplemental one-time appropriation of Reed Act federal funds was used to provide the necessary funding until the Center can become self-sustaining. The recommendation removes that one-time appropriation.

**Division of Labor:** The Division ensures compliance with wage, youth employment, and labor practice laws. This division also administers labor relations programs in the public and private sectors.

Division of Labor	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,097,388	\$0	\$1,097,388	\$0	\$0	16.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,097,388	\$0	\$1,097,388	\$0	\$0	16.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	35,077	0	35,077	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,132,465	\$0	\$1,132,465	\$0	\$0	16.0
\$ Change from prior year	\$35,077	\$0	\$35,077	\$0	\$0	0.0
% Change from prior year	3.2%	n/a	3.2%	n/a	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Division of Oil and Public Safety:** This division is comprised of the Public Safety unit and the Office of the State Oil Inspector. The Public Safety unit conducts inspections of all boilers and pressure vessels in

commercial and multi-unit residential buildings; regulates the distribution and storage of petroleum products; regulates the remediation of contamination caused by leaking underground storage tanks; enforces statutory requirements pertaining to safety in public schools and carnivals; and regulates and monitors proper storage of explosives. The Office of the State Oil Inspector is responsible for monitoring and expediting the clean-up of leaking petroleum storage tanks and monitoring the sale and distribution of petroleum products.

<b>Division of Oil and Public Safety</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$5,939,034	\$0	\$2,022,882	\$3,351,725	\$564,427	59.6
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	3,332,209	(3,332,209)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$5,939,034	\$0	\$5,355,091	\$19,516	\$564,427	59.6
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Purchase of octane test engines	440,000	0	440,000	0	0	0.0
Annualize public school inspection supplemental	194,389	0	194,389	0	0	7.5
Annualize salary and benefits adjustments	113,730	0	113,730	0	0	0.0
Annualize special bills and supplementals	(1,075)	0	(1,075)	0	0	2.5
<b>Total FY 2008-09 JBC Recommendation</b>	\$6,686,078	\$0	\$6,102,135	\$19,516	\$564,427	69.6
\$ Change from prior year	\$747,044	\$0	\$747,044	\$0	\$0	10.0
% Change from prior year	12.6%	n/a	14.0%	0.0%	0.0%	16.8%

## Issue Descriptions

**Purchase of octane test engines:** The Department conducts quality tests of petroleum products sold at retail, including accurate labeling of gasoline octane ratings. The use of special engines are the only method for testing octane recognized for legal enforcement purposes. The Department's existing test engines are over 50 years old, and the manufacturer can no longer provide replacements parts in the case of component failures. This recommendation allows the Department to purchase two new test engines.

**Annualize public school inspection supplemental:** A performance audit by the State Auditor's Office identified serious problems in the Department's program for inspecting public school construction projects, in large part due to insufficient Department resources. The Department was granted an emergency supplemental to allow additional temporary staff to be hired in order to "catch up" on portions of the public school construction inspection program. A regular supplemental request for FY 2007-08 provided the Department with additional resources for the last quarter of the fiscal year. The recommendation annualizes that increase to a full year, removes start-up expenses, and removes the temporary emergency funding.

**Annualize special bills - personal services:** H.B. 07-1228 required the Department to establish and enforce policies governing above- and below-ground storage tanks for renewable fuels, and S.B. 07-123 created a program requiring the Department to register and inspect elevators and other mechanical conveyances. This

recommendation reflects annualization of personal service expenses and removal of one-time and start-up expenses associated with these bills.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Division of Workers' Compensation:** The Division of Workers' Compensation is responsible for assuring the quick and efficient delivery of disability and medical benefits to injured workers at a reasonable cost to employers. The Division is comprised of five major sections: Customer Service, Dispute Resolution, Medical Cost Containment, Employer Services, and Special Funds.

Division of Workers' Compensation	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$23,441,370	\$0	\$9,386,663	\$14,054,707	\$0	118.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	14,054,707	(14,054,707)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$23,441,370	\$0	\$23,441,370	\$0	\$0	118.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	212,296	0	212,296	0	0	0.0
Administrative law judge services	115,902	0	115,902	0	0	0.0
Subsequent injury reduction	(2,000,000)	0	(2,000,000)	0	0	0.0
Legal services	(44,824)	0	(44,824)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$21,724,744	\$0	\$21,724,744	\$0	\$0	118.0
\$ Change from prior year	(\$1,716,626)	\$0	(\$1,716,626)	\$0	\$0	0.0
% Change from prior year	(7.3)%	n/a	(7.3)%	n/a	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division, and a reversion of \$40,000.

**Administrative law judge services:** The recommendation reflects common policy adjustments for the services of administrative law judges.



**Subsequent injury reduction:** The previous-year appropriation from the Subsequent Injury Fund for FY 2007-08 provided sufficient funding to cover unanticipated medical expenses, which could cause the Department to exceed its appropriation on short notice. The statute [Section 8-46-101 (4) (b), C.R.S.] has been changed so that appropriate moneys from that fund used to pay benefits are continuously appropriated. The recommendation has been reduced to more accurately reflect anticipated expenses.

**Legal services:** The recommendation reflects a reduction of 650 hours of legal services for the Major Medical and Subsequent Injury programs based on experience in recent years, and common policy adjustments to the hourly cost of legal services obtained from the Department of Law.

## Department of Law

**Department Description:** The Attorney General's Office represents and defends the legal interests of the people of the State of Colorado. It serves as chief legal counsel for state agencies and departments and represents Colorado in state and federal courts. The office works concurrently with Colorado's 22 district attorneys and with other local, state and federal law enforcement authorities to carry out its criminal justice responsibilities and represents the State in criminal appeals. It has primary authority for enforcement of consumer protection laws, antitrust laws, and certain natural resource and environmental laws. The Department is comprised of the following divisions: Administration, Legal Services to State Agencies, Criminal Justice and Appellate, Water and Natural Resources, Consumer Protection, and Special Purpose.

Summary Table for Department of Law						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$45,984,789	\$8,675,523	\$6,817,942	\$29,395,969	\$1,095,355	377.9
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	2,313,045	(2,313,045)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$45,984,789	\$8,675,523	\$9,130,987	\$27,082,924	\$1,095,355	377.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Administration	968,612	80,160	116,583	754,263	17,606	1.5
Legal Services to State Agencies	1,126,031	0	0	1,126,031	0	7.8
Criminal Justice and Appellate	396,411	288,246	25,363	45,938	36,864	2.0
Water and Natural Resources	(1,594,474)	88,149	(1,682,623)	0	0	0.4
Consumer Protection	119,508	32,599	71,615	15,294	0	0.0
Special Purpose	653,156	399,160	96,677	150,093	7,226	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$47,654,033	\$9,563,837	\$7,758,602	\$29,174,543	\$1,157,051	389.6
\$ Change from prior year	\$1,669,244	\$888,314	(\$1,372,385)	\$2,091,619	\$61,696	11.7
% Change from prior year	3.6%	10.2%	(15.0)%	7.7%	5.6%	3.1%

### Recommendation Highlights:

1. Provides \$423,000 of reappropriated funds for additional legal services in support of initiatives that are recommended for other departments.
2. Provides \$93,000 from various fund sources to pay bar registration fees and some continuing legal education expenses for Department of Law attorneys.
3. Provides \$62,000 of reappropriated funds for an additional accountant who will provide support throughout the Department.

4. Reduces the appropriation for Natural Resource Damages Claims at Rocky Mountain Arsenal by \$1.5 million. This legal effort required a large FY 2007-08 outlay for a damages study. The recommended reduction reflects the lower second-year cost of the initiative.
5. Reduces the appropriation for defense of the Colorado River compact by \$214,000 cash funds. Major Colorado River litigation had been expected, but has not materialized.

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### Budget Recommendation Detail by Long Bill Division

**Administration:** The Administration Division contains the Office of the Attorney General, which includes the Attorney General and top deputies, as well as the Department's human resources, accounting/budgeting, information technology, and text management sections. The Division coordinates and oversees the operation of the Department's other divisions and provides support services to the entire department. Most of the funding for the Division derives from indirect cost recoveries and from central appropriations for programs located in other divisions. The Division's federal funds represent centralized appropriations for the Medicaid Fraud Control Unit.

Administration	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$7,935,072	\$1,426,131	\$329,524	\$6,045,303	\$134,114	39.7
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	47,138	(47,138)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$7,935,072	\$1,426,131	\$376,662	\$5,998,165	\$134,114	39.7
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Central appropriations	660,605	174,859	99,057	356,814	29,875	0.0
Operating adjustments	124,767	(87,974)	18,776	191,666	2,299	0.0
Attorney registration and continuing legal education	92,626	22,238	3,750	66,075	563	0.0
Salary and benefits adjustments	75,815	0	(5,000)	80,815	0	0.0
Additional accountant	61,831	0	0	61,831	0	1.0
Second-year impact of prior session legislation	29,155	0	0	29,155	0	0.5
ADP capital outlay	(76,187)	(28,963)	0	(32,093)	(15,131)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$8,903,684	\$1,506,291	\$493,245	\$6,752,428	\$151,720	41.2
\$ Change from prior year	\$968,612	\$80,160	\$116,583	\$754,263	\$17,606	1.5
% Change from prior year	12.2%	5.6%	31.0%	12.6%	13.1%	3.8%

### Issue Descriptions

**Central appropriations:** These items are appropriated to the Administration Division and are then used throughout the Department. The recommendation includes increased appropriations for Health, Life, and Dental, Short Term Disability, Amortization Equalization Disbursement, Supplemental Amortization

Equalization Disbursement, Salary Survey for Classified Employees, Performance-based Pay for Classified Employees, Performance-based Pay for Exempt Employees, and Workers' Compensation. Netted against these increases is a \$101,390 decrease of the recommended appropriation for Salary Survey for Exempt Employees, which is set separately from the salary survey appropriation for classified employees.

**Operating adjustments:** The recommendation includes increases for the following items, which are governed by common policy: Administrative Law Judges, Purchase of Services from Computer Center, Payment to Risk Management and Property Funds, Vehicle Lease, and Communications Services Payments. It also includes IT Asset Maintenance and Leased Space, which are not common-policy items. Netted against these increases is a \$5,955 decrease for Capitol Complex Leased Space.

**Attorney Registration and Continuing Legal Education:** The recommendation includes funding for an initiative that will pay the bar registration fees of the Department's attorneys and pay some of their continuing legal education expenses. Such expenses are commonly paid for by other law offices in the public sector.

**Salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. These increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into the personal-services appropriation for each division in the subsequent year. The adjustment shown also includes a 1.0 percent reduction to the base personal services appropriations for the division.

**Additional accountant:** The recommendation includes funding for an additional accountant who will provide support throughout the Department.

**Second-year impact of prior session legislation:** The recommendation reflects the second-year impact of S.B. 07-57 (Uniform Debt Management Services Act).

**ADP capital outlay:** The ADP Capital Outlay line item funds one-time expenditures for personal computers, office equipment, and other items that are needed by new staff who are added by Long Bill decision items and by special bills. The recommendation reflects a reduction in the number of new staff in this year's Long Bill, as compared with last year's Long Bill and special bills.

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**Legal Services to State Agencies:** The Department of Law provides legal services on a fee-for-service basis to state agencies and enterprises. The Legal Services to State Agencies section of the Long Bill contains appropriations for the attorneys, paralegals, and support personnel who provide these services. In FY 2008-09, the Department anticipates providing 329,956 hours of legal services to state agencies and enterprises through the Legal Services to State Agencies program at an average legal billing rate of \$75.10 per hour, a 4.3 percent increase over the average rate of \$72.03 per hour for FY 2007-08. The Division's appropriation represents moneys earned through the provision of legal services to state enterprises and state agencies.

Legal Services to State Agencies	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$20,220,681	\$0	\$1,000,000	\$19,220,681	\$0	205.4
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$20,220,681	\$0	\$1,000,000	\$19,220,681	\$0	205.4
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Salary and benefits adjustments	604,165	0	0	604,165	0	0.0
Increased legal services to support initiatives in other departments	422,637	0	0	422,637	0	4.5
Second-year impact of prior session legislation	372,396	0	0	372,396	0	2.4
Indirect cost assessment	217,689	0	0	217,689	0	0.0
Legal rate reconciliation	(490,856)	0	0	(490,856)	0	0.9
<b>Total FY 2008-09 JBC Recommendation</b>	\$21,346,712	\$0	\$1,000,000	\$20,346,712	\$0	213.2
\$ Change from prior year	\$1,126,031	\$0	\$0	\$1,126,031	\$0	7.8
% Change from prior year	5.6%	n/a	0.0%	5.9%	n/a	3.8%

## Issue Descriptions

**Salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. These increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into the personal-services appropriation for each division in the subsequent year. The adjustment shown also includes a 1.0 percent reduction to the base personal services appropriations for the division.

**Increased legal services to support initiatives in other departments:** The recommendation provides increased legal services for initiatives that are recommended for other departments.

**Second-year impact of prior session legislation:** The recommendation reflects the second-year effect of numerous prior session bills that required the Department of Law to supply legal services to other departments.

**Indirect cost assessment:** The recommendation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

**Legal rate reconciliation:** The recommendation reconciles the funding and FTE that the Division needs to supply the projected number of legal service hours with the Division's current resources.

**Criminal Justice and Appellate:** The Criminal Justice and Appellate section includes the following programs:

- **Special Prosecution Unit** - Investigates and prosecutes securities, insurance, and workers' compensation fraud; gang-related criminal activity; misappropriation of state funds; and environmental

crimes. The unit also coordinates the activities of the state's grand jury and works with the Mexican government to prosecute fugitives under Article IV of Mexico's penal code.

- **Appellate Unit** - Represents Colorado in state and federal appellate courts when felony convictions are appealed.
- **Medicaid Fraud Control Unit** - Investigates and prosecutes criminal fraud involving the Medicaid program as well as patient abuse at Medicaid-funded facilities in Colorado.
- **Capital Crimes Unit** - Provides assistance to local district attorneys in reviewing, investigating, and prosecuting death penalty cases. The unit also assists with death-penalty appeals in state and federal courts.
- **Peace Officers Standards and Training (P.O.S.T.) Board** - Certifies and helps train peace officers appointed by state and local law enforcement agencies.

Cash funds in this division derive primarily from fees paid by peace officers and from the 25 cent vehicle registration fee authorized by Section 42-3-304 (24), C.R.S. Reappropriated funds are transferred from the Department of Regulatory Agencies for the prosecution of securities and insurance fraud. The section also receives federal moneys to operate the Medicaid Fraud Control Unit.

<b>Criminal Justice and Appellate</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$7,592,059	\$4,010,857	\$1,471,846	\$1,148,115	\$961,241	79.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$7,592,059	\$4,010,857	\$1,471,846	\$1,148,115	\$961,241	79.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Salary and benefits adjustments	274,993	172,550	22,894	42,685	36,864	0.0
Second-year impact of prior session legislation	160,334	160,334	0	0	0	2.0
Indirect cost assessment	5,722	0	2,469	3,253	0	0.0
Second-year impact of prior session initiatives	(44,638)	(44,638)	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$7,988,470	\$4,299,103	\$1,497,209	\$1,194,053	\$998,105	81.0
\$ Change from prior year	\$396,411	\$288,246	\$25,363	\$45,938	\$36,864	2.0
% Change from prior year	5.2%	7.2%	1.7%	4.0%	3.8%	2.5%

## Issue Descriptions

**Salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. These increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into the personal-services appropriation for each division in the subsequent year. The adjustment shown also includes a 1.0 percent reduction to the base personal services appropriations for the Appellate Unit, which has 30.0 FTE.

**Second-year impact of prior session legislation:** The recommendation reflects the impact in 2008-09 of H.B. 07-1054 (Increase Number of Judges), which is expected to increase the Department's appellate workload.

**Indirect cost assessment:** The recommendation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

**Second-year impact of prior session initiatives:** The recommendation reflects an anticipated decrease in spending following the completion of an initiative from last year that allowed the Peace Officer Standards and Training Board to scan and store digital images of approximately 400,000 pages of pre-2004 documents.

**Water and Natural Resources:** The Water and Natural Resources Division is comprised of two units:

- **The Federal and Interstate Water Unit**, which provides legal counsel and representation for cases involving federal water rights, compliance with federal regulatory programs, and interstate water allocation agreements such as the Colorado River Basin Compact, and
- **The CERCLA Unit**, which leads enforcement actions at sites contaminated with hazardous substances under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

Cash funds in this division are from the Hazardous Substance Response Fund and the Colorado Water Conservation Board's Litigation Fund.

Water and Natural Resources	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$5,089,974	\$1,038,549	\$2,661,667	\$1,389,758	\$0	16.3
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	938,880	(938,880)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$5,089,974	\$1,038,549	\$3,600,547	\$450,878	\$0	16.3
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Salary and benefits adjustments	97,231	88,149	9,082	0	0	0.0
Natural Resource Damages claims at Rocky Mountain Arsenal	(1,457,825)	0	(1,457,825)	0	0	0.4
Defense of the Colorado River Compact	(213,880)	0	(213,880)	0	0	0.0
Defense of the Republican River Compact	(20,000)	0	(20,000)	0	0	
<b>Total FY 2008-09 JBC Recommendation</b>	\$3,495,500	\$1,126,698	\$1,917,924	\$450,878	\$0	16.7
\$ Change from prior year	(\$1,594,474)	\$88,149	(\$1,682,623)	\$0	\$0	0.4
% Change from prior year	(31.3)%	8.5%	(46.7)%	0.0%	n/a	2.5%

## Issue Descriptions

**Salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. These increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

**Natural Resource Damages claims at Rocky Mountain Arsenal:** Last year, the General Assembly provided funding to support a multi-million dollar damages claim against the U.S. Army and Shell Oil Company for harm done to natural resources at Rocky Mountain Arsenal. The legal effort required a large initial outlay for a damages study. This recommendation reflect the lower second-year cost of the initiative and the need to hire a specialist to help pursue the claim.

**Defense of the Colorado River Compact:** Major Colorado River litigation has been expected for several years, but has not materialized. The recommended reduction reflects the expected continuing absence of major legal action.

**Defense of the Republican River Compact:** Kansas has begun legal action against Nebraska, claiming overuse of Republican River water. Colorado is likely to soon become involved in the case. The Department received a \$130,000 FY 2007-08 appropriation to begin preparing a defense; the recommendation reflects a lower expected level of preparation expenditures in FY 2008-09.

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**Consumer Protection:** The Consumer Protection section includes the following programs:

- **Antitrust Program** - Investigates and prosecutes antitrust violations involving such practices as price fixing, bid rigging, and attempts to monopolize a market or industry.
- **Consumer Protection Program** - Investigates and prosecutes deceptive or fraudulent trade and advertising practices in such areas as telephone solicitation, health clubs, automobile repossession, and manufactured home sales.
- **Collection Agency Board** - Enforces Colorado's Fair Debt Collection Practices Act, which regulates collection agencies.
- **Uniform Consumer Credit Code** - Protects the rights of borrowers by ensuring that interest rates comply with statutory ceilings and creditors adequately disclose all costs associated with credit; also protects consumers from abusive "credit repair" and "rent-to-own" practices.

Cash funds for the Division derive from fees paid by lenders, collection agencies, and entities that sell manufactured homes, as well as the Public Utilities Commission, tobacco settlement moneys, and custodial funds awarded to the Department for consumer protection purposes. Reappropriated funds are transferred from the Mortgage Broker Registration Cash Fund in the Department of Regulatory Agencies.



<b>Consumer Protection</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$3,238,891	\$841,874	\$1,354,905	\$1,042,112	\$0	37.5
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>777,027</u>	<u>(777,027)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$3,238,891	\$841,874	\$2,131,932	\$265,085	\$0	37.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Salary and benefits adjustments	109,369	32,599	74,150	2,620	0	0.0
Indirect cost assessment	31,476	0	18,802	12,674	0	0.0
Second-year impact of prior session legislation	(21,337)	0	(21,337)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$3,358,399	\$874,473	\$2,203,547	\$280,379	\$0	37.5
\$ Change from prior year	\$119,508	\$32,599	\$71,615	\$15,294	\$0	0.0
% Change from prior year	3.7%	3.9%	3.4%	5.8%	n/a	0.0%

## Issue Descriptions

**Salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. These increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into the personal-services appropriation for each division in the subsequent year. The adjustment shown also includes a 1.0 percent reduction to the base personal services appropriations for Consumer Protection Unit, which has 20.0 FTE.

**Indirect cost assessment:** The recommendation adjusts indirect cost assessments to reflect changes in the distribution of FTE and funding sources within the Department as well as changing costs for common policy items.

**Second-year impact of prior session legislation:** The recommendation reflects the second-year impact of S.B. 07-216 (Mortgage Broker Regulation) and of S.B. 07-57 (Uniform Debt Management Services Act).

**Special Purpose:** This section contains the appropriation that pays the base salaries of Colorado's twenty-two district attorneys, as well as funding for various programs that do not fit elsewhere in the Department's budget. The Litigation Management and Technology Fund provides support for unanticipated legal expenditures and for implementation of information technology projects approved by the General Assembly. Cash funds derive from surplus revenue earned in the Legal Services to State Agencies program and tobacco-settlement moneys.

Special Purpose	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,908,112	\$1,358,112	\$0	\$550,000	\$0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	550,000	(550,000)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,908,112	\$1,358,112	\$550,000	\$0	\$0	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Second-year impact of prior session legislation	341,669	341,669	0	0	0	0.0
Security for State Services Building	259,032	80,036	21,677	150,093	7,226	0.0
Tobacco litigation.	75,000	0	75,000	0	0	0.0
Statewide HIPAA Legal Services	921	921	0	0	0	0.0
End funding for Referendum K lawsuit	(23,466)	(23,466)	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$2,561,268	\$1,757,272	\$646,677	\$150,093	\$7,226	0.0
\$ Change from prior year	\$653,156	\$399,160	\$96,677	\$150,093	\$7,226	0.0
% Change from prior year	34.2%	29.4%	17.6%	n/a	n/a	n/a

## Issue Descriptions

**Second-year impact of prior session legislation:** The recommendation reflects the second-year impact of H.B. 07-1170 (District Attorney Salaries).

**Security for State Services Building:** The recommendation provides funding for 1.5 State Patrol FTE, who will provide security services at the Department of Law's building, and various security measures within the building.

**Tobacco litigation:** The recommendation includes an extra \$75,000 to prepare for an arbitration proceeding concerning master settlement agreement payments that tobacco manufacturers have withheld and placed in escrow.

**Statewide HIPAA legal services:** The recommendation provides extra funding for HIPAA legal services supplied to State programs that are supported by the General Fund. The increase reflects the increased billing rate for legal services.

**End funding for Referendum K lawsuit:** Referendum K, approved by voters in November 2006, directed the Attorney General to initiate, or join other states in a lawsuit to force the federal government to enforce existing federal immigration laws. The case was dismissed by a federal judge. The recommendation ends funding for this effort.

## Legislative Branch

**Department Description:** The Legislative Branch includes the elected officials of the House of Representatives and the Senate and the necessary staff to support them in their duties and responsibilities. The staff includes those assigned to both the House and the Senate; the State Auditor's Office; the Joint Budget Committee; the Legislative Council; the Office of Legislative Legal Services; and the Colorado Reapportionment Commission. The majority of the legislative appropriation is contained in a separate legislative appropriation bill (\$33,188,958 total funds that consists of \$32,211,928 General Fund, \$177,030 cash funds, and \$800,000 reappropriated funds). However, several specific line items are contained in the Long Bill. This narrative only addresses the line items contained in the Long Bill.

Summary Table for Legislative Branch						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$2,885,721	\$2,635,721	\$0	\$250,000	\$0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$2,885,721	\$2,635,721	\$0	\$250,000	\$0	0.0
<i>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</i>						
Legislative Council	(250,000)	0	0	(250,000)	0	0.0
General Assembly	26,036	26,036	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$2,661,757	\$2,661,757	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$223,964)	\$26,036	\$0	(\$250,000)	\$0	0.0
% Change from prior year	(7.8)%	1.0%	n/a	(100.0)%	n/a	n/a

### Recommendation Highlights:

- Includes a reduction of \$250,000 as Legislative Council Staff is not required to conduct a cost of living analysis to certify the cost of living factors in school districts in FY 2008-09.
- Provides an increase of \$26,036 for various centrally appropriated line items.

## Budget Recommendation Detail by Long Bill Division

**Legislative Council:** This section contains line items the Legislative Branch is required by statute or the Constitution to fund.

Legislative Council	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,380,500	\$1,130,500	\$0	\$250,000	\$0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,380,500	\$1,130,500	\$0	\$250,000	\$0	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Cost of living analysis	(250,000)	0	0	(250,000)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,130,500	\$1,130,500	\$0	\$0	\$0	0.0
\$ Change from prior year	(\$250,000)	\$0	\$0	(\$250,000)	\$0	0.0
% Change from prior year	(18.1)%	0.0%	n/a	(100.0)%	n/a	n/a

### Issue Descriptions

**Cost of living analysis:** Legislative Council staff, pursuant to Section 22-54-104 (5) (c) (III) (A), C.R.S., is required to certify the cost of living factor for each school district every two years based on a cost of living analysis that is typically conducted through a contract. Fiscal year 2008-09 is a year in which the study is not required. Therefore, no appropriation is included for this purpose.

**General Assembly:** This section contains line items associated with statewide appropriations, such as, workers' compensation, legal services, purchase of services from the computer center, payments to risk management and property funds, and capitol complex leased space.

General Assembly	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,505,221	\$1,505,221	\$0	\$0	\$0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,505,221	\$1,505,221	\$0	\$0	\$0	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Operating adjustments	26,036	26,036	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,531,257	\$1,531,257	\$0	\$0	\$0	0.0
\$ Change from prior year	\$26,036	\$26,036	\$0	\$0	\$0	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
% Change from prior year	1.7%	1.7%	n/a	n/a	n/a	n/a

## Issue Descriptions

**Operating adjustments:** The recommendation contains various changes to centrally appropriated line items. These centrally appropriated line items include workers' compensation, payments to risk management and property funds, legal services, purchase of services from the computer center, and capitol complex leased space. Operating adjustments are a function of recoverable costs in the Department of Personnel and Administration or the Department of Law, as is the case with legal services, that are allocated to other departments based on a proportionate share of risk or utilization.

## Department of Local Affairs

**Department Description:** The Department is responsible for building community and local government capacity by providing training, technical, and financial assistance to localities. Major divisions include the Executive Director's Office, Property Taxation, the Division of Housing, the Division of Local Government, and the Division of Emergency Management.

Summary Table for Department of Local Affairs						
	Total Funds	General Fund <sup>1</sup>	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$228,645,092	\$10,989,371	\$29,959,987	\$107,433,892	\$80,261,842	184.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	102,093,726	(102,093,726)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$228,645,092	\$10,989,371	\$132,053,713	\$5,340,166	\$80,261,842	184.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Executive Director's Office	1,036,591	454,434	110,470	21,881	449,806	0.0
Property Taxation	77,874	85,192	17,416	(24,734)	0	0.0
Division of Housing	1,207,427	1,029,293	(20,875)	(3,111)	202,120	0.0
Division of Local Government	8,825,939	(381,859)	47,130,777	233,450	(38,156,429)	(24.2)
Division of Emergency Management	18,067,106	501,756	4,510,988	70,662	12,983,700	25.5
<b>Total FY 2008-09 JBC Recommendation</b>	\$257,860,029	\$12,678,187	\$183,802,489	\$5,638,314	\$55,741,039	185.3
\$ Change from prior year	\$29,214,937	\$1,688,816	\$51,748,776	\$298,148	(\$24,520,803)	1.3
% Change from prior year	12.8%	15.4%	39.2%	5.6%	(30.6)%	0.7%

<sup>1</sup> Includes General Fund Exempt. See Division Detail for information on General Fund Exempt recommended appropriations.

### Recommendation Highlights:

1. Adjusts appropriations for various programs with statutorily, constitutionally, or federally dedicated fund sources, including the following significant changes:
  - a. an increase of \$55.7 million for grants and distributions from severance tax and federal mineral lease revenues;
  - b. a decrease of \$5.5 million in federal funds for disaster preparedness grants;
  - c. a decrease of \$5.4 million in lottery funds disbursed from the Conservation Trust Fund; and
  - d. an increase of approximately \$500,000 in limited gaming impact grants.
2. Transfers a total of \$19.8 million in federal homeland security funds and 3.0 FTE to the Office of Homeland Security in the Governor's Office.
3. Adds \$1.0 million General Fund (an 82 percent increase) for affordable housing.

4. Adds funding for 5.0 FTE to improve monitoring and payment processing associated with grants from severance tax and federal mineral lease revenues.

### Budget Recommendation Detail by Long Bill Division

**Executive Director's Office:** This section provides funding for management and administration of the Department, including human resources, accounting, and budgeting. The appropriation to this office includes centrally-appropriated funds which are further distributed to the various divisions. This section also includes funding for the Moffat Tunnel Improvement District and the Workforce Development Council.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$4,788,121	\$1,368,411	\$215,610	\$2,166,223	\$1,037,877	19.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	101,826	(101,826)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$4,788,121	\$1,368,411	\$317,436	\$2,064,397	\$1,037,877	19.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Salary and benefit increases	535,378	215,294	108,767	134,473	76,844	0.0
Workforce improvement grants	400,000	0	0	0	400,000	0.0
Operating expenses	70,892	66,214	1,703	5,052	(2,077)	0.0
Personal services adjustments	55,282	55,282	0	0	0	0.0
Fund source adjustment	0	117,644	0	(117,644)	0	0.0
Transfer to Governor's Office	(24,961)	0	0	0	(24,961)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$5,824,712	\$1,822,845	\$427,906	\$2,086,278	\$1,487,683	19.0
\$ Change from prior year	\$1,036,591	\$454,434	\$110,470	\$21,881	\$449,806	0.0
% Change from prior year	21.6%	33.2%	34.8%	1.1%	43.3%	0.0%

### Issue Descriptions

**Salary and benefit increases:** The recommendation includes an increase of \$535,378 for salary and benefit increases, including the following: \$273,797 for health, life, and dental premiums; \$177,317 for the state contribution for Public Employees' Retirement Association (PERA), as required by S.B. 04-257 and S.B. 06-235; \$71,134 for salary survey; \$4,789 for performance based pay; and \$8,341 for other miscellaneous changes.

**Workforce improvement grants:** The recommendation reflects an anticipated increase in federal funds.

**Operating expenses:** The recommendation includes an increase of \$70,892 for various operating expenses. The most significant increases include \$37,886 for the purchase of services from the computer center and \$22,165 for vehicle lease payments.

**Personal services adjustments:** The recommendation includes \$55,282 to annualize salary increases awarded in FY 2007-08.

**Fund source adjustment:** The recommendation includes a decrease in the amount of total department indirect cost recoveries applied to offset the need for General Fund in this division, which necessitates an increase in the General Fund appropriation.

**Transfer to Governor's Office:** Transfers federal homeland security grant funds that are included in centrally appropriated line items, associated with 3.0 FTE in the Division of Emergency Management, to the Office of Homeland Security in the Governor's Office.

**Property Taxation:** This section provides funding for the Division of Property Taxation, which: issues appraisal standards and provides training and technical assistance to county assessors; values multi-county companies; and grants taxation exemptions. This section also provides funding for the State Board of Equalization, which supervises the administration of property tax laws by local county assessors, as well as the Board of Assessment Appeals, which hears petitions for appeal on valuation, abatements, exemptions, and valuation of state-assessed properties.

Property Taxation	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$3,390,456	\$1,892,151	\$654,756	\$843,549	\$0	53.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$3,390,456	\$1,892,151	\$654,756	\$843,549	\$0	53.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	92,636	57,573	17,416	17,647	0	0.0
Fund source adjustment	0	27,619	0	(27,619)	0	0.0
Indirect cost assessment	(14,762)	0	0	(14,762)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$3,468,330	\$1,977,343	\$672,172	\$818,815	\$0	53.5
\$ Change from prior year	\$77,874	\$85,192	\$17,416	(\$24,734)	\$0	0.0
% Change from prior year	2.3%	4.5%	2.7%	(2.9)%	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes \$117,114 for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent fiscal year. The adjustment shown also includes a 1.0 percent base reduction (\$24,478) in the personal services appropriation for the division.



**Fund source adjustment:** The recommendation includes a decrease in the amount of total department indirect cost recoveries applied to offset the need for General Fund in this division, which necessitates an increase in the General Fund appropriation.

**Indirect cost assessment:** The recommendation includes a net decrease in indirect cost assessments.

**Division of Housing:** The Division provides financial and technical assistance to help communities provide affordable housing to low-income, elderly, and disabled individuals. The Division administers state and federal affordable housing programs, and regulates the manufacture of factory-built residential and commercial buildings.

Division of Housing	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$31,334,874	\$1,563,013	\$1,274,417	\$186,650	\$28,310,794	32.1
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	15,000	(15,000)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$31,334,874	\$1,563,013	\$1,289,417	\$171,650	\$28,310,794	32.1
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
State funding for affordable housing	986,676	1,001,676	(15,000)	0	0	0.0
Federal housing funds	209,564	0	0	0	209,564	0.0
Annualize salary and benefits adjustments	92,848	27,617	20,798	5,343	39,090	0.0
Indirect cost assessment	(81,661)	0	(26,673)	(8,454)	(46,534)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$32,542,301	\$2,592,306	\$1,268,542	\$168,539	\$28,512,914	32.1
\$ Change from prior year	\$1,207,427	\$1,029,293	(\$20,875)	(\$3,111)	\$202,120	0.0
% Change from prior year	3.9%	65.9%	(1.6)%	(1.8)%	0.7%	0.0%

## Issue Descriptions

**State funding for affordable housing:** The recommendation adds \$1.0 million General Fund (an 82 percent increase) for affordable housing, offset by the elimination of \$15,000 in donations.

**Federal housing funds:** The recommendation includes a projected net increase in federal funds for affordable housing and rental assistance, including an increase of \$177,445 for construction grants and \$153,000 for low income rental subsidies, offset by a decrease in funding for grant administration and technical assistance.

**Annualize salary and benefits adjustments:** The recommendation includes \$108,226 for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent fiscal year. The adjustment shown also includes a 1.0 percent base reduction (\$15,378) in the personal services appropriation for the division.

**Indirect cost assessment:** The recommendation includes a net decrease in indirect cost assessments.

**Division of Local Government:** This division: (1) provides information and training for local governments in budget development, purchasing, demographics, land use planning, and regulatory issues; and (2) manages federal and state funding programs to support infrastructure and local services development. To provide this assistance to local governments, the Division operates eight field offices.

<b>Division of Local Government</b>	<b>Total Funds</b>	<b>General Fund<sup>1</sup></b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$189,131,641	\$6,165,796	\$27,815,204	\$104,237,470	\$50,913,171	79.4
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>101,976,900</u>	<u>(101,976,900)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$189,131,641	\$6,165,796	\$129,792,104	\$2,260,570	\$50,913,171	79.4
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Local government mineral and energy impact grants and disbursements	55,700,000	0	55,700,000	0	0	0.0
Limited gaming impact grants	360,282	0	360,282	0	0	0.0
Local government mineral and energy impact grants administration	262,711	0	0	262,711	0	5.0
Rural health care grant	150,000	0	150,000	0	0	0.0
Annualize salary and benefits adjustments	127,809	49,063	5,300	44,262	29,184	0.0
Community Development Block Grant	117,152	0	0	0	117,152	0.0
Volunteer firefighter retirement plans	81,513	81,513	0	0	0	0.0
Community Services Block Grant	14,546	0	0	0	14,546	0.0
Transfer to Division of Emergency Management (DEM)	(41,471,669)	(489,472)	(2,740,395)	(71,311)	(38,170,491)	(28.2)
Conservation Trust Fund disbursements	(5,400,000)	0	(5,400,000)	0	0	0.0
Waste tire programs	(1,002,565)	0	(1,002,565)	0	0	0.0
Transfer to Office of Economic Development (OED)	(65,000)	(22,963)	0	(42,037)	0	(1.0)
Indirect cost assessment	(48,840)	0	58,155	39,825	(146,820)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$197,957,580	\$5,783,937	\$176,922,881	\$2,494,020	\$12,756,742	55.2
\$ Change from prior year	\$8,825,939	(\$381,859)	\$47,130,777	\$233,450	(\$38,156,429)	(24.2)
% Change from prior year	4.7%	(6.2)%	36.3%	10.3%	(74.9)%	(30.5)%

<sup>1</sup> Includes General Fund Exempt.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
<b>FY 2007-08 Appropriation</b>	<b>\$6,165,796</b>	<b>\$2,342,968</b>	<b>\$3,822,828</b>
Volunteer firefighter retirement plans	81,513	(289,310)	370,823
Personal services funding	49,063	49,063	0
Transfer to DEM	(489,472)	(489,472)	0
Transfer to OED	<u>(22,963)</u>	<u>(22,963)</u>	<u>0</u>
<b>Total FY 2008-09</b>			
<b>Long Bill Recommendation</b>	<b>\$5,783,937</b>	<b>\$1,590,286</b>	<b>\$4,193,651</b>

## General Fund Exempt

In November 2005, the Colorado voters passed Referendum C. Referendum C allowed the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account [see Section 24-77-103.6 (2), C.R.S.]. The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated from the General Fund Exempt Account for purposes of funding retirement plans for firefighters pursuant to Sections 24-77-103.6 (2) and 24-77-104.5 (1) (a), Colorado Revised Statutes.

## Issue Descriptions

**Local government mineral and energy impact grants and disbursements:** The recommendation reflects a higher amount of funding for this program based on projected revenues that will be credited to the Local Government Severance Tax Fund and the Local Government Mineral Impact Fund.

**Limited gaming impact grants:** The recommendation includes an increase in limited gaming impact grants based on projected limited gaming revenues that will be credited to the Local Government Limited Gaming Impact Fund.

**Local government mineral and energy impact grants administration:** The recommendation adds funding for 5.0 FTE to improve monitoring and payment processing associated with grants from severance tax and federal mineral lease revenues.

**Rural health care grant:** The recommendation reflects a gift from the United Health Foundation to help the State address deficiencies in access to health care for rural and under served Coloradans.

**Annualize salary and benefits adjustments:** The recommendation includes \$159,811 for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent fiscal year. The adjustment shown also includes a 1.0 percent base reduction (\$32,002) in the personal services appropriation for the division.

**Community Development Block Grant:** The recommendation reflects a projected increase in federal funds for business and infrastructure development through the Community Development Block Grant program.

**Volunteer firefighter retirement plans:** The recommendation includes an increase for the State's contributions for local volunteer firefighter retirement plans and death and disability insurance. This amount is not subject to the statutory limitation on General Fund appropriations.

**Community Services Block Grant:** The recommendation reflects an anticipated increase in federal Community Services Block Grant funds.

**Transfer to Division of Emergency Management (DEM):** The recommendation transfers funding associated with the Division of Emergency Management to a separate Long Bill section.

**Conservation Trust Fund disbursements:** The recommendation reflects a projected decrease in disbursements from the Conservation Trust Fund based on projected lottery revenues.

**Waste tire programs:** The recommendation eliminates informational appropriations related to transfers of waste tire fee revenues to funds that are administered by other departments (totaling \$815,000). The recommendation also reduces the appropriation related to fee revenues allocated to funds administered by this Department based on projected revenues.

**Transfer to Office of Economic Development (OED):** Consistent with H.B. 08-1305 (which has been adopted by both chambers), the recommendation reflects the transfer of certain enterprise zone program administrative responsibilities from this Department to the Governor's Office of Economic Development and the Economic Development Commission.

**Indirect cost assessment:** The recommendation includes a net decrease in indirect cost assessments.

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**Division of Emergency Management:** This division assists local, state, and private organizations in disaster preparedness, response, recovery, and impact mitigation. The Division is responsible for preparing and maintaining a state disaster plan, as well as taking part in the development and revision of local and inter-jurisdictional disaster plans. The Colorado Emergency Planning Commission, established within this Department, is charged with designating local emergency planning districts (as required by federal law), as well as assisting in the appropriate training of personnel to react to emergency response situations.

Division of Emergency Management	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$0	\$0	\$0	\$0	\$0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$0	\$0	\$0	\$0	\$0	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Transfer from Division of Local Government	41,471,669	489,472	2,740,395	71,311	38,170,491	28.2
Disaster response and recovery	1,770,593	0	1,770,593	0	0	0.0
Annualize salary and benefits adjustments	65,614	12,284	0	(649)	53,979	0.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Transfer to Governor's Office	(19,740,770)	0	0	0	(19,740,770)	(3.0)
Disaster preparedness grants	(5,500,000)	0	0	0	(5,500,000)	0.3
<b>Total FY 2008-09 JBC Recommendation</b>	\$18,067,106	\$501,756	\$4,510,988	\$70,662	\$12,983,700	25.5
\$ Change from prior year	\$18,067,106	\$501,756	\$4,510,988	\$70,662	\$12,983,700	25.5
% Change from prior year	n/a	n/a	n/a	n/a	n/a	n/a

## Issue Descriptions

**Transfer from Division of Local Government:** The recommendation includes a separate Long Bill section for the Division of Emergency Management, and transfers funds and staff from the Division of Local Government to the new section.

**Disaster response and recovery:** The recommendation reflects an increase in the appropriation that reflects projected expenditures from the Disaster Emergency Fund administered by the Governor for the response to and recovery from disasters. This appropriation is a placeholder to track actual expenditures. In a declared disaster emergency, the Governor has broad statutory authority to make necessary expenditures to respond.

**Annualize salary and benefits adjustments:** The recommendation includes \$99,610 for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent fiscal year. The adjustment shown also includes a 1.0 percent base reduction (\$19,086) in the personal services appropriation for the division. The recommendation also reflects a decrease of \$14,910 federal funds for administration of various federal programs.

**Transfer to Governor's Office:** Transfers federal homeland security grant funds and 3.0 FTE to the Office of Homeland Security in the Governor's Office.

**Disaster preparedness grants:** The recommendation reflects a projected \$5.5 million decrease in federal funds for disaster preparedness grants.

## Department of Military and Veterans Affairs

**Department Description:** The Department provides trained and ready military forces for the U.S. active armed services, and for preserving life and property during natural disasters and civil emergencies in Colorado; supports federal and state homeland security missions; maintains equipment and facilities for state military forces; provides for safekeeping the public arms, military records, relics and banners of the state; assists veterans and National Guard members with benefits claims; maintains the Western Slope Veterans' Cemetery; supports the Civil Air Patrol, Colorado Wing; and assists in fighting the spread of drug trafficking and abuse.

Summary Table for Department of Military and Veterans Affairs						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$172,664,889	\$5,530,793	\$119,124	\$1,580,665	\$165,434,307	1,383.8
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>927,156</u>	<u>(927,156)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$172,664,889	\$5,530,793	\$1,046,280	\$653,509	\$165,434,307	1,383.8
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Executive Director and Army National Guard	116,409	163,335	(994)	0	(45,932)	1.0
Division of Veterans Affairs	63,139	149,536	(86,397)	0	0	0.0
Air National Guard	94,240	7,923	0	0	86,317	2.5
Federal Funded Programs	30,305,678	0	0	0	30,305,678	0.0
Civil Air Patrol	2,677	2,677	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$203,247,032	\$5,854,264	\$958,889	\$653,509	\$195,780,370	1,387.3
\$ Change from prior year	\$30,582,143	\$323,471	(\$87,391)	\$0	\$30,346,063	3.5
% Change from prior year	17.7%	5.8%	(8.4)%	0.0%	18.3%	0.3%

### Recommendation Highlights:

1. Includes an anticipated increase of more than \$30 million federal funds for Army and Air National Guard cooperative agreements, primarily for an increase in military construction spending in the State, as well as increases in personnel costs and operating expenses.
2. Provides for an increase in funding for the County Veterans Service Officer Program, establishing a pilot program that increases payments for selected counties, provided that there are quantifiable increases in the level of services provided to veterans in the state as measured by the number of registered veterans and payments received from the U.S. Veterans Administration in those counties.

3. Decreases Veterans Trust Fund expenditures to reflect the lower allowable expenditure level and the elimination of a one-time appropriation, and adjusts for the anticipated increased level of funding from the proceeds of the Master Settlement Agreement with the tobacco companies and increased interest earnings.

### Budget Recommendation Detail by Long Bill Division

**Executive Director and Army National Guard:** The federal government fully funds National Guard training and provides most of the funding for construction of armories and other military facilities. Under its cooperative agreements with the federal government, the Department provides 100 percent of maintenance and utilities costs at fifteen armories, and 20 or 25 percent of the costs at four other facilities. Most of the Department's General Fund personnel expenditures are for administrative and professional staff in the Executive Director/Army National Guard office, and for the labor trades and crafts employees who maintain and repair the armories and other military facilities.

Executive Director and Army National Guard	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$10,261,173	\$4,177,732	\$51,340	\$706,051	\$5,326,049	85.2
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Total Funds
Change to appropriations format	0	0	56,051	(56,051)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$10,261,173	\$4,177,732	\$107,391	\$650,000	\$5,326,049	85.2
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
FY 2008-09 salary and benefits adjustments	248,139	151,100	(994)	0	98,033	0.0
Army National Guard cooperative agreement with federal government	88,908	0	0	0	88,908	0.0
Armory maintenance	59,528	59,528	0	0	0	0.0
Personal services increase	50,866	50,866	0	0	0	1.0
Operating adjustments	(331,532)	(98,659)	0	0	(232,873)	0.0
Other	500	500	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$10,377,582	\$4,341,067	\$106,397	\$650,000	\$5,280,117	86.2
\$ Change from prior year	\$116,409	\$163,335	(\$994)	\$0	(\$45,932)	1.0
% Change from prior year	1.1%	3.9%	(0.9)%	0.0%	(0.9)%	1.2%

### Issue Descriptions

**FY 2008-09 salary and benefits adjustments:** The recommendation includes adjustments to centrally-appropriated line items for salary survey, performance-based pay awards, state contributions to health, life, and dental benefits, shift differential, and state contributions to the Public Employees' Retirement Association (PERA) pension fund. All salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are

incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Army National Guard cooperative agreement with the federal government:** The recommendation includes an expected increase in federal funds under the Army National Guard cooperative agreement.

**Armory maintenance:** The recommendation eliminates a one-time General Fund appropriation of \$194,891 to address the second third of the armory maintenance backlog identified in 2006, and adds a General Fund appropriation of \$254,419 to address the final third of the armory maintenance backlog and to address future maintenance needs.

**Personal services increase:** The recommendation increases General Fund for 0.5 FTE purchasing agent and for 0.5 FTE budget analyst to address workload issues within the Department.

**Operating adjustments:** The recommendation includes various common policy adjustments other than personal services. This figure includes a reduction of \$161,154 General Fund and \$231,000 federal funds for multiuse network payments as the National Guard will no longer be using the State's network.

**Other:** The recommendation includes an increase in operating expenses for the additional FTE.

**Division of Veterans Affairs:** The Division represents veterans in federal benefits claims, provides information and training to county veterans service officers, and maintains the Western Slope Veterans' Cemetery in Grand Junction. The State Board of Veterans Affairs makes grants to veterans service organizations from the Veterans Trust Fund, which is derived from tobacco settlement proceeds.

Division of Veterans Affairs	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,773,700	\$780,302	\$67,784	\$874,614	\$51,000	12.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	871,105	(871,105)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,773,700	\$780,302	\$938,889	\$3,509	\$51,000	12.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Increased County Veterans Service Officer payments	124,354	124,354	0	0	0	0.0
Annualize salary and benefits adjustments	27,978	25,182	2,796	0	0	0.0
Colorado State Veterans Trust Fund expenditures	(89,193)	0	(89,193)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,836,839	\$929,838	\$852,492	\$3,509	\$51,000	12.5
\$ Change from prior year	\$63,139	\$149,536	(\$86,397)	\$0	\$0	0.0
% Change from prior year	3.6%	19.2%	(9.2)%	0.0%	0.0%	0.0%

## Issue Descriptions



**Increased County Veterans Service Officer payments:** The recommendation establishes a pilot program which increases the reimbursement to select counties for their costs incurred in the County Veterans Services Officer program. The program would increase reimbursement to the counties based on how well the counties' Veterans Service Officers perform in registering veterans and veterans benefits received by veterans in the counties. The counties in the pilot program are Arapahoe, Denver, Jefferson, El Paso and Mesa.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Colorado State Veterans Trust Fund expenditures:** The recommendation is for an overall decrease of \$89,193. The recommendation eliminates a one-time increase in funding of \$114,468 (H.B. 07-1359), reduces the appropriation by \$100,000 for Veterans Trust Fund expenditures because the allowable expenditure level is reduced by \$100,000 pursuant to statute [Section 28-5-709 (3) (b) (I) (C), C.R.S.] from 65 percent to 55 percent of the transfer amount, increases spending by \$9,716 from interest due to a larger interest earning balance in the fund, and increases spending by \$115,559 to reflect expected levels of receipts from the Master Settlement Agreement with the tobacco companies.

**Air National Guard:** This division provides funding for personal services, operating expenses, and utilities for the Buckley and Greeley Air National Guard bases. The state's share of operating and maintenance costs varies under its agreements with the federal government, based on the type and uses of the building and whether it is on state or federal land. The federal government pays the state to employ five full-time security guards at the space command facility at Greeley.

Air National Guard	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$3,167,044	\$448,095	\$0	\$0	\$2,718,949	46.1
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$3,167,044	\$448,095	\$0	\$0	\$2,718,949	46.1
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	94,240	7,923	0	0	86,317	2.5
<b>Total FY 2008-09 JBC Recommendation</b>	\$3,261,284	\$456,018	\$0	\$0	\$2,805,266	48.6
\$ Change from prior year	\$94,240	\$7,923	\$0	\$0	\$86,317	2.5
% Change from prior year	3.0%	1.8%	n/a	n/a	3.2%	5.4%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award

and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services recommendation for the Operations and Maintenance Agreement for Buckley/Greeley personal services line in the division.

**Federal Funded Programs:** This section of the Long Bill is included for informational purposes only. It describes funding that is managed by the Department but which is not subject to state appropriation and does not flow through the state accounting system. These programs provide training each weekend and two weeks per year for members of the Colorado National Guard. The requested level of federal funding reflects estimates of the federal appropriation for federal fiscal year 2009, which runs from October 1, 2008 through September 30, 2009.

<b>Federal Funded Programs</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$157,338,308	\$0	\$0	\$0	\$157,338,308	1,239.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$157,338,308	\$0	\$0	\$0	\$157,338,308	1,239.0
<b><i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i></b>						
Construction	26,000,000	0	0	0	26,000,000	0.0
Personal Services	2,583,079	0	0	0	2,583,079	0.0
Operating and Maintenance	1,722,599	0	0	0	1,722,599	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$187,643,986	\$0	\$0	\$0	\$187,643,986	1,239.0
\$ Change from prior year	\$30,305,678	\$0	\$0	\$0	\$30,305,678	0.0
% Change from prior year	19.3%	n/a	n/a	n/a	19.3%	0.0%

## Issue Descriptions

**Construction:** The recommendation reflects an expected increase in federal funds as a result of new construction, including new armories in Grand Junction and Lakewood. State funds amounting to \$12,303,647 from the Capital Construction Fund will be used to leverage these federal construction dollars.

**Personal Services:** The recommendation reflects an increase based on an expected 4 percent increase in salaries for federal funded employees.

**Operating and Maintenance:** The recommendation reflects an increase based on an estimate of maintenance requirements for facilities and equipment.

**Civil Air Patrol:** The Civil Air Patrol is a federally-chartered nonprofit corporation, created as an auxiliary to the U.S. Air Force and funded primarily by the U.S. Air Force and user fees. The organization has five statutory purposes, including: encouraging citizens to contribute to developing aviation and maintaining air

supremacy; providing aviation education and training; and fostering civil aviation in local communities. The Colorado Division of Civil Air Patrol was created to support the Civil Air Patrol, Colorado Wing.

<b>Civil Air Patrol</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$124,664	\$124,664	\$0	\$0	\$0	1.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$124,664	\$124,664	\$0	\$0	\$0	1.0
<b><i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i></b>						
Annualize salary and benefits adjustments	2,677	2,677	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$127,341	\$127,341	\$0	\$0	\$0	1.0
\$ Change from prior year	\$2,677	\$2,677	\$0	\$0	\$0	0.0
% Change from prior year	2.1%	2.1%	n/a	n/a	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08.

## Department of Natural Resources

**Department Description:** The Department is responsible for developing, protecting and enhancing Colorado's natural resources. The Department is comprised of the following agencies and divisions: Executive Director's Office, Reclamation, Mining, and Safety, Geological Survey, Oil and Gas Conservation Commission, State Board of Land Commissioners, Parks and Outdoor Recreation, Colorado Water Conservation Board, Water Resources (State Engineer's Office), and the Division of Wildlife.

Summary Table for Department of Natural Resources						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$211,142,943	\$30,258,368	\$49,707,409	\$114,273,379	\$16,903,787	1,515.4
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	107,088,431	(107,088,431)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$211,142,943	\$30,258,368	\$156,795,840	\$7,184,948	\$16,903,787	1,515.4
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Executive Director's Office	1,370,791	784,159	114,837	169,744	302,051	0.4
Reclamation, Mining, and Safety	599,268	0	(37,483)	0	636,751	6.0
Geological Survey	366,456	0	326,499	19,588	20,369	1.4
Oil and Gas Conservation Commission	1,470,848	0	1,470,628	0	220	21.0
State Board of Land Commissioners	84,176	0	84,176	0	0	0.0
Parks and Outdoor Recreation	(245,882)	317,007	(557,368)	0	(5,521)	(4.2)
Colorado Water Conservation Board	(5,468,304)	0	(5,468,583)	0	279	4.5
Water Resources (State Engineer's Office)	655,862	736,411	(84,074)	0	3,525	0.9
Division of Wildlife	(304,095)	0	200,102	0	(504,197)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$209,672,063	\$32,095,945	\$152,844,574	\$7,374,280	\$17,357,264	1,545.4
\$ Change from prior year	(\$1,470,880)	\$1,837,577	(\$3,951,266)	\$189,332	\$453,477	30.0
% Change from prior year	(0.7)%	6.1%	(2.5)%	2.6%	2.7%	2.0%

### Recommendation Highlights:

1. Provides \$1.9 million total funds, including \$182,000 General Fund, for salary and health benefits increases throughout the Department;
2. Provides \$1.7 million cash funds and 21.0 FTE from the Oil and Gas Conservation and Environmental Response Fund for regulating oil and gas development;
3. Provides \$394,000 federal funds and 6.0 FTE to coordinate a projected \$30.0 million increase in federal funding for inactive mines in Colorado over the next seven years;
4. Provides 4.5 FTE in the Colorado Water Conservation Board to deal with stream gaging activities,

drought planning, and water management and development related to the implementation of the Water for the 21<sup>st</sup> Century Act and the Water Supply Reserve Account;

5. Provides 0.9 FTE and \$105,000 General Fund to partially fund a well measurement program related to Republican River Compact compliance;
6. Provides 1.3 FTE to administer the State's Snowmobile Program;
7. Provides an additional \$69,000 cash funds and 1.0 FTE from the Operational Account of the Severance Tax Trust Fund to explore and promote geothermal energy resources in Colorado;
8. Provides \$28,000 cash funds and 0.4 FTE from avalanche safety course fees to allow two seasonal employees of the Colorado Avalanche Information Center to work two more months out of the year, primarily to perform maintenance on avalanche forecasting equipment.

### Budget Recommendation Detail by Long Bill Division

**Executive Director's Office:** This office is responsible for the management and administration of the Department, including the following functional areas: departmental administration and policy development, human resources, accounting and purchasing, budgeting, and information technology services.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$33,792,588	\$5,585,435	\$10,285,655	\$16,976,249	\$945,249	60.6
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	10,900,766	(10,900,766)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$33,792,588	\$5,585,435	\$21,186,421	\$6,075,483	\$945,249	60.6
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Common policy adjustments	4,420,516	541,117	3,300,760	283,470	295,169	0.0
Annualize salary and benefits adjustments	165,239	0	165,239	0	0	0.0
Move Division of Wildlife Leased Space funds to EDO	160,151	0	160,151	0	0	0.0
Central impacts of various decision items	148,262	2,454	138,926	0	6,882	0.0
S.B. 07-228 funding	19,295	19,295	0	0	0	0.4
Indirect costs plan refinance	0	221,293	0	(221,293)	0	0.0
Fund mix adjustments	0	0	(163,587)	163,587	0	0.0
Eliminate one-time funding	(3,485,000)	0	(3,485,000)	0	0	0.0
Personal services reduction	(51,284)	0	(1,652)	(49,632)	0	0.0
Annualize prior year funding	(6,388)	0	0	(6,388)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$35,163,379	\$6,369,594	\$21,301,258	\$6,245,227	\$1,247,300	61.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
\$ Change from prior year	\$1,370,791	\$784,159	\$114,837	\$169,744	\$302,051	0.4
% Change from prior year	4.1%	14.0%	0.5%	2.8%	32.0%	0.7%

## Issue Descriptions

**Common policy adjustments:** The recommendation includes adjustments for line items that provide employee benefits to all department employees and for programs that provide statewide services to divisions throughout the Department. These increases include adjustments to the following line items: Health, Life, and Dental; Short-term Disability; S.B. 04-257 Amortization Equalization Disbursement; S.B. 06-235 Supplemental Amortization Equalization Disbursement; Salary Survey and Senior Executive Service; Performance-based Pay Awards; Shift Differential; Administrative Law Judge Services; Multiuse Network Payments; Vehicle Lease Payments; Workers' Compensation; Payment to Risk Management and Property Funds; Capitol Complex Leased Space; and Communications Services Payments.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Directors' Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Move Division of Wildlife Leased Space funds to EDO:** The recommendation transfers the location of the appropriation for leased space for the Division of Wildlife to the EDO leased space line.

**Central impacts of various decision items:** The recommendation includes adjustments for vehicle lease payments and leased space payments for several decision items: 8 new vehicles for decision item #1/BA #1a for additional OGCC staff, 1 new vehicle for decision item #2 for CWCB drought planning staff, 2 new vehicles for decision item #4 DWR Republican River compact compliance, 1 new vehicle for decision item #10 for an additional hydrographer staff in the water conservation board, and 4 new vehicles for decision item #15 for inactive mine reclamation. The recommendation also includes additional leased space associated with the additional staff.

**S.B. 07-228 funding:** The recommendation includes funding for 0.4 FTE to perform contract monitoring as required by S.B. 07-228.

**Indirect costs plan refinance:** The recommendation provides additional General Fund to refinance General Fund indirect costs that were being covered by cash funds.

**Fund mix adjustments:** The recommendation includes fund mix adjustments pursuant to the Department's indirect cost plan, which is used to offset the need for General Fund in the Executive Director's Office.

**Eliminate one-time funding:** The recommendation eliminates one-time funding that was provided to the Department in FY 2007-08 through H.B. 07-1182 (Species Conservation Trust Fund).

**Personal services reduction:** The recommendation includes a 1.0 percent reduction in accordance with the JBC policy for personal services line items.

**Annualize prior year funding:** The recommendation will annualize a FY 2008 decision item #5 (NEPA coordinator) which funded startup operating costs for an additional FTE.

**Division of Reclamation, Mining, and Safety:** This division includes the following programs:

- Coal Land Reclamation -- This program protects society and the environment from the adverse effects of coal mining, as well as complying with the requirements of the federal Surface Mining Control and Reclamation Act.
- Inactive Mines -- This program safeguards mine openings, inspects and monitors mine sites, and reclaims abandoned mines. There are over 23,000 hazardous mine openings in Colorado, of which only about 6,000 have been safeguarded.
- Minerals -- This program issues and enforces mining and reclamation permits for all non-coal mines in Colorado on state, federal, and private lands.
- Mine Safety Training -- This program regulates active mines for safety, inspects tourist mines, performs safety audits, administers certification programs for mining employees, provides training in mine rescue/safety, and regulates underground diesel equipment and mining explosives.

Division of Reclamation, Mining, and Safety	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$7,257,163	\$0	\$3,891,862	\$633,109	\$2,732,192	66.7
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	603,109	(603,109)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$7,257,163	\$0	\$4,494,971	\$30,000	\$2,732,192	66.7
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Increased federal funds to reclaim inactive mines	394,292	0	0	0	394,292	6.0
Reclaiming forfeited mines	342,000	0	342,000	0	0	0.0
Annualize salary and benefits adjustments	171,554	0	84,848	0	86,706	0.0
Indirect cost assessment	42,237	0	25,545	0	16,692	0.0
Increased federal match for coal mine regulation and reclamation	0	0	(139,061)	0	139,061	0.0
Eliminate one-time funding	(350,815)	0	(350,815)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$7,856,431	\$0	\$4,457,488	\$30,000	\$3,368,943	72.7
\$ Change from prior year	\$599,268	\$0	(\$37,483)	\$0	\$636,751	6.0
% Change from prior year	8.3%	n/a	(0.8)%	0.0%	23.3%	9.0%

## Issue Descriptions

**Increased federal funds to reclaim inactive mines:** The recommendation includes \$394,292 federal funds and 6.0 FTE to coordinate a projected \$30.0 million increase in federal funding for inactive mines in Colorado over the next seven years, based on the December 2006 reauthorization of the federal Abandoned Mine Land program.

**Reclaiming forfeited mines:** The recommendation includes \$342,000 from the Operational Account of the Severance Tax Trust Fund to reclaim mine sites forfeited between 1977 and 1993, when mine operators were required to post bonds, but the statutory method for setting the bond amounts resulted in inadequate bonds for some sites. This amount will supplement work the Department is doing with the forfeited bonds. The Department requested funding in this amount for the next five years to address the known backlog of reclamation work.

**Annualize salary and benefits adjustments:** The recommendation includes a net increase of \$171,554 for salary and benefit increases, including: 1) \$156,978 for salary survey increases; 2) \$51,987 for performance-based pay; and, 3) a reduction of \$37,411 for the common policy 1.0 percent base reduction.

**Indirect cost assessment:** The recommendation includes an increase of \$42,237 for a higher indirect cost assessment against this division.

**Increased federal match for coal mine regulation and reclamation:** The recommendation reflects a projected increase in federal funds, primarily for coal mine regulation and reclamation, and a corresponding decrease in appropriations necessary from the Operational Account of the Severance Tax Trust Fund.

**Eliminate one-time funding:** The recommendation includes a reduction of \$350,815 for one-time appropriations made in FY 2007-08, the largest of which was \$342,000 from the Operational Account of the Severance Tax Trust Fund for reclaiming mine sites.

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**Geological Survey:** This division includes the following three programs:

- Environmental Geology and Geological Hazards -- This program is designed to lessen the impact of, and increase the awareness and understanding of, geological hazards in Colorado.
- Mineral Resources and Mapping -- This program promotes the development of the state's mineral resources through the publication and distribution of maps, reports, and presentations on geological conditions, mineral potential, mineral reserves, and actual mineral production.
- Colorado Avalanche Information Center -- This program provides avalanche forecasting services and education to back country recreation users, industry, and travelers.

Geological Survey	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$4,385,177	\$0	\$2,555,245	\$860,910	\$969,022	34.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>77,472</u>	<u>(77,472)</u>	<u>0</u>	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$4,385,177	\$0	\$2,632,717	\$783,438	\$969,022	34.0



	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b><i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i></b>						
Indirect cost assessment	147,490	0	134,901	0	12,589	0.0
Annualize salary and benefits adjustments	121,931	0	94,563	19,588	7,780	0.0
Geothermal energy exploration	69,035	0	69,035	0	0	1.0
Avalanche safety	28,000	0	28,000	0	0	0.4
<b>Total FY 2008-09 JBC Recommendation</b>	<b>\$4,751,633</b>	<b>\$0</b>	<b>\$2,959,216</b>	<b>\$803,026</b>	<b>\$989,391</b>	<b>35.4</b>
\$ Change from prior year	\$366,456	\$0	\$326,499	\$19,588	\$20,369	1.4
% Change from prior year	8.4%	n/a	12.4%	2.5%	2.1%	4.1%

## Issue Descriptions

**Indirect cost assessment:** The recommendation includes \$147,490 attributable to an increase in the indirect cost assessment against this division.

**Annualize salary and benefits adjustments:** The recommendation includes a net increase of \$121,931 for salary and benefit increases, including: 1) \$92,029 for salary survey increases; and 2) \$29,902 for performance-based pay.

**Geothermal energy exploration:** The recommendation includes \$69,035 cash funds and 1.0 FTE from the Operational Account of the Severance Tax Trust Fund to explore and promote geothermal energy resources in Colorado.

**Avalanche safety:** The recommendation includes an increase of \$28,000 cash funds and 0.4 FTE from avalanche safety course fees to allow two seasonal employees of the Colorado Avalanche Information Center to work two more months out of the year, primarily to perform maintenance on avalanche forecasting equipment that can only be accomplished during the summer.

**Oil and Gas Conservation Commission:** The Commission is responsible for promoting the exploration, development, and conservation of Colorado's oil and natural gas resources. The Commission also has the authority to regulate oil and gas operations so as to protect public health, prevent significant adverse environmental impacts, and prevent waste. In addition to enforcement, this responsibility involves answering complaints and inquiries, responding to oil and gas spills and other environmental emergencies at production sites, managing plugging and reclamation work at abandoned well sites, and performing baseline water quality studies. The appropriation reflects the workload attributable to the increase in active wells statewide.

The bulk of the funding for the Oil and Gas Conservation Commission is from the Oil and Gas Conservation and Environmental Response Fund and its associated reserves, and secondarily from the Operational Account of the Severance Tax Trust Fund.

<b>Oil and Gas Conservation Commission</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$9,841,626	\$0	\$7,321,319	\$2,418,191	\$102,116	55.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>2,418,191</u>	<u>(2,418,191)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$9,841,626	\$0	\$9,739,510	\$0	\$102,116	55.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Oil and gas regulation	1,723,665	0	1,723,665	0	0	21.0
Annualize salary and benefits adjustments	126,383	0	126,383	0	0	0.0
Indirect cost assessment	97,260	0	97,040	0	220	0.0
Eliminate one-time funding	(476,460)	0	(476,460)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$11,312,474	\$0	\$11,210,138	\$0	\$102,336	76.0
\$ Change from prior year	\$1,470,848	\$0	\$1,470,628	\$0	\$220	21.0
% Change from prior year	14.9%	n/a	15.1%	n/a	0.2%	38.2%

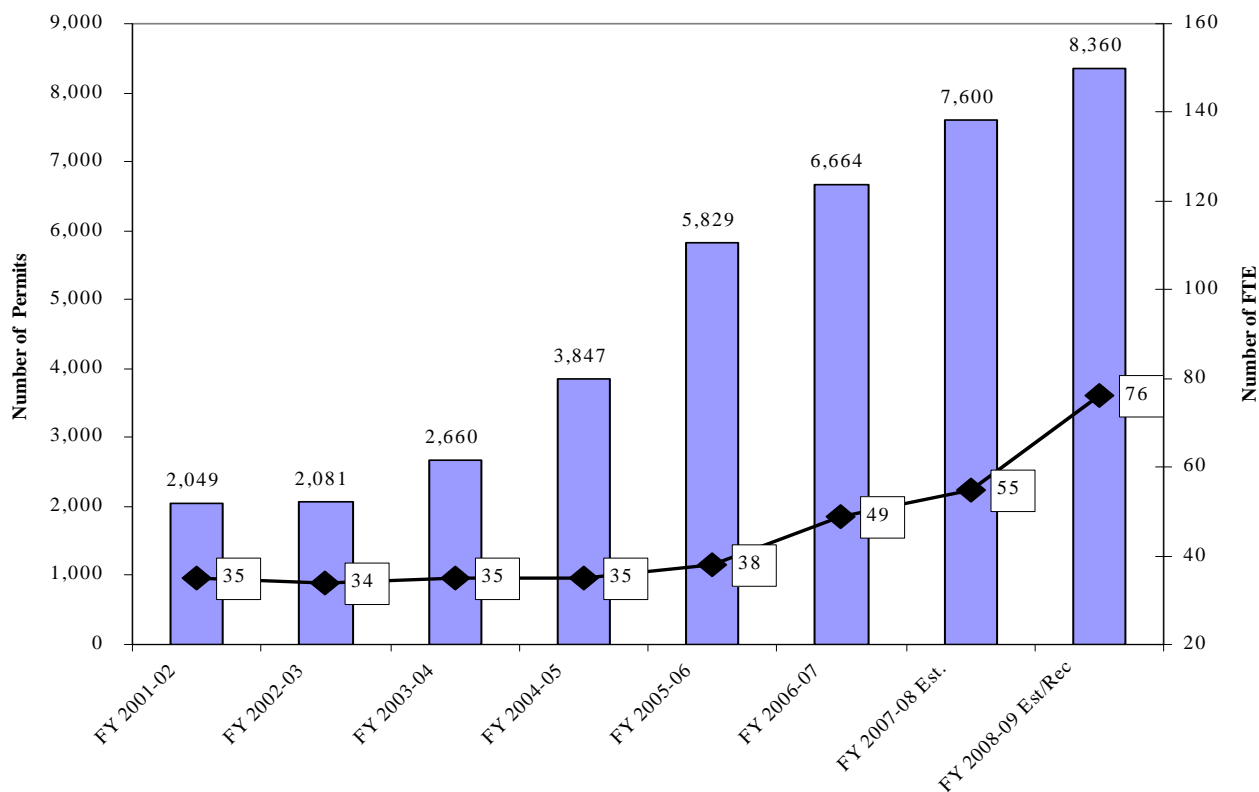
## Issue Descriptions

**Oil and gas regulation:** The recommendation includes \$1,723,665 cash funds and 21.0 FTE from the Oil and Gas Conservation and Environmental Response Fund for regulating oil and gas development, including permitting, inspections, and enforcement. There is another \$233,030 cash funds in the executive director's office associated with this FTE increase (the total cost, including the benefits in the executive director's office, is \$1,956,695).

The primary source of revenue to the Oil and Gas Conservation and Environmental Response Fund is a fee to operators based on oil and gas production value. The fee rate is set by the Department and is currently 0.7 mills. Based on increasing production activity and production value in the State, the Department projects that the mill rate will not need to be increased to provide sufficient revenue for this increase in funding.

The table below shows the historic and projected oil and gas permits and the actual and recommended FTE for the Division.

### Oil & Gas Well Permitting Activity & OGCC Staff



**Annualize salary and benefits adjustments:** The recommendation includes a net increase of \$126,383 for salary and benefit increases, including: 1) \$128,888 for salary survey increases; 2) \$41,571 for performance-based pay; and, 3) a reduction of \$44,076 for the common policy 1.0 percent base reduction.

**Indirect cost assessment:** The recommendation includes \$97,260 attributable to an increase in the indirect cost assessment against this division.

**Eliminate one-time funding:** The recommendation includes a reduction of \$476,460 for one-time appropriations made in FY 2007-08. The two largest one-time items were \$257,088 for contract assistance with processing oil and gas permits and \$119,356 to clean up data in the OGCC computer systems after a software migration. The majority of the remaining one-time appropriations were for capital outlay expenditures associated with new FTE added in FY 2007-08.

Although the one-time appropriation of \$257,088 for contract assistance with processing oil and gas permits is shown here as expiring, it should be noted that the oil and gas regulation item above for \$1.7 million includes \$362,898 for contract assistance, which could be viewed as an extension and expansion of the one-time contract funding provided in FY 2007-08.

**State Board of Land Commissioners:** The five member volunteer Board is responsible for managing almost three million surface acres and four million mineral acres of state lands for the benefit of eight trusts, as well

as managing 300,000 acres for a Stewardship Trust designed to preserve the long-term value of designated lands. Appropriations in this division support management of state lands carried out by the Director and staff in the seven district offices throughout the state, and minerals, real estate, finance, and operations sections. By far the largest trust managed by the State Land Board is the Public School Trust (School Trust). Approximately 98 percent of the revenue generated by the State Land Board is attributable to the School Trust.

State Board of Land Commissioners	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$3,852,750	\$0	\$1,042,286	\$2,810,464	\$0	38.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>2,810,464</u>	<u>(2,810,464)</u>	<u>0</u>	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$3,852,750	\$0	\$3,852,750	\$0	\$0	38.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Indirect cost assessment	64,230	0	64,230	0	0	0.0
Annualize salary and benefits adjustments	31,966	0	31,966	0	0	0.0
Eliminate one-time funding	(12,020)	0	(12,020)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$3,936,926	\$0	\$3,936,926	\$0	\$0	38.0
\$ Change from prior year	\$84,176	\$0	\$84,176	\$0	\$0	0.0
% Change from prior year	2.2%	n/a	2.2%	n/a	n/a	0.0%

## Issue Descriptions

**Indirect cost assessment:** The recommendation includes \$64,230 attributable to an increase in the indirect cost assessment against this division.

**Annualize salary and benefits adjustments:** The recommendation includes a net increase of \$31,966 for salary and benefit increases, including: 1) \$30,802 for salary survey increases; 2) \$25,529 for performance-based pay; and, 3) a reduction of \$24,365 for the common policy 1.0 percent base reduction.

**Eliminate one-time funding:** The recommendation includes a reduction of \$12,020 for one-time appropriations made in FY 2007-08.

**Parks and Outdoor Recreation:** This division manages approximately 43 parks and associated park projects. The Division also manages statewide recreation programs, including the snowmobile program, the off-highway vehicle program, and river outfitters regulation.

As of 2004, Colorado's Parks were among the most self-sufficient in the nation based on a national comparison. Self-sufficiency is defined as the degree to which division cash fund sources cover the costs of the program. Colorado ranked 5th lowest in General Fund support as a percent of operating costs (16.4 percent), received the 6th lowest General Fund support per acre managed (\$20.95), received the 9th lowest General Fund support

per visitor (\$0.40), received the 7th lowest General Fund support as a percentage of total state government annual expenditures (0.034 percent), and led nationally in terms of park-generated revenue per visitor at a state park (\$1.57).

<b>Parks and Outdoor Recreation</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$34,211,851	\$5,466,161	\$19,722,381	\$7,991,060	\$1,032,249	292.1
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	7,991,060	(7,991,060)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$34,211,851	\$5,466,161	\$27,713,441	\$0	\$1,032,249	292.1
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	639,050	189,547	449,503	0	0	0.0
Increase in utilities and vehicle operating costs	377,317	178,664	198,653	0	0	0.0
Law enforcement equipment	126,780	0	126,780	0	0	0.0
Adjustment for GOCO and lottery proceeds	(1,104,000)	0	(1,104,000)	0	0	(6.5)
Personal services reduction	(194,202)	(51,204)	(142,998)	0	0	0.0
Annualize prior year funding	(52,966)	0	(49,961)	0	(3,005)	1.0
Change in indirect cost recoveries	(36,741)	0	(34,225)	0	(2,516)	0.0
Snowmobile program staff	(1,120)	0	(1,120)	0	0	1.3
<b>Total FY 2008-09 JBC Recommendation</b>	\$33,965,969	\$5,783,168	\$27,156,073	\$0	\$1,026,728	287.9
\$ Change from prior year	(\$245,882)	\$317,007	(\$557,368)	\$0	(\$5,521)	(4.2)
% Change from prior year	(0.7)%	5.8%	(2.0)%	n/a	(0.5)%	(1.4)%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Directors' Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Increase in utilities and vehicle operating costs:** The recommendation includes an increase for utilities and vehicle operating costs.

**Law enforcement equipment:** The recommendation reflects the addition of a new line item entitled "Law Enforcement Equipment" to fund the regular replacement of state parks rangers' personal equipment.

**Adjustment for GOCO and lottery proceeds:** The recommendation reflects adjustments based on the anticipated level of funding that the Division of Parks and Outdoor Recreation will receive from lottery proceeds and Great Outdoors Colorado (GOCO). The recommendation also includes a technical correction which reduces GOCO funding by \$1,244,000 and 6.5 FTE.

**Personal services reduction:** The recommendation includes a 1.0 percent reduction in accordance with the JBC policy for personal services line items.

**Annualize prior year funding:** The recommendation reflects a reduction for one-time capital outlay expenses and annualization of 1.0 FTE from FY 2007-08 Parks decision items #9 and #10 for additional state parks staff.

**Change in indirect cost recoveries:** The recommendation reflects adjustments to the indirect cost plan, which is used to offset the need for General Fund in the Executive Director's Office based on department-wide and state-wide indirect cost recoveries.

**Snowmobile program staff:** The recommendation reflects additional staff to manage the Department's snowmobile program.

**Colorado Water Conservation Board:** Under the guidance of the Board, this division is responsible for protecting, conserving, and developing the state's water resources, and minimizing the risk of flood damage and associated economic loss. The Colorado Water Conservation Board is divided into two main functional areas: administration and special purpose programs. The bulk of the funding for the Division is from reserves in the Colorado Water Conservation Board Construction Fund.

Colorado Water Conservation Board	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$14,142,329	\$0	\$3,748,702	\$10,255,480	\$138,147	43.2
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	9,959,453	(9,959,453)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$14,142,329	\$0	\$13,708,155	\$296,027	\$138,147	43.2
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	145,711	0	145,711	0	0	0.0
Hydrographer to manage stream gaging activities	94,696	0	94,696	0	0	1.0
Drought planning staff	85,645	0	85,645	0	0	1.5
Compact dues increase	19,904	0	19,904	0	0	0.0
Change in indirect cost recoveries	9,551	0	9,272	0	279	0.0
Water management and development section staff	0	0	0	0	0	2.0
Eliminate one-time funding	(5,795,000)	0	(5,795,000)	0	0	0.0
Personal services reduction	(28,811)	0	(28,811)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$8,674,025	\$0	\$8,239,572	\$296,027	\$138,426	47.7
\$ Change from prior year	(\$5,468,304)	\$0	(\$5,468,583)	\$0	\$279	4.5
% Change from prior year	(38.7)%	n/a	(39.9)%	0.0%	0.2%	10.4%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Directors' Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Hydrographer to manage stream gaging activities:** The recommendation includes funding for a hydrographer to be responsible for managing stream gaging activities.

**Drought planning staff:** The recommendation includes funding for 1.0 FTE to coordinate drought planning, mitigation, and response activities for the CWCB as well as 0.5 FTE to handle an increased volume of grant applications associated with the Water Efficiency Grant program.

**Compact dues increase:** The recommendation includes funding to cover an increase in compact dues related to the Arkansas River Compact Administration Association (ARCA), the Upper Colorado River Commission, and the Colorado River Salinity Control.

**Change in indirect cost recoveries:** The recommendation reflects adjustments to the indirect cost plan, which is used to offset the need for General Fund in the Executive Director's Office based on department-wide and state-wide indirect cost recoveries.

**Water management and development section staff:** The recommendation includes 2.0 FTE to be funded out of existing appropriations to assist in the implementation of the Water for the 21<sup>st</sup> Century Act and the Water Supply Reserve Account (created by S.B. 06-179).

**Eliminate one-time funding:** The recommendation includes a reduction of \$5,795,000 associated with a one-time appropriation contained in S.B. 07-122 (Water Conservation Board Construction Fund).

**Personal services reduction:** The recommendation includes a 1.0 percent reduction in accordance with the JBC policy for personal services line items.

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**Water Resources Division:** This division, also called the Office of the State Engineer, is primarily responsible for administration of water resources. This includes daily oversight of water allocations within the state and downstream interstate compact compliance, monitoring of water supply through stream-flow measurements, and groundwater regulation. The Division administers 88,487 direct flow water rights. The Division is also responsible for dam safety inspections and groundwater well construction regulation.

Water Resources Division	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
FY 2007-08 Appropriation	\$21,089,344	\$19,206,772	\$1,139,959	\$661,530	\$81,083	273.4
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	661,530	(661,530)	0	0.0
FY 2007-08 Adjusted Appropriation	\$21,089,344	\$19,206,772	\$1,801,489	\$0	\$81,083	273.4

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b><i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i></b>						
Annualize salary and benefits adjustments	798,556	781,666	16,890	0	0	0.0
Republican river compact compliance	105,300	105,300	0	0	0	0.9
Vehicle operating expenses	89,663	89,663	0	0	0	0.0
Change in federal funding	4,405	0	0	0	4,405	0.0
Personal services reduction	(190,972)	(185,768)	(5,204)	0	0	0.0
Annualize prior year funding	(148,003)	(54,450)	(93,553)	0	0	0.0
Change in indirect cost recoveries	(3,087)	0	(2,207)	0	(880)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	<b>\$21,745,206</b>	<b>\$19,943,183</b>	<b>\$1,717,415</b>	<b>\$0</b>	<b>\$84,608</b>	<b>274.3</b>
\$ Change from prior year	\$655,862	\$736,411	(\$84,074)	\$0	\$3,525	0.9
% Change from prior year	3.1%	3.8%	(4.7)%	n/a	4.3%	0.3%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Directors' Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Republican river compact compliance:** The recommendation includes an appropriation of 0.9 FTE and \$105,300 General Fund to partially fund a well measurement program. The Department is also moving an additional 2.8 FTE and \$140,727 General Fund from the "Personal Services" line item to the "Republican River Compact Compliance" line item in order to fund 3.7 FTE for a well measurement program.

**Vehicle operating expenses:** The recommendation includes additional funds to pay for increases in fuel and maintenance costs related to the Division's vehicle fleet.

**Change in federal funding:** The recommendation reflects the Department's estimate of anticipated federal grants to be received in FY 2008-09.

**Personal services reduction:** The recommendation includes a 1.0 percent reduction in accordance with the JBC policy for personal services line items.

**Annualize prior year funding:** The recommendation includes annualization for FY 2007-08 decision item #3 for additional water commissioners. The recommendation includes increases related to annualization of FTE and reduction on one-time capital costs.

**Change in indirect cost recoveries:** The recommendation reflects adjustments to the indirect cost plan, which is used to offset the need for General Fund in the Executive Director's Office based on department-wide and state-wide indirect cost recoveries.



**Division of Wildlife:** The Division manages the state's 960 game and non-game wildlife species by issuing hunting and fishing licenses, enforcing wildlife regulations, protecting habitat and native wildlife populations and managing more than 250 state wildlife areas. The Division appropriations contain funding for 13 major programs, including the following: Wildlife Habitat, Wildlife Species, Hunting Recreation, Fishing Recreation, Watchable Wildlife, Law Enforcement, Licensing, Wildlife Education, Wildlife Information, Customer Service, Public Policy, Human Resources, and Internal Systems.

Division of Wildlife	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$82,570,115	\$0	\$0	\$71,666,386	\$10,903,729	652.4
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	71,666,386	(71,666,386)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$82,570,115	\$0	\$71,666,386	\$0	\$10,903,729	652.4
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	1,792,573	0	1,807,517	0	(14,944)	0.0
PEAC funding	200,000	0	200,000	0	0	0.0
Eliminate one-time funding	(1,746,560)	0	(1,746,560)	0	0	0.0
Personal services reduction	(485,365)	0	(419,266)	0	(66,099)	0.0
Change in indirect cost recoveries	(64,743)	0	358,411	0	(423,154)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$82,266,020	\$0	\$71,866,488	\$0	\$10,399,532	652.4
\$ Change from prior year	(\$304,095)	\$0	\$200,102	\$0	(\$504,197)	0.0
% Change from prior year	(0.4)%	n/a	0.3%	n/a	(4.6)%	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Directors' Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**PEAC funding:** The recommendation includes an increase of \$200,000 cash funds (Wildlife Management Public Education Fund) for the Public Education Advisory Council (PEAC) to increase the magnitude of its media and public outreach wildlife education campaign.

**Eliminate one-time funding:** The recommendation includes a reduction for a one-time appropriation made in FY 2007-08 in the amount of \$1,746,560 (Wildlife Cash Fund) for emergency big game winter feeding operations in West and Northwest Colorado.

**Personal services reduction:** The recommendation includes a 1.0 percent reduction in accordance with the JBC policy for personal services line items.

**Change in indirect cost recoveries:** The recommendation reflects adjustments to the indirect cost plan, which is used to offset the need for General Fund in the Executive Director's Office based on department-wide and state-wide indirect cost recoveries.

## Department of Personnel and Administration

**Department Description:** The Department of Personnel and Administration is responsible for administering the state personnel system, which includes approximately 30,197 full time equivalent (FTE) staff, excluding the Department of Higher Education. In addition, the Department provides general support services for state agencies. These functions include: control of the State's purchasing activities; oversight of state financial activities; maintenance of state archives and public records; maintenance of the buildings in the Capitol complex and two other campuses; provision of central services to agencies in the Denver metropolitan area; maintenance of the State's telecommunications system; provision of centralized computer services; provision of administrative law judge services; coordination of capital construction and controlled maintenance projects; management of the State's motor vehicle fleet; centralized lease management for state agencies; and oversight of the State's liability, property, and workers' compensation insurance program.

Summary Table for Department of Personnel and Administration						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$182,724,497	\$11,439,122	\$14,676,758	\$156,487,617	\$121,000	567.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	(7,580,650)	7,580,650	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$182,724,497	\$11,439,122	\$7,096,108	\$164,068,267	\$121,000	567.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Executive Director's Office	2,921,941	(284,985)	0	3,206,926	0	0.0
Human Resources	5,836,126	(7,752)	895,730	4,948,148	0	4.5
Personnel Board	19,588	(255,376)	0	274,964	0	0.0
Central Services	(2,337,247)	0	10,844	(2,348,091)	0	(0.3)
Finance and Procurement	191,716	10,925	29,269	151,522	0	0.0
Information Technology	761,118	(3,373,307)	15,142	4,119,283	0	0.0
Administrative Courts	99,684	(6,819)	0	106,503	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$190,217,423	\$7,521,808	\$8,047,093	\$174,527,522	\$121,000	571.7
\$ Change from prior year	\$7,492,926	(\$3,917,314)	\$950,985	\$10,459,255	\$0	4.2
% Change from prior year	4.1%	(34.2)%	13.4%	6.4%	0.0%	0.7%

### Recommendation Highlights:

1. Provides a \$4.5 million increase for workers' compensation and risk premiums charged to state agencies based on actuarial estimates of prospective loss in FY 2008-09 compared to FY 2007-08;
2. Provides a \$2.7 million increase for various common policy adjustments;
3. Provides \$639,000 total funds for salary and health benefits increases throughout the Department;

4. Provides 5.5 additional FTE in the Colorado State Employee Assistance Program due to an increase in workload, and to mitigate certain State business risks more effectively by avoiding productivity and workplace issues associated with organizational conflict, personal issues, and related workers' compensation and liability claims and litigation.

### Budget Recommendation Detail by Long Bill Division

**Executive Director's Office:** This division is responsible for personnel appeals, affirmative action, and disability issues affecting all classified state employees, and is charged with reviewing the overall management and programs of state government. The Division also provides centralized accounting, personnel, and budgeting services for the Department. The Executive Director has administrative responsibility for the Total Compensation Advisory Council, the Deferred Compensation Committee, and the Short-term Disability Fund.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$13,508,472	\$5,335,464	\$147,989	\$8,025,019	\$0	23.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	(130,826)	130,826	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$13,508,472	\$5,335,464	\$17,163	\$8,155,845	\$0	23.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Common policy adjustments	2,724,217	(286,258)	0	3,010,475	0	0.0
Annualize prior year decision item	100,750	0	0	100,750	0	0.0
Annualize salary and benefits adjustments	79,218	79,218	0	0	0	0.0
HIPAA risk assessment	35,000	0	0	35,000	0	0.0
Fund mix adjustments	0	(77,187)	0	77,187	0	0.0
Personal services reduction	(17,244)	(758)	0	(16,486)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$16,430,413	\$5,050,479	\$17,163	\$11,362,771	\$0	23.5
\$ Change from prior year	\$2,921,941	(\$284,985)	\$0	\$3,206,926	\$0	0.0
% Change from prior year	21.6%	(5.3)%	0.0%	39.3%	n/a	0.0%

### Issue Descriptions

**Common policy adjustments:** The recommendation includes adjustments for line items that provide employee benefits to all department employees and for programs that provide statewide services to divisions throughout the Department. These increases include adjustments to the following line items: Health, Life, and Dental; Short-term Disability; S.B. 04-257 Amortization Equalization Disbursement; S.B. 06-235 Supplemental Amortization Equalization Disbursement; Salary Survey and Senior Executive Service; Performance-based Pay Awards; Shift Differential; Administrative Law Judge Services; Multiuse Network Payments; Vehicle Lease Payments; Workers' Compensation; Payment to Risk Management and Property Funds; Capitol Complex Leased Space; and Communications Services Payments. The recommendation also includes a refinance of

\$331,492 General Fund with reappropriated funds related to the Technology Management Unit (TMU) refinance discussed in the Division of Information and Technology.

**Annualize prior year decision item:** The recommendation includes an increase of \$100,750 reappropriated funds related to a FY 2008 decision item to expand rental space for print and mail operations within the Division of Central Services in Pueblo.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Directors' Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**HIPAA risk assessment:** The recommendation includes funding for a Health Insurance Portability and Accountability Act (HIPAA) risk assessment.

**Fund mix adjustments:** The recommendation includes fund mix adjustments pursuant to the Department's indirect cost plan, which is used to offset the need for General Fund in the Executive Director's Office.

**Personal services reduction:** The recommendation includes a 1.0 percent reduction in accordance with the JBC policy for personal services line items.

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**Division of Human Resources:** This division is responsible for administration of the State's selection, classification, and compensation programs and administration of the State's employee benefit programs. It also administers the risk management program for all state agencies, which involves supervising the investigation, adjustment, and legal defense of property, liability, and workers' compensation claims, as well as administering loss-control programs designed to decrease the State's claims exposure and liability.

Division of Human Resources	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$57,066,888	\$100,135	\$7,347,332	\$49,619,421	\$0	54.2
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	(5,445,128)	5,445,128	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$57,066,888	\$100,135	\$1,902,204	\$55,064,549	\$0	54.2
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Workers' compensation and risk premiums	4,452,161	0	0	4,452,161	0	0.0
Supplemental state contribution fund	968,930	0	968,930	0	0	0.0
C-SEAP staff and funding	337,287	0	0	337,287	0	5.5
Change in indirect cost recoveries	243,924	0	0	243,924	0	0.0
Annualize salary and benefits adjustments	147,288	0	25,420	121,868	0	0.0
Common policy adjustment	97,810	0	0	97,810	0	0.0
Training services reorganization	0	0	19,770	(19,770)	0	(1.0)

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Fund mix adjustment	0	0	41,610	(41,610)	0	0.0
Eliminate funding	(383,120)	0	(160,000)	(223,120)	0	0.0
Personal services reduction	(20,402)	0	0	(20,402)	0	0.0
H.B. 07-1335 funding adjustment	(7,752)	(7,752)	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$62,903,014	\$92,383	\$2,797,934	\$60,012,697	\$0	58.7
\$ Change from prior year	\$5,836,126	(\$7,752)	\$895,730	\$4,948,148	\$0	4.5
% Change from prior year	10.2%	(7.7)%	47.1%	9.0%	n/a	8.3%

## Issue Descriptions

**Workers' compensation and risk premiums:** The recommendation includes increased funding for workers' compensation and risk premiums charged to state agencies based on actuarial estimates of prospective loss in FY 2008-09 compared to FY 2007-08.

**Supplemental state contribution fund:** The recommendation includes an increase to anticipated tobacco proceeds going into the Supplemental State Contribution Fund.

**C-SEAP staff and funding:** The recommendation includes 5.5 additional FTE in the Colorado State Employee Assistance Program due to increase in workload and to mitigate certain State business risks more effectively by avoiding productivity and workplace issues associated with organizational conflict, personal issues, and related workers' compensation and liability claims and litigation.

**Change in indirect cost recoveries:** The recommendation reflects adjustments to the indirect cost plan which is used to offset the need for General Fund in the Executive Director's Office based on Department-wide and state-wide indirect cost recoveries.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Directors' Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Common policy adjustment:** The recommendation includes an increase to the legal services line as a result of an increase to the recommended blended legal rate to \$75.10 for FY 2008-09.

**Training services reorganization:** The recommendation includes a reorganization of the Training Services Program. The reorganization eliminates an unused 1.0 FTE authority and merges the Training Services Program into one line item in the budget.

**Fund mix adjustment:** The recommendation includes an adjustment to funding classifications based on the redistribution of funds between cash funds and reappropriated funds.

**Eliminate funding:** The recommendation eliminates funding for one-time Deferred Compensation Plan and Defined Contribution Plans audits in the amount of \$160,000; eliminates one-time funding for a pilot disease

management study per H.B. 07-1335 in the amount of \$160,000; and eliminates a one-time audit expense within the risk management services group.

**Personal services reduction:** The recommendation includes a 1.0 percent reduction in accordance with the JBC policy for personal services line items.

**H.B. 07-1335 funding adjustment:** The recommendation includes a reduction to H.B. 07-1335 (supplement low-income state employee benefits with tobacco settlement funds) funding in FY 2008-09 per the estimated fiscal note impact.

**Personnel Board:** This division provides staff support for the five-member State Personnel Board authorized in Article XII, Sections 13 through 15, of the Colorado Constitution. The Board has the authority to adopt, by rule, a uniform grievance procedure to be used by all state agencies for classified employees in the state personnel system. The Board adjudicates employment disputes within the state classified system and is responsible for promulgating rules to ensure that state employment is based on merit.

Personnel Board	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$466,390	\$255,376	\$1,196	\$209,818	\$0	4.8
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$466,390	\$255,376	\$1,196	\$209,818	\$0	4.8
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	19,588	19,588	0	0	0	0.0
Statewide indirect costs refinance	0	(274,964)	0	274,964	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$485,978	\$0	\$1,196	\$484,782	\$0	4.8
\$ Change from prior year	\$19,588	(\$255,376)	\$0	\$274,964	\$0	0.0
% Change from prior year	4.2%	(100.0)%	0.0%	131.0%	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Directors' Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Statewide indirect costs refinance:** The recommendation includes the refinance of General Fund with reappropriated funds due to additional statewide indirect cost recoveries coming to the Department for FY 2008-09.

**Central Services:** This division is responsible for realizing savings in governmental costs by providing centralized services to state agencies. The services provided include: management of the statewide travel program; processing of incoming and outgoing mail; mail delivery and messenger services; copying, printing and graphics design; microfilming and imaging services; vehicle leasing; management of the State's motor vehicle fleet; and operation and maintenance of buildings in the Capitol complex and other state-owned facilities.

Central Services	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$63,680,587	\$0	\$3,083,765	\$60,596,822	\$0	202.4
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>(3,070,540)</u>	<u>3,070,540</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$63,680,587	\$0	\$13,225	\$63,667,362	\$0	202.4
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Increase in services provided to other departments	406,395	0	0	406,395	0	0.0
Annualize salary and benefits adjustments	296,962	0	0	296,962	0	0.0
Common policy adjustment	(1,801,332)	0	0	(1,801,332)	0	0.0
Eliminate one-time funding	(415,348)	0	0	(415,348)	0	0.0
Change in indirect cost recoveries	(397,682)	0	0	(397,682)	0	0.0
Fleet vehicle maintenance reduction	(240,907)	0	0	(240,907)	0	0.0
Annualize prior year funding	(89,906)	0	10,844	(100,750)	0	0.0
Personal services reduction	(82,948)	0	0	(82,948)	0	0.0
Eliminate green fleet coordinator	(12,481)	0	0	(12,481)	0	(0.3)
<b>Total FY 2008-09 JBC Recommendation</b>	\$61,343,340	\$0	\$24,069	\$61,319,271	\$0	202.1
\$ Change from prior year	(\$2,337,247)	\$0	\$10,844	(\$2,348,091)	\$0	(0.3)
% Change from prior year	(3.7)%	n/a	82.0%	(3.7)%	n/a	(0.1)%

## Issue Descriptions

**Increase in services provided to other departments:** The recommendation includes: (1) Document Solutions Group personal services and operating expenses line items increases totaling \$89,706 to provide document scanning services to the Department of Regulatory Agencies (DORA decision item #2); and (2) a Mail Services operating expenses increase of \$316,689 to process Department of Labor and Employment unemployment insurance mailings.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Directors' Office in the year of the award and are incorporated into base funding for each division in the subsequent year.



**Common policy adjustment:** The recommendation includes various miscellaneous adjustments as well as a \$1.8 million reduction to the vehicle lease line due to a lower estimated need for vehicle lease payments in FY 2008-09.

**Eliminate one-time funding:** The recommendation eliminates funding for FY 2008 temporary personnel for Colorado Bureau of Investigation (CBI) data entry contract in the amount of \$274,560 and \$140,788 for FY 2008 decision items within the Departments of Regulatory Agencies and Law for scanning and imaging costs.

**Change in indirect cost recoveries:** The recommendation reflects adjustments to the indirect cost plan which is used to offset the need for General Fund in the Executive Director's Office based on Department-wide and state-wide indirect cost recoveries.

**Fleet vehicle maintenance reduction:** The recommendation includes a reduction due to the move of a portion of vehicle maintenance into existing garages within the departments of Transportation, Human Services and Public Safety.

**Annualize prior year funding:** The recommendation includes: (1) an increase to utilities costs of \$10,200 within the Document Solutions Group for a FY 2008 decision item to rent additional mail and print operations office space in Pueblo; a reduction of \$110,950 in Mail operating expenses to annualize out year reduction of costs from the FY 2008 decision item; and (2) an increase of \$10,844 for S.B. 07-86 Fallen Heroes Memorials Construction Fund.

**Personal services reduction:** The recommendation includes a 1.0 percent reduction in accordance with the JBC policy for personal services line items.

**Eliminate green fleet coordinator:** The recommendation discontinues funding for a green fleet coordinator position as requested by the Department.

**Finance and Procurement:** This division administers a statewide procurement program through the Bid Information and Distribution System (BIDS), and meets the product and service needs of state agencies by negotiating contracts for acceptable goods and services in order to maximize the purchasing power of the State. This division manages the financial affairs of all departments through the State Controller's Office by using the Colorado Financial Reporting System (COFRS). It conducts statewide financial reporting, policy and procedural guidance, contract management, and the development of the statewide indirect cost allocation plan.

Finance and Procurement	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$6,559,709	\$1,816,624	\$1,549,209	\$3,193,876	\$0	65.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	1,855,218	(1,855,218)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$6,559,709	\$1,816,624	\$3,404,427	\$1,338,658	\$0	65.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	174,948	138,303	8,247	28,398	0	0.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change in indirect cost recoveries	52,037	0	0	52,037	0	0.0
Annualize prior year funding	5,076	14,091	0	(9,015)	0	0.0
Fund mix adjustments	0	(18,552)	39,574	(21,022)	0	0.0
Statewide indirect costs refinance	0	(110,155)	0	110,155	0	0.0
Personal services reduction	(40,345)	(12,762)	(18,552)	(9,031)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$6,751,425	\$1,827,549	\$3,433,696	\$1,490,180	\$0	65.5
\$ Change from prior year	\$191,716	\$10,925	\$29,269	\$151,522	\$0	0.0
% Change from prior year	2.9%	0.6%	0.9%	11.3%	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Directors' Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Change in indirect cost recoveries:** The recommendation reflects adjustments to the indirect cost plan which is used to offset the need for General Fund in the Executive Director's Office based on Department-wide and state-wide indirect cost recoveries.

**Annualize prior year funding:** The recommendation includes: (1) \$14,091 General Fund increase due to S.B. 07-228 per the assessed fiscal note impact; and (2) a \$9,015 reappropriated funds reduction for one-time operating costs related to a FY 2007-08 decision item #4 for additional collector staff.

**Fund mix adjustments:** The recommendation reflects compounding fund mix adjustments related to prior year statewide indirect costs refinancing and a change to the Long Bill format.

**Statewide indirect costs refinance:** The recommendation includes the refinance of General Fund with reappropriated funds due to additional statewide indirect cost recoveries coming to the Department for FY 2008-09.

**Personal services reduction:** The recommendation includes a 1.0 percent reduction in accordance with the JBC policy for personal services line items.

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**Division of Information Technology:** This division integrates the State's information services into one group. Its responsibilities include: (1) planning, coordinating, and integrating communication capabilities such as radio and wireless technologies and data, voice, internet, text, video and graphics content associated with the multiuse network (MNT); (2) planning, managing, operating, and delivering the state's computer infrastructure; (3) developing data sharing technologies; (4) archiving historical records; and (5) supporting all statewide applications.

Division of Information Technology	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$37,966,034	\$3,833,513	\$2,518,721	\$31,492,800	\$121,000	176.3
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	(789,374)	789,374	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$37,966,034	\$3,833,513	\$1,729,347	\$32,282,174	\$121,000	176.3
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	543,797	156,769	0	387,028	0	0.0
Change in indirect cost recoveries	309,600	0	0	309,600	0	0.0
Annualize prior year funding	1,995	1,995	0	0	0	0.0
Fund mix adjustment	0	0	23	(23)	0	0.0
State Archives refinance	0	18,010	15,142	(33,152)	0	0.0
TMU refinance	0	(3,519,574)	0	3,519,574	0	0.0
Personal services reduction	(94,274)	(30,507)	(23)	(63,744)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$38,727,152	\$460,206	\$1,744,489	\$36,401,457	\$121,000	176.3
\$ Change from prior year	\$761,118	(\$3,373,307)	\$15,142	\$4,119,283	\$0	0.0
% Change from prior year	2.0%	(88.0)%	0.9%	12.8%	0.0%	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Directors' Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Change in indirect cost recoveries:** The recommendation reflects adjustments to the indirect cost plan which is used to offset the need for General Fund in the Executive Director's Office based on Department-wide and state-wide indirect cost recoveries.

**Annualize prior year funding:** The recommendation annualizes funding for S.B. 07-228 (Monitoring of Vendor Performance on State Contracts) per the assessed fiscal note impact.

**Fund mix adjustment:** The recommendation includes an adjustment to anticipated funding classification.

**State Archives refinance:** The recommendation includes a refinance to the State Archives division to account for reduced cash funds revenues.

**TMU refinance:** The recommendation includes refinancing the Technology Management Unit (TMU), which supports all software applications that are used on a statewide basis. The TMU formerly was funded with General Fund. The refinance will allow the Department to charge its customer agencies directly for its services by an assessed rate through the General Government Computer Center billing methodology.

**Personal services reduction:** The recommendation includes a 1.0 percent reduction in accordance with the JBC policy for personal services line items.

**Administrative Courts:** This division provides an independent administrative law adjudication system for state agencies in order to resolve cases that deal with workers' compensation, human resources, and regulatory law. The Division offers a full range of alternative dispute resolution options, including evidentiary hearings, settlement conferences, and mediation. Approximately one-half of all hearings are related to workers' compensation cases.

Administrative Courts	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$3,476,417	\$98,010	\$28,546	\$3,349,861	\$0	40.8
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$3,476,417	\$98,010	\$28,546	\$3,349,861	\$0	40.8
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	113,056	0	0	113,056	0	0.0
Change in indirect cost recoveries	23,941	0	0	23,941	0	0.0
Fund mix adjustment	0	0	285	(285)	0	0.0
Personal services reduction	(32,021)	(809)	(285)	(30,927)	0	0.0
Annualize prior year funding	(5,292)	(6,010)	0	718	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$3,576,101	\$91,191	\$28,546	\$3,456,364	\$0	40.8
\$ Change from prior year	\$99,684	(\$6,819)	\$0	\$106,503	\$0	0.0
% Change from prior year	2.9%	(7.0)%	0.0%	3.2%	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Directors' Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Change in indirect cost recoveries:** The recommendation reflects adjustments to the indirect cost plan which is used to offset the need for General Fund in the Executive Director's Office based on Department-wide and state-wide indirect cost recoveries.

**Fund mix adjustment:** The recommendation includes an adjustment to anticipated funding classification.

**Personal services reduction:** The recommendation includes a 1.0 percent reduction in accordance with the JBC policy for personal services line items.

**Annualize prior year funding:** The recommendation includes: (1) a reduction of \$6,010 General Fund for the out year impact of S.B. 07-210 (Establishing the Independent Ethics Commission) per the assessed fiscal note impact; and (2) an increase of \$718 reappropriated funds for the out year impact of a FY 2007-08 decision item #5 for legal files maintenance costs.

## Department of Public Health and Environment

**Department Description:** The Department of Public Health and Environment is responsible for administering programs that protect and improve the health of the people of Colorado, maintain the quality of Colorado's environment, and assure the availability of health and medical care services to individuals and families.

Summary Table for Department of Public Health and Environment						
	Total Funds	General Fund /1	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$460,376,638	\$23,932,469	\$40,065,291	\$186,247,402	\$210,131,476	1,188.2
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	114,334,923	(114,334,923)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$460,376,638	\$23,932,469	\$154,400,214	\$71,912,479	\$210,131,476	1,188.2
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Administration and Support	4,266,783	281,205	1,441,281	1,846,884	697,413	5.0
Center for Health and Environmental Information and Statistics	701,147	(96)	210,452	448,995	41,796	8.0
Laboratory Services	83,844	3,250	57,638	62,222	(39,266)	0.0
Local Health Services	1,505,790	15,451	1,490,339	0	0	0.0
Air Quality Control Division	(550,065)	0	813,245	(1,030,666)	(332,644)	(1.1)
Water Quality Control Division	44,323	90,464	282,842	(252,510)	(76,473)	0.0
Hazardous Materials and Waste Management Division	618,819	0	1,444,776	(28,563)	(797,394)	(0.2)
Consumer Protection	(33,758)	(31,365)	(8,120)	8,507	(2,780)	0.0
Disease Control and Environmental Epidemiology Division	2,053,815	951,775	1,162,641	766	(61,367)	10.1
Prevention Services Division	(3,656,331)	1,561,135	(1,211,917)	(4,075,822)	70,273	1.0
Health Facilities and Emergency Medical Services Division	376,151	(451)	74,582	291,343	10,677	0.9
<b>Total FY 2008-09 Long Bill Recommendation</b>	\$465,787,156	\$26,803,837	\$160,157,973	\$69,183,635	\$209,641,711	1,211.9
\$ Change from prior year	\$5,410,518	\$2,871,368	\$5,757,759	(\$2,728,844)	(\$489,765)	23.7
% Change from prior year	1.2%	12.0%	3.7%	(3.8)%	(0.2)%	2.0%

/1 Includes General Fund Exempt. See Division Detail for information on General Fund Exempt recommended appropriations.

### Recommendation Highlights:

- Provides additional tobacco-settlement moneys, pursuant to statutory formulas, to the following programs: \$1.5 million for local public health agencies, \$1.2 million for AIDS/HIV drug treatment and prevention, and \$2.8 million for the Tony Grampas Youth Services Program, State Dental Loan, and Nurse Home Visitor Programs.

2. Provides \$1.0 million of General Fund and 1.0 FTE for the Tony Grampas Youth Services Program.
3. Provides \$654,000 of General Fund to expand the Colorado Immunization Information System and move it from the CU Health Sciences Center to the Department of Public Health and Environment.
4. Provides \$500,000 of General Fund for school-based health centers.
5. Provides \$292,000 of General Fund for the State's Tuberculosis Control and Treatment Program.
6. Provides \$237,000 of Amendment 35 tobacco-tax revenues to increase the size of the Behavioral Risk Factor Surveillance Surveys conducted by the Department. The survey results will guide grant and policy making.
7. Provides \$233,000 to the Office of Health Disparities so it can continue operations following the loss of private-sector funding at the end of FY 2007-08. \$175,000 of this amount will come from reduced Health Disparities grants with the remainder coming from the General Fund.

### Budget Recommendation Detail by Long Bill Division

**Administration and Support:** This division includes the executive director's office, support services, business services, and human resources. Under the purview of the executive director is the chief medical officer, the Office of Policy and Public/Private Initiatives, the Office of Health Disparities, customer services, and communications. Support services include building operations, telecommunications, and internal audit and management analysis. Business services include accounting, budgeting, contracts, payroll, and purchasing.

Administration and Support	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$34,236,376	\$715,238	\$5,092,767	\$22,370,760	\$6,057,611	69.8
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	1,677,051	(1,677,051)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$34,236,376	\$715,238	\$6,769,818	\$20,693,709	\$6,057,611	69.8
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Central appropriations	1,616,979	192,525	584,018	236,644	603,792	0.0
Health Disparities Grants	1,492,206	0	0	1,492,206	0	0.0
Operating adjustments	440,917	(310)	689,812	(361,936)	113,351	0.0
Sustain the Health Disparities Program	232,960	58,240	0	174,720	0	3.0
Salary and benefits adjustments	218,631	30,750	6,112	181,769	0	0.0
Second year impact of prior session legislation	146,796	0	146,796	0	0	0.5
Transfer HCSFO Program	58,316	0	58,316	0	0	0.5
Internal auditor	55,708	0	0	55,708	0	1.0
Indirect cost assessment	4,270	0	(43,773)	67,773	(19,730)	0.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Total FY 2008-09 JBC Recommendation</b>	\$38,503,159	\$996,443	\$8,211,099	\$22,540,593	\$6,755,024	74.8
\$ Change from prior year	\$4,266,783	\$281,205	\$1,441,281	\$1,846,884	\$697,413	5.0
% Change from prior year	12.5%	39.3%	21.3%	8.9%	11.5%	7.2%

## Issue Descriptions

**Central appropriations:** These items are appropriated to the Administration Division and are then used throughout the Department. The recommendation includes changed appropriations for Health, Life, and Dental, Short Term Disability, Amortization Equalization Disbursement, Supplemental Amortization Equalization Disbursement, Salary Survey, Performance-based Pay, Retirements, Shift Differential, and Workers' Compensation.

**Health Disparities Grants:** The recommendation reflects the carryforward of unexpended grant moneys. The underlying Amendment 35 tobacco-tax revenues have declined slightly.

**Operating adjustments:** The recommended appropriation includes changes for the following items, which are governed by common policy: Operating Expenses, Legal Services, Administrative Law Judge Services, Payment to Risk Management and Property Funds, Vehicle Lease Payments, Leased Space, Capitol Complex, Leased Space, Communications Services Payments, and Utilities.

**Sustain the Health Disparities Program:** The recommendation provides \$232,960 so the Office of Health Disparities can continue operations following the loss of private-sector funding at the end of FY 2007-08. Of this amount, \$174,720, will come from reduced Health Disparities grants with the remainder from the General Fund.

**Salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. These increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into the personal-services appropriation for each division in the subsequent year. The adjustment shown also includes a 1.0 percent reduction to the base personal services appropriations for the division.

**Second year impact of prior session legislation:** The recommendation reflects the second year impact of H.B. 07-1288, Concerning Sustainable Resources and Recycling.

**Transfer of HCSFO Program:** The recommendation moves the appropriation for the Housed Commercial Swine Feeding Operations (HCSFO) Program from the Air Quality Control Division to the Administration and Support Division.

**Internal auditor:** The recommendation adds an internal auditor who will monitor the Department's many grantees to assure compliance with state rules.

**Indirect cost assessment:** The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and other administration-division costs.



**Center for Health and Environmental Information and Statistics:** The Center for Health and Environmental Information and Statistics is divided into two subdivisions: Information Technology Services and Health Statistics and Vital Records. The second of these subdivisions is comprised of (1) a registration section, which records births, deaths, marriages, divorces, fetal deaths, and abortions, (2) a certification section, which issues birth and death certificates, corrects and updates records, and administers the Voluntary Adoption Registry, and (3) a health statistics section, which analyzes vital records collected by the Department and provides information to internal and external users.

Center for Health and Environmental Information and Statistics	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$6,417,628	\$9,648	\$2,365,047	\$2,667,751	\$1,375,182	71.6
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	190,289	(190,289)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$6,417,628	\$9,648	\$2,555,336	\$2,477,462	\$1,375,182	71.6
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Central appropriations	291,999	0	11,084	262,582	18,333	0.0
Behavioral Risk Factor Surveillance System	237,346	0	118,673	118,673	0	5.0
Salary and benefits adjustments	131,291	(96)	60,852	79,777	(9,242)	0.0
Indirect cost assessment	40,511	0	19,843	(12,037)	32,705	0.0
Vital records FTE increase	0	0	0	0	0	3.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$7,118,775	\$9,552	\$2,765,788	\$2,926,457	\$1,416,978	79.6
\$ Change from prior year	\$701,147	(\$96)	\$210,452	\$448,995	\$41,796	8.0
% Change from prior year	10.9%	(1.0)%	8.2%	18.1%	3.0%	11.2%

## Issue Descriptions

**Central appropriations:** The recommended appropriation adjusts spending for the multiuse network and for the purchase of services from the computer center.

**Behavioral Risk Factor Surveillance System:** The recommendation provides funding to increase the size of the Behavioral Risk Factor Surveillance Surveys conducted by the Department. The result will be a larger data set that can provide information at a county level on such health-related items as diabetes, smoking, and obesity. The survey results will guide grant and policy making.

**Salary and benefits adjustments:** The recommendation includes increases for salary survey that were awarded in FY 2007-08. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent reduction to the base personal services appropriations for the division.

**Indirect cost assessment:** The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and other administration-division costs. The funding is out of Amendment 35 tobacco-tax moneys.

**Vital records FTE increase:** The recommendation provides 3.0 FTE to the vital records office to replace six temporary workers. There has been an increase in the demand for vital records, particularly birth certificates, in recent years.

**Laboratory Services:** This division provides scientific support for communicable disease outbreak and control and testing support to the Department's environmental quality programs. The division performs genetic screening tests for more than 70,000 Colorado newborns each year. The division also ensures and certifies quality standards in labs and law enforcement agencies through inspection of and consultation with clinical, water testing, and dairy labs throughout the state. Lastly, the division provides operator training and certification for breath alcohol testing equipment.

Laboratory Services	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$9,889,277	\$171,731	\$6,458,340	\$536,589	\$2,722,617	84.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	291,849	(291,849)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$9,889,277	\$171,731	\$6,750,189	\$244,740	\$2,722,617	84.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Salary and benefits adjustments	103,844	3,250	121,210	(1,350)	(19,266)	0.0
Indirect cost assessment	(20,000)	0	(63,572)	63,572	(20,000)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$9,973,121	\$174,981	\$6,807,827	\$306,962	\$2,683,351	84.0
\$ Change from prior year	\$83,844	\$3,250	\$57,638	\$62,222	(\$39,266)	0.0
% Change from prior year	0.8%	1.9%	0.9%	25.4%	(1.4)%	0.0%

## Issue Descriptions

**Salary and benefits adjustments:** The recommendation includes increases for salary survey that were awarded in FY 2007-08. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent reduction to the base personal services appropriations for the division's largest subdivision.

**Indirect cost assessment:** The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

**Local Health Services:** This division contracts with local agencies and governments to provide public health nurses and environmental health specialists in areas not served by local health departments. The division also administers the Community Nursing Program which provides technical assistance to local and county public health nurses.

Local Health Services	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$7,935,844	\$6,458,175	\$0	\$1,215,906	\$261,763	5.4
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>1,215,906</u>	<u>(1,215,906)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$7,935,844	\$6,458,175	\$1,215,906	\$0	\$261,763	5.4
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Increased distributions of tobacco-settlement money to local public health agencies	1,490,339	0	1,490,339	0	0	0.0
Salary and benefits adjustments	15,451	15,451	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$9,441,634	\$6,473,626	\$2,706,245	\$0	\$261,763	5.4
\$ Change from prior year	\$1,505,790	\$15,451	\$1,490,339	\$0	\$0	0.0
% Change from prior year	19.0%	0.2%	122.6%	n/a	0.0%	0.0%

## Issue Descriptions

**Increased distributions of tobacco-settlement money to local public health agencies:** Tobacco settlement payments are expected to increase. Pursuant to statutory formulas, the recommendation appropriates a portion of the increased revenues to local public health agencies.

**Salary and benefits adjustments:** The recommendation includes increases for salary survey that were awarded in FY 2007-08. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year.

**Air Quality Control Division:** This division is responsible for identifying the nature and impact of Colorado's air pollution, and for implementing measures to prevent, control, and abate air pollution, under the direction of the Air Quality Control Commission. The Division is divided into four programs: Administration, Technical Services, Mobile Sources, and Stationary Sources.

Air Quality Control Division	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$18,107,992	\$0	\$8,195,878	\$6,310,918	\$3,601,196	161.7
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>5,280,252</u>	<u>(5,280,252)</u>	<u>0</u>	<u>0.0</u>

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Adjusted Appropriation</b>	\$18,107,992	\$0	\$13,476,130	\$1,030,666	\$3,601,196	161.7
<b><i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i></b>						
Salary and benefits adjustments	279,853	0	155,818	137,903	(13,868)	0.0
Annualize prior year funding	(476,165)	0	(145,634)	(289,837)	(40,694)	(0.5)
Reduction in federal funding	(278,082)	0	0	0	(278,082)	0.0
Transfer HCSFO Program	(58,316)	0	(58,316)	0	0	(0.5)
Other	(17,355)	0	861,377	(878,732)	0	(0.1)
<b>Total FY 2008-09 JBC Recommendation</b>	\$17,557,927	\$0	\$14,289,375	\$0	\$3,268,552	160.6
\$ Change from prior year	(\$550,065)	\$0	\$813,245	(\$1,030,666)	(\$332,644)	(1.1)
% Change from prior year	(3.0)%	n/a	6.0%	(100.0)%	(9.2)%	(0.7)%

## Issue Descriptions

**Salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriations for the division.

**Annualize prior year funding:** The recommendation includes the following reductions: \$190,000 cash funds and 1.5 FTE due to the completion of the fiscal impact of H.B. 06-1302, which created the Clean Screen and High Emitter programs for auto emissions testing; \$173,875 cash funds appropriated in FY 2007-08 for capital outlay; and \$140,531 cash and federal funds appropriated as one-time funding for ozone modeling contracts in FY 2007-08. These reductions are partially offset by an increase of \$28,241 cash funds and 1.0 FTE to provide second year funding associated with H.B. 07-1341, which modified the membership of the Oil and Gas Conservation Commission and increased the role of the Department of Public Health and Environment in providing support to the Commission.

**Reduction in federal funding:** The recommendation includes a reduction in anticipated federal funding.

**Transfer of HCSFO Program:** The appropriation for the Housed Commercial Swine Feeding Operations (HCSFO) Program was moved to the Administration and Support Division.

**Other:** The recommendation includes funding changes associated with changes in indirect costs assessments, and a reduction of 0.1 FTE for the Mechanic Certification Program which has historically never used this FTE appropriation.

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**Water Quality Control Division:** This division enforces the water quality regulations under the direction of the Water Quality Control Commission and the State Board of Health. Its responsibilities include developing stream classifications and standards, issuing permits to ensure that discharges comply with water quality standards, and performing monitoring and enforcement activities. This division also oversees water quality

management planning, manages state and federal construction grant assistance programs, and provides technical assistance to local governments. In the area of drinking water, it conducts surveillance of public and non-public drinking water consistent with minimum federal and state standards, and reviews designs and specifications of new or expanding treatment facilities. It is also responsible for enforcing water quality regulations at commercial hog facilities.

<b>Water Quality Control Division</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$15,877,784	\$2,491,457	\$4,721,666	\$463,226	\$8,201,435	142.8
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	170,084	(170,084)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$15,877,784	\$2,491,457	\$4,891,750	\$293,142	\$8,201,435	142.8
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Salary and benefits adjustments	119,293	90,464	77,296	(1,994)	(46,473)	0.0
Annualize prior year funding	(44,970)	0	164,357	(209,327)	0	0.0
Indirect cost assessment	(30,000)	0	41,189	(41,189)	(30,000)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$15,922,107	\$2,581,921	\$5,174,592	\$40,632	\$8,124,962	142.8
\$ Change from prior year	\$44,323	\$90,464	\$282,842	(\$252,510)	(\$76,473)	0.0
% Change from prior year	0.3%	3.6%	5.8%	(86.1)%	(0.9)%	0.0%

## Issue Descriptions

**Salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriations for the division.

**Annualize prior year funding:** The recommendation includes an elimination of FY 2007-08 one-time funding and fund mix adjustments related to funding added in FY 2007-08.

**Indirect cost assessment:** The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

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**Hazardous Materials and Waste Management Division:** This division regulates the treatment, storage, and disposal of solid and hazardous wastes under the direction of the Hazardous Waste Commission. The Division is responsible for inspecting solid waste facilities; overseeing large- and small-quantity hazardous waste generators, transporters, and storage facilities; responding to public complaints about such facilities; reviewing corrective action plans for technical compliance with applicable state environmental regulations; and regulating commercial radioactive materials in Colorado.

<b>Hazardous Materials and Waste Management Division</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$18,443,950	\$0	\$8,598,916	\$368,153	\$9,476,881	128.6
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	105,141	(105,141)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$18,443,950	\$0	\$8,704,057	\$263,012	\$9,476,881	128.6
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
DSMOA refinance	493,010	0	1,018,057	0	(525,047)	0.0
Salary and benefits adjustments	91,811	0	136,926	12,659	(57,774)	0.0
Annualize prior year funding	14,705	0	51,545	(36,840)	0	(0.2)
Other	19,293	0	238,248	(4,382)	(214,573)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$19,062,769	\$0	\$10,148,833	\$234,449	\$8,679,487	128.4
\$ Change from prior year	\$618,819	\$0	\$1,444,776	(\$28,563)	(\$797,394)	(0.2)
% Change from prior year	3.4%	n/a	16.6%	(10.9)%	(8.4)%	(0.2)%

## Issue Descriptions

**DSMOA refinance:** The recommendation includes funding to allow the Department to partially discontinue its participation in the Defense State Memorandum of Agreement (DSMOA) Program. Through the DSMOA program, the Department receives a federal grant to provide state services pertaining to the clean-up of hazardous waste sites on Department of Defense (DOD) installations. The Department will continue to provide these services through DSMOA at Army facilities, but is negotiating directly with the Air Force and Navy for the provision of these services at their facilities.

**Salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriations for the division.

**Annualize prior year funding:** The recommendation includes an elimination of FY 2007-08 one-time funding and fund mix adjustments related to FY 2007-08 decision items.

**Other:** The recommendation includes an increase of \$19,293 due to the increase in the legal services hourly rate, and a change in the fund mix due to changes in indirect cost assessments.

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**Consumer Protection:** This division is responsible for enforcing sanitation standards to prevent and control diseases transmitted by food and insects; eliminating unsanitary conditions in public accommodations; and preventing injuries to persons using potentially dangerous consumer products.

<b>Consumer Protection</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$2,505,622	\$1,181,810	\$879,364	\$87,088	\$357,360	28.1
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$2,505,622	\$1,181,810	\$879,364	\$87,088	\$357,360	28.1
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Salary and benefits adjustments	50,634	26,983	18,732	7,699	(2,780)	0.0
Funding for increased DOC inspections	808	0	0	808	0	0.0
Annualize prior year funding	(59,318)	(58,348)	(970)	0	0	0.0
Indirect costs assessment	(25,882)	0	(25,882)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$2,471,864	\$1,150,445	\$871,244	\$95,595	\$354,580	28.1
\$ Change from prior year	(\$33,758)	(\$31,365)	(\$8,120)	\$8,507	(\$2,780)	0.0
% Change from prior year	(1.3)%	(2.7)%	(0.9)%	9.8%	(0.8)%	0.0%

## Issue Descriptions

**Salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriations for the division.

**Funding for increased DOC inspections:** The recommendation includes funding to provide prison inspections at Department of Corrections facilities that are expanding in FY 2008-09. The Division inspects kitchens for compliance with retail food regulations and sanitary standards, as well as the facilities' vocational programs, buildings and grounds, water supply, plumbing system, sewage disposal, solid waste and refuse disposal, insect and rodent controls, housing, industries, environmental conditions, toilets, lavatories, showers, and flammable and toxic material controls for compliance with state standards.

**Annualize prior year funding:** The recommendation includes an elimination of FY 2007-08 one-time funding.

**Indirect cost assessment:** The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

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**Disease Control and Environment Epidemiology Division:** This division helps prevent and control communicable diseases, investigate the incidence of environmental and chronic diseases, and evaluate potential risks posed by environmental toxicological exposures. The division is divided into four subdivisions: (1) administration, general disease control and surveillance; (2) special purpose disease control programs; (3) environmental epidemiology; and (4) emergency management.

<b>Disease Control and Environmental Epidemiology Division</b>	<b>Total Funds</b>	<b>General Fund /1</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$68,215,501	\$4,754,586	\$8,538	\$7,957,145	\$55,495,232	173.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>7,652,337</u>	<u>(7,652,337)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$68,215,501	\$4,754,586	\$7,660,875	\$304,808	\$55,495,232	173.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Increased distributions of tobacco-settlement money for AIDS/HIV	1,181,429	0	1,181,429	0	0	0.0
Colorado Immunization Information System	654,344	654,344	0	0	0	10.1
Tuberculosis control and treatment	291,632	291,632	0	0	0	0.0
Salary and benefits adjustments	12,411	23,799	(788)	766	(11,366)	0.0
Indirect cost assessment	(50,001)	0	0	0	(50,001)	0.0
Amendment 35 tobacco tax adjustments	(36,000)	(18,000)	(18,000)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$70,269,316	\$5,706,361	\$8,823,516	\$305,574	\$55,433,865	183.1
\$ Change from prior year	\$2,053,815	\$951,775	\$1,162,641	\$766	(\$61,367)	10.1
% Change from prior year	3.0%	20.0%	15.2%	0.3%	(0.1)%	5.8%

/1 Includes General Fund Exempt.

<b>General Fund Summary</b>	<b>Total General Fund</b>	<b>General Fund</b>	<b>General Fund Exempt</b>
<b>FY 2006-07 Appropriation</b>	<b>\$4,754,586</b>	<b>\$4,241,586</b>	<b>\$513,000</b>
Change in Amendment 35 tobacco tax revenues	(18,000)	0	(18,000)
Other General Fund changes	<u>969,775</u>	<u>969,775</u>	<u>0</u>
<b>FY 2007-08 Appropriation</b>	<b>\$5,706,361</b>	<b>\$5,211,361</b>	<b>\$495,000</b>

**General Fund Exempt:** In November 2004, voters passed Amendment 35 to the Colorado Constitution, which imposed new taxes on tobacco products. The amendment required that a portion of the tax revenue be appropriated to the General Fund and be reappropriated for health-related purposes. The implementing legislation for the Amendment (H.B. 05-1262) directed 0.3 percent of revenues, starting in FY 2006-07, to immunizations performed by county public health nursing services. Because Amendment 35 moneys are not subject to the limitation on state fiscal year spending imposed by the Taxpayer's Bill of Rights (TABOR), these General Fund appropriations are reflected in the General Fund Exempt column.

## Issue Descriptions

**Increased distributions of tobacco-settlement money for AIDS/HIV:** Tobacco settlement payments are expected to increase. Pursuant to statutory formulas, the recommendation appropriates a portion of the increased revenues to the HIV and AIDS Prevention Grant Program and the Ryan White AIDS drug assistance program.



**Colorado Immunization Information System:** The recommendation provides funding to expand the Colorado Immunization Information System and move it from the CU Health Sciences Center to the Department.

**Tuberculosis control and treatment:** The recommendation provides increased funding for the State's Tuberculosis Control and Treatment Program.

**Salary and benefits adjustments:** The recommendation includes increases for salary survey that were awarded in FY 2007-08. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent reduction to the base personal services appropriations for the larger subdivisions.

**Indirect cost assessment:** The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

**Amendment 35 tobacco tax adjustments:** The recommended appropriation for immunizations by county public health nursing services has decreased due to lower Amendment 35 tobacco-tax revenues.

**Prevention Services Division:** This division contains the following subdivisions: (A) Prevention Programs, (B) Women's Health - Family Planning, (C) Rural - Primary Care, (D) Prevention Partnerships, (E) Family and Community Health, and (F) Nutrition Services. The Prevention Programs subdivision includes the state's cancer registry, chronic disease and cancer prevention grants, suicide prevention, and the tobacco cessation, education and prevention program. The Women's Health - Family Planning subdivision includes the breast and cervical cancer screening program. The Rural - Primary Care subdivision includes dental programs and federal grants for rural health care. Prevention partnerships includes the Tony Grampsas Youth Services Grant Program and the Colorado Children's Trust. The Family and Community Health subdivision includes the Nurse Home Visitor Program and the Health Care Program for Children with Special Needs. The Women, Infants and Children Supplemental Food Grant (WIC) program and the Child and Adult Food Care program make up the Nutrition Services subdivision.

<b>Prevention Services Division</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$261,937,352	\$6,463,502	\$1,593,981	\$134,922,115	\$118,957,754	188.6
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	92,556,243	(92,556,243)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$261,937,352	\$6,463,502	\$94,150,224	\$42,365,872	\$118,957,754	188.6
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Tobacco settlement supported programs	3,147,679	0	3,147,679	0	0	0.0
Tony Grampsas Youth Services Program	1,000,000	1,000,000	0	0	0	1.0
School-based Health Centers	500,000	500,000	0	0	0	0.0
Indirect cost assessment	286,132	0	(142,761)	375,000	53,893	0.0
Salary and benefits adjustments	110,626	61,135	16,915	16,196	16,380	0.0

<b>Prevention Services Division</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
Amendment 35 supported programs	(8,691,153)	0	(4,233,750)	(4,457,403)	0	0.0
Chronic Disease and Cancer Prevention Grants Program	(9,615)	0	0	(9,615)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$258,281,021	\$8,024,637	\$92,938,307	\$38,290,050	\$119,028,027	189.6
\$ Change from prior year	(\$3,656,331)	\$1,561,135	(\$1,211,917)	(\$4,075,822)	\$70,273	1.0
% Change from prior year	(1.4)%	24.2%	(1.3)%	(9.6)%	0.1%	0.5%

## Issue Descriptions

**Tobacco settlement supported programs:** Tobacco settlement payments are expected to increase. Pursuant to statutory formulas, the recommendation appropriates a portion of the increased revenues to the Nurse Home Visitor Program and the Tony Grampas Youth Services Grant Program, which are both supported with tobacco settlement dollars.

**Tony Grampas Youth Services Program:** The recommendation provides an additional \$1 million and 1.0 FTE for the Tony Grampas Youth Services Program.

**School-based Health Centers:** The recommendation provides an additional \$500,000 for School-Based Health Centers.

**Indirect cost assessment:** The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

**Salary and benefits adjustments:** The recommendation includes increases for salary survey that were awarded in FY 2007-08. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent reduction to the base personal services appropriations for the Programs and Administration subdivision.

**Amendment 35 tobacco tax programs:** The recommendation adjusts the appropriations for Amendment 35 tobacco tax programs, reflecting a slight decline in tobacco-tax revenues that is compounded by reduced carry-forward balances of unexpended appropriations from the prior year.

**Chronic Disease and Cancer Prevention Grants Program:** The recommendation reflects the second year impact of an initiative that is supported by Amendment 35 moneys.

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**Health Facilities and Emergency Medical Services Division:** This division establishes and enforces standards for the operation of health care facilities throughout the state. This division's activities include: licensure of hospitals, other health care facilities, health maintenance organizations, and assisted living facilities; certification of nursing homes; training of non-licensed individuals to administer medications in residential care facilities and adult day programs; medical services training and certification of emergency personnel; technical

assistance to local emergency medical services agencies; and grants to support local emergency services activities.

<b>Health Facilities and Emergency Medical Services Division</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$16,809,312	\$1,686,322	\$2,150,794	\$9,347,751	\$3,624,445	134.6
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>5,195,771</u>	<u>(5,195,771)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$16,809,312	\$1,686,322	\$7,346,565	\$4,151,980	\$3,624,445	134.6
<b><i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i></b>						
EMS grants and data collection	262,014	0	262,014	0	0	1.5
Salary and benefits adjustments	110,186	(3,686)	9,505	130,242	(25,875)	0.0
Intermediate care facilities for persons with mental retardation (ICF-MR)	77,579	0	0	77,579	0	1.0
Second year impact of prior session legislation	64,429	0	30,716	33,713	0	0.6
Indirect cost assessment	8,949	0	(77,412)	49,809	36,552	0.0
Reduction in assisted living residence oversight	(147,006)	3,235	(150,241)	0	0	(2.2)
<b>Total FY 2008-09 JBC Recommendation</b>	\$17,185,463	\$1,685,871	\$7,421,147	\$4,443,323	\$3,635,122	135.5
\$ Change from prior year	\$376,151	(\$451)	\$74,582	\$291,343	\$10,677	0.9
% Change from prior year	2.2%	0.0%	1.0%	7.0%	0.3%	0.7%

## Issue Descriptions

**EMS grants and data collection:** The recommendation provides an extra \$150,000 for EMS provider grants and \$112,000 to enhance the State's EMS data collection system.

**Salary and benefits adjustments:** The recommendation includes increases for salary survey that were awarded in FY 2007-08. Salary survey increases are funded through centrally-appropriated line items in the Administration Division in the year of the award and are incorporated into base personal-services funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent reduction to the base personal services appropriation for the Medicaid / Medicare Certification Program.

**Intermediate care facilities for persons with mental retardation (ICF-MR):** The recommended increase provides for Centers for Medicare & Medicaid Services certification related to the ICF-MR initiative recommended for the Department of Human Services.

**Second year impact of prior session legislation:** The recommendation reflects the second year impact of S.B. 07-196, H.B. 07-1131 (Hemodialysis Technician Training Standards) and H.B. 07-1221 (Health Facilities Fees).

**Indirect cost assessment:** The recommendation adjusts indirect cost assessments to reflect changes in the distribution of cash and federal expenditures within the Department as well as changing costs for common policy items and administration-division costs.

**Reduction in assisted living residence oversight:** The recommendation reduces funding for the program that oversees Assisted Living Residences by about 20 percent. The program is supported by fees, which are fixed in statute. In recent years revenue lagged and the shortfall was made up from reserves in the program's cash fund. These reserves are now exhausted and program spending must be reduced.

## Department of Public Safety

**Department Description:** The Department promotes safety and protects human life by enforcing traffic laws. It operates the law enforcement training academy; assists state and local law enforcement in investigating crime and in enforcing criminal laws; maintains fingerprint records and DNA profiles, operates the statewide crime reporting program, and arranges for scientific laboratory services and facilities, utilizing existing facilities and services wherever feasible. It assists in solving fire safety problems, administers a uniform statewide fire reporting system, and trains firefighters and first responders; coordinates the state's response to the threat of terrorism; investigates organized crime; and administers adult and youth community corrections programs.

Summary Table for Department of Public Safety						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$224,264,179	\$73,271,297	\$13,869,163	\$113,552,669	\$23,571,050	1,319.6
Long Bill Supplemental	301,532	40,000	0	261,532	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	93,953,974	(93,953,974)	0	0.0
<b>FY 2008-08 Adjusted Appropriation</b>	\$224,565,711	\$73,311,297	\$107,823,137	\$19,860,227	\$23,571,050	1,319.6
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Executive Director's Office	4,316,647	950,725	2,032,165	1,135,721	198,036	0.2
Colorado State Patrol	5,024,223	1,207,240	2,911,301	861,282	44,400	20.0
Office of Preparedness, Security, and Fire Safety	460,999	235,715	23,357	172,051	29,876	6.2
Division of Criminal Justice	8,569,065	5,607,328	446,922	(125,529)	2,640,344	0.6
Colorado Bureau of Investigation	(201,941)	599,977	(364,942)	(441,101)	4,125	0.5
<b>Total FY 2008-09 JBC Recommendation</b>	\$242,734,704	\$81,912,282	\$112,871,940	\$21,462,651	\$26,487,831	1,347.1
\$ Change from prior year	\$18,168,993	\$8,600,985	\$5,048,803	\$1,602,424	\$2,916,781	27.5
% Change from prior year	8.1%	11.7%	4.7%	8.1%	12.4%	2.1%

### Recommendation Highlights:

1. Provides \$2.3 million General Fund for approximately 162 additional residential community corrections diversion placements.
2. Provides \$843,000 General Fund for 60 additional residential community corrections placements based on the Legislative Council Staff December 2007 projected inmate population.
3. Provides \$808,000 General Fund for salary and benefits adjustments, such as salary survey, performance-based pay, health, life and dental benefits, and contributions to the Public Employees' Retirement Association pension fund.

4. Provides \$778,000 General Fund for 160 outpatient therapeutic community beds, which are intended for offenders with severe substance addiction.
5. Provides \$703,000 General Fund for Colorado State Patrol's non-highway related activities, offset by a reduction in HUTF funding.
6. Provides \$667,000 General Fund for a 0.95 percent increase in the community corrections provider rates with the remainder of the common policy provider rate increase intended as incentive funds for low-risk providers.
7. Provides \$400,000 General Fund to create a 16-bed residential therapeutic community program in Pueblo. These beds are intended for offenders with severe substance addiction.

### Budget Recommendation Detail by Long Bill Division

**Executive Director's Office:** This office manages the following five divisions: Colorado State Patrol; Law Enforcement Training Academy; Colorado Bureau of Investigation; Division of Criminal Justice; and Office of Preparedness, Security, and Fire Safety; and one special program, the Witness Protection Program. In addition, the office administers the Colorado Integrated Criminal Justice Information System (CICJIS).

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$23,571,317	\$3,311,756	\$807,118	\$18,683,008	\$769,435	41.5
Long Bill Supplemental	101,532	40,000	0	61,532	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>10,209,115</u>	<u>(10,209,115)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$23,672,849	\$3,351,756	\$11,016,233	\$8,535,425	\$769,435	41.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
FY 2008-09 salary and benefit adjustments	3,446,196	808,034	2,005,752	441,425	190,985	0.0
Operating adjustments	836,180	80,532	20,868	727,729	7,051	0.0
Annualize salary and benefits adjustments	124,080	140,641	(185)	(16,376)	0	0.0
Annualize prior year funding	(89,809)	62,159	0	(151,968)	0	0.2
Fund mix adjustment	0	(140,641)	5,730	134,911	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$27,989,496	\$4,302,481	\$13,048,398	\$9,671,146	\$967,471	41.7
\$ Change from prior year	\$4,316,647	\$950,725	\$2,032,165	\$1,135,721	\$198,036	0.2
% Change from prior year	18.2%	28.4%	18.4%	13.3%	25.7%	0.5%

## Issue Descriptions

**Long Bill Supplemental:** The recommendation reflects an increase for the Witness Protection Program.

**FY 2008-09 salary and benefit adjustments:** The recommendation includes adjustments to centrally-appropriated line items for salary survey, performance-based pay awards, state contributions to health, life, and dental benefits, shift differential, and state contributions to the Public Employees' Retirement Association (PERA) pension fund. All salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 0.75 percent base reduction to the personal services appropriation for the division.

**Operating Adjustments:** The recommendation includes adjustments for common policies other than personal services, including increases for legal services, the purchase of services from the computer center, workers' compensation, short-term disability, the Executive Director's office's vehicle lease payments, and payments to risk management and property funds. These increases are partially offset by a small decrease in funding for Capitol complex leased space.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Annualize prior year funding:** The recommendation reflects a decrease due to the elimination of one-time funding in 2007 session bills and the FY 2007-08 supplemental.

**Fund mix adjustment:** The recommendation reflects adjustments related to salary survey and indirect cost collections.

**Colorado State Patrol:** The Patrol enforces traffic laws on approximately 9,000 miles of state and federal highways and 57,000 miles of county roads, and has special safety programs for hazardous materials transport and for commercial vehicles. The patrol is in the fifth year of implementation of a traffic safety improvement plan, which includes using saturation patrols on the most dangerous highway segments, targeting the most hazardous traffic violations, and increasing trooper visibility statewide. The Alive-at-25 and other safety training programs support the traffic safety improvement plan. The budget is driven largely by state highway supervision needs, which are funded from the Highway Users Tax Fund.

Colorado State Patrol	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$99,777,363	\$3,431,980	\$3,376,127	\$88,944,522	\$4,024,734	975.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	82,726,811	(82,726,811)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$99,777,363	\$3,431,980	\$86,102,938	\$6,217,711	\$4,024,734	975.0
<i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i>						

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Annualize salary and benefits adjustments	3,049,125	102,084	2,827,394	119,724	(77)	0.0
Traffic safety improvement plan	672,093	0	672,093	0	0	9.0
Indirect cost adjustment	651,491	0	320,627	305,664	25,200	0.0
Capitol security improvements	345,714	345,714	0	0	0	7.0
Security for Judicial Department and Department of Law	247,053	0	0	247,053	0	3.0
Multi-agency fleet vehicle maintenance	217,483	0	0	217,483	0	1.0
Federal fund change	103,020	0	0	0	103,020	0.0
Fund mix adjustment	0	703,241	(703,241)	0	0	0.0
Annualize prior year funding	(243,134)	(38,472)	0	(117,120)	(87,542)	0.0
Operating adjustments	(18,622)	94,673	(205,572)	88,478	3,799	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$104,801,586	\$4,639,220	\$89,014,239	\$7,078,993	\$4,069,134	995.0
\$ Change from prior year	\$5,024,223	\$1,207,240	\$2,911,301	\$861,282	\$44,400	20.0
% Change from prior year	5.0%	35.2%	3.4%	13.9%	1.1%	2.1%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 0.75 percent base reduction to the personal services appropriation for the division.

**Traffic safety improvement plan:** The recommendation includes an additional 9.0 FTE (six troopers and three dispatchers) as part of the Colorado State Patrol's traffic safety improvement plan.

**Indirect cost adjustment:** The recommendation reflects an increase related to indirect cost recoveries.

**Capitol security improvements:** The recommendation continues Capitol complex security improvements initiated in FY 2007-08.

**Security for Judicial Department and Department of Law:** The recommendation provides 3.0 FTE to improve security at each department (1.5 FTE per department).

**Multi-agency vehicle maintenance:** The recommendation includes 1.0 FTE and associated funding for the Multi-agency Fleet Vehicle Maintenance request.

**Federal fund change:** The recommendation includes an increase in anticipated federal funds.



**Fund mix adjustment:** The recommendation reflects an adjustment to decrease the HUTF "off-the-top" appropriation and replace it with General Fund to fund non-highway related activities. The adjustment reverses a one-time change for FY 2007-08.

**Annualize prior year funding:** The recommendation reflects adjustments to eliminate one-year funding awarded in FY 2007-08.

**Operating Adjustments:** The recommendation includes adjustments for vehicle lease payments and an increase for variable fleet costs.

**Office of Preparedness, Security, and Fire Safety:** The Office of Preparedness, Security, and Fire Safety consists of the Division of Fire Safety and the Office of Anti-terrorism Planning and Training. The Division of Fire Safety provides technical assistance to local governments, maintains a state-wide reporting system, administers various voluntary certification and training programs, and oversees fireworks and fire suppression system regulation. The Office of Anti-terrorism Planning and Training is responsible for coordinating the State's response to the threat of terrorism. This Office includes: (1) the Colorado Intelligence Analysis Center; (2) the Critical Infrastructure Protection and Planning; and (3) the Colorado State Patrol Homeland Security Unit.

Office of Preparedness, Security, and Fire Safety	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,551,321	\$96,798	\$748,425	\$228,234	\$477,864	12.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,551,321	\$96,798	\$748,425	\$228,234	\$477,864	12.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Public schools inspection	243,190	0	0	243,190	0	3.5
Safe2Tell director	95,272	95,272	0	0	0	0.9
National fire incident reporting system	77,646	77,646	0	0	0	0.9
Emergency resource mobilization	58,648	58,648	0	0	0	0.9
Annualize salary and benefits adjustments	49,148	4,149	11,880	5,350	27,769	0.0
Indirect cost adjustment	15,407	0	11,477	1,823	2,107	0.0
Annualize prior year funding	(78,312)	0	0	(78,312)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$2,012,320	\$332,513	\$771,782	\$400,285	\$507,740	18.7
\$ Change from prior year	\$460,999	\$235,715	\$23,357	\$172,051	\$29,876	6.2
% Change from prior year	29.7%	243.5%	3.1%	75.4%	6.3%	49.6%

## Issue Descriptions

**Public schools inspection:** The recommendation includes 3.5 FTE and associated funding for fire inspectors for public school construction projects.

**Safe2Tell director:** The recommendation reflects 0.9 FTE and associated funding to make the Safe2Tell program director position a permanent Department employee. The position was previously funded with private grant funds.

**National fire incident reporting system (NFIRS):** The recommendation includes 0.9 FTE and associated funding to continue to provide for a program manager for NFIRS. The position was previously funded with federal funds.

**Emergency resource mobilization:** The recommendation includes 0.9 FTE and associated funding to continue to provide for a program manager for the emergency resource mobilization program. The position was previously funded with federal funds.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration section in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Indirect cost adjustment:** The recommendation reflects an increase related to indirect cost recoveries.

**Annualize prior year funding:** The recommendation reflects a decrease due to the elimination of one-time funding in H.B. 08-1297.

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**Division of Criminal Justice:** This division collects criminal justice system data and analyzes that information for planning, research, coordination, and technical assistance purposes. Technical assistance is provided to local and state criminal justice agencies in the areas of crime prevention, needs assessment, jail planning, information dissemination, and management studies. The Division manages several types of federal funds in the areas of juvenile justice, anti-drug programs, victim assistance, and victim compensation. The Division also administers the Victims Assistance and Law Enforcement Fund Program. Additionally, the Division is responsible for the administration of community corrections contracts for both transition and diversion programs, and for the management of juvenile diversion programs.

Division of Criminal Justice	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$71,754,073	\$50,362,918	\$2,633,592	\$1,286,059	\$17,471,504	60.9
Long Bill Supplemental	200,000	0	0	200,000	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>585,828</u>	<u>(585,828)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$71,954,073	\$50,362,918	\$3,219,420	\$900,231	\$17,471,504	60.9
<i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i>						

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Adjustment of federal funds	2,722,304	0	0	0	2,722,304	0.0
Caseload increase for community corrections diversion programs	2,303,641	2,303,641	0	0	0	0.0
Caseload increase for community corrections transition programs	843,004	843,004	0	0	0	0.0
Outpatient therapeutic community	777,920	777,920	0	0	0	0.0
Annualize prior year funding	549,694	528,249	23,248	(1,803)	0	2.7
Provider rate increase	455,921	448,598	7,323	0	0	0.0
Additional therapeutic community beds	400,000	400,000	0	0	0	0.0
VALE spending authority	395,822	0	395,822	0	0	0.0
Incentive funds for low-risk providers	210,659	210,659	0	0	0	0.0
Recidivism reduction evaluation	100,000	100,000	0	0	0	0.0
Annualize salary and benefits adjustments	61,923	30,856	17,605	14,079	(617)	0.0
Refinance administrative FTE	0	91,935	0	(91,935)	0	0.0
Reduction in federal funds	0	0	0	0	0	(2.1)
Eliminate one-time funding	(173,404)	(127,534)	0	(45,870)	0	0.0
Change in indirect costs	(78,419)	0	2,924	0	(81,343)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	<b>\$80,523,138</b>	<b>\$55,970,246</b>	<b>\$3,666,342</b>	<b>\$774,702</b>	<b>\$20,111,848</b>	<b>61.5</b>
\$ Change from prior year	\$8,569,065	\$5,607,328	\$446,922	(\$125,529)	\$2,640,344	0.6
% Change from prior year	11.9%	11.1%	13.9%	(13.9)%	15.1%	1.0%

## Issue Descriptions

**Long Bill Supplemental:** The recommendation includes an increase to provide spending authority for a private grant received from the MacArthur Foundation.

**Adjustment of federal funds:** The recommendation includes an increase of federal funds based on the amount of federal funds that the Division of Criminal Justice estimates receiving in FY 2008-09.

**Caseload increase for community corrections diversion programs:** The recommendation includes funding for 161.7 additional residential community corrections diversion placements.

**Caseload increase for community corrections transition programs:** The recommendation includes funding for 60 additional residential community corrections transition placements based on the anticipated increase in the prison population using the December 2007 Legislative Council Staff inmate population projections. The recommendation assumes 7.0 percent of the inmate population will be placed in a community corrections program.

**Outpatient therapeutic community:** The recommendation includes funding for 160 outpatient therapeutic community beds.

**Annualize prior year funding:** The recommendation includes adjustments associated with annualizing decision items and special bills from the prior year.

**Provider rate increase:** The recommendation includes funding for a 0.95 percent increase for community corrections providers.

**Additional therapeutic community beds:** The recommendation includes funding for the creation of a 16-bed therapeutic community program in Pueblo.

**VALE spending authority:** The recommendation includes increased spending authority for the State Victims Assistance and Law Enforcement (VALE) program.

**Incentive funds for low-risk providers:** The recommendation includes funding to provide incentive dollars for low-risk community corrections providers. The amount is equal to the difference between the common policy 1.5 percent provider rate increase and the 0.95 percent increase recommended.

**Recidivism reduction evaluation:** The recommendation includes funding for evaluation of programs intended to reduce recidivism.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 0.75 percent base reduction to the personal services appropriation for the division.

**Refinance administrative FTE:** The recommendation includes a refinancing to support administrative staff that prepare state budget documents.

**Reduction in federal funds:** The recommendation reflects a reduction of FTE associated with reductions of federal grants that support those FTE.

**Eliminate one-time funding:** The recommendation includes a reduction to eliminate the leap year adjustment provided in the prior year as well as a reduction for one-time grant funds.

**Change in indirect costs:** The recommendation includes an adjustment for indirect cost assessments.

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**Colorado Bureau of Investigation:** The Bureau provides information technology, laboratory, and investigative services to local, state, and federal law enforcement agencies upon request. The Colorado Crime Information Center (CCIC) provides information around the clock to law enforcement agencies on wants, warrants, case status, stolen property, vehicle registration, known offenders, and drivers licenses. The Bureau also operates the State's "instacheck" criminal background check program for the firearms industry, checking on approximately 150,000 firearms transfers per year. The laboratory analyzes DNA, fingerprint, firearms and toolmarks, physiological fluids, chemical, document, and digital evidence, as well as trace evidence and shoe and tire track evidence.

<b>Colorado Bureau of Investigation</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$27,610,105	\$16,067,845	\$6,303,901	\$4,410,846	\$827,513	229.7
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>432,220</u>	<u>(432,220)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$27,610,105	\$16,067,845	\$6,736,121	\$3,978,626	\$827,513	229.7
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	440,911	350,536	60,156	30,219	0	0.0
Latent print analysts	255,208	255,208	0	0	0	2.8
Complex financial fraud unit spending authority	85,099	0	85,099	0	0	0.0
Indirect cost adjustment	35,151	0	(71,961)	107,112	0	0.0
Operating adjustments	16,155	41,579	0	(25,424)	0	0.0
Federal funds change	4,125	0	0	0	4,125	0.0
Annualize prior year funding	(1,038,590)	(47,346)	(438,236)	(553,008)	0	(2.3)
<b>Total FY 2008-09 JBC Recommendation</b>	\$27,408,164	\$16,667,822	\$6,371,179	\$3,537,525	\$831,638	230.2
\$ Change from prior year	(\$201,941)	\$599,977	(\$364,942)	(\$441,101)	\$4,125	0.5
% Change from prior year	(0.7)%	3.7%	(5.4)%	(11.1)%	0.5%	0.2%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 0.75 percent base reduction to the personal services appropriation for the division.

**Latent print analysts:** The recommendation includes 2.8 FTE and associated funds to hire additional latent print analysts.

**Complex financial fraud unit spending authority:** The recommendation includes additional spending authority for the complex financial fraud unit to allow the unit to increase staffing within the existing allocation of FTE.

**Indirect cost adjustment:** The recommendation reflects an increase related to indirect cost recoveries.

**Operating adjustments:** The recommendation includes increases associated with vehicle lease payments and variable vehicle costs.

**Federal funds change:** The recommendation reflects an increase in anticipated federal funds.

**Annualize prior year funding:** The recommendation reflects a decrease due to the elimination of one-time funding in special bills and supplementals for FY 2007-08.

## Department of Regulatory Agencies

**Department Description:** The Department of Regulatory Agencies protects the citizens of Colorado from fraudulent or dangerous businesses and professionals by regulating the following industries: (1) state-chartered financial institutions such as banks, trust companies, credit unions and money transmitters; (2) public utilities such as electricity, gas and telecommunications; (3) providers of automobile, homeowners, life, health and other types of insurance; and (4) professionals in more than 42 occupations. The Department also administers and enforces Colorado's civil rights laws.

Summary Table for Department of Regulatory Agencies						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$72,298,057	\$1,414,178	\$61,289,916	\$8,439,141	\$1,154,822	556.7
Long Bill Supplemental	50,000	2,653	0	47,347	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	428,421	(428,421)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$72,348,057	\$1,416,831	\$61,718,337	\$8,058,067	\$1,154,822	556.7
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Executive Director's Office and Administrative Services	2,054,040	34,081	1,436,797	402,986	180,176	0.0
Division of Banking	89,024	0	89,024	0	0	0.0
Civil Rights Division	73,367	(10,432)	0	107,535	(23,736)	1.0
Office of Consumer Counsel	23,683	0	23,683	0	0	0.0
Division of Financial Services	29,166	0	29,166	0	0	0.0
Division of Insurance	223,447	0	243,118	(20,000)	329	0.2
Public Utilities Commission	539,608	(8,405)	548,013	0	0	0.2
Division of Real Estate	231,193	(2,653)	233,846	0	0	1.7
Division of Registrations	707,181	0	658,382	42,307	6,492	2.5
Division of Securities	82,076	0	82,076	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$76,400,842	\$1,429,422	\$65,062,442	\$8,590,895	\$1,318,083	562.3
\$ Change from prior year	\$4,052,785	\$12,591	\$3,344,105	\$532,828	\$163,261	5.6
% Change from prior year	5.6%	0.9%	5.4%	6.6%	14.1%	1.0%

### Recommendation Highlights:

1. Provides \$2.0 million in annualized salary and benefits adjustments awarded in FY 2007-08 and salary and benefits adjustments for FY 2008-09.
2. Includes a \$608,765 increase in cash funds and federal funds for indirect cost assessments applied to Divisions to accommodate costs incurred by the Executive Director's Office.

3. Includes a \$414,809 increase and 4.2 FTE for the annualization of prior year funding from special bills or executive change requests.
4. Includes a \$359,902 increase in cash funds for telephone user cost adjustments in connection with the Disabled Telephone Users Fund.
5. Includes a \$163,772 increase in cash funds for leased space to accommodate a significant increase in new staff as a result of the passage of 14 bills adding 17.0 FTE in FY 2007-08 and an additional 3.7 FTE in FY 2008-09.
6. Includes a \$89,706 increase in cash funds to image an existing backlog of application records.
7. Includes a \$73,455 increase in cash funds and 1.2 FTE to implement the provisions of two bills enacted in 2007 which require additional analysis related to qualifying and disqualifying convictions as well as determining "good moral character".

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### Budget Recommendation Detail by Long Bill Division

**Executive Director's Office and Administrative Services:** This Office oversees and coordinates the operations of the Department's various divisions. It also performs departmental administrative functions, including accounting, budgeting, data processing, human resources, purchasing, facilities planning, and management reporting. The Office of Policy Research and Regulatory Reform (OPRRR), which is also within this office, conducts sunrise and sunset evaluations of divisions, commissions, and boards located throughout state government.

<b>Executive Director's Office and Administrative Services</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$19,517,841	\$432,628	\$13,332,789	\$5,587,527	\$164,897	54.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$19,517,841	\$432,628	\$13,332,789	\$5,587,527	\$164,897	54.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
FY 2008-09 salary and benefits adjustments	1,011,119	1,196	653,360	310,408	46,155	0.0
Operating adjustments	452,224	54,399	342,515	67,553	(12,243)	0.0
Annualize prior year funding	422,567	10,000	259,685	6,618	146,264	0.0
Leased space increase	163,772	0	163,772	0	0	0.0
Annualize salary and benefits adjustments	102,887	(564)	(190)	103,641	0	0.0
Fund mix adjustment	0	(30,950)	17,500	13,450	0	0.0
Eliminate one-time appropriations	(98,684)	0	0	(98,684)	0	0.0
Other	155	0	155	0	0	0.0



	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Total FY 2008-09 JBC Recommendation</b>	\$21,571,881	\$466,709	\$14,769,586	\$5,990,513	\$345,073	54.0
\$ Change from prior year	\$2,054,040	\$34,081	\$1,436,797	\$402,986	\$180,176	0.0
% Change from prior year	10.5%	7.9%	10.8%	7.2%	109.3%	0.0%

## Issue Descriptions

**FY 2008-09 salary and benefits adjustments:** The recommendation includes adjustments to centrally-appropriated line items for salary survey, performance-based pay awards, state contributions to health, life, and dental benefits, shift differential, and state contributions to the Public Employees' Retirement Association (PERA) pension fund. All salary survey and performance based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Operating adjustments:** The recommendation includes increases for common policy adjustments for legal services, administrative law judges, purchase of services from computer center, payment to risk management, vehicle lease payments, leased space, and capitol complex leased space.

**Annualize prior year funding:** The recommendation includes a \$526,028 increase to annualize legal services appropriated in special bills, \$200,000 for Information Technology Asset Maintenance, and reductions of \$257,504 for Hardware/Software Maintenance, \$40,931 for Leased Space, and \$5,026 for other personal services and operating expenses.

**Leased space increase:** The recommendation includes an increase of \$163,772 to accommodate a significant increase in new staff as a result of the passage of 14 bills adding 17.0 FTE in FY 2007-08 and an additional 3.7 FTE added in FY 2008-09.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Fund mix adjustment:** The recommendation includes a funding mix adjustment for sunset reviews by increasing cash funds and reappropriated funds and decreasing General Fund.

**Eliminate one-time appropriations:** The recommendation includes the elimination of one-time \$98,684 reappropriated funds for information technology asset maintenance costs related to change requests in FY 2007-08. This includes a reduction of \$96,150 for a document imaging system and \$2,534 for Financial Services FTE.

**Other:** The recommendation includes small changes to personal services and operating expenses.

**Division of Banking:** This division regulates state-chartered commercial and industrial banks, trust companies, debt adjusters, and money order companies. Staff conduct examinations and enforce compliance related to the Public Deposit Protection Act, trust department operations, electronic funds transfers, electronic data processing, and the Uniform Consumer Credit Code.

Division of Banking	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$3,498,162	\$0	\$3,498,162	\$0	\$0	38.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$3,498,162	\$0	\$3,498,162	\$0	\$0	38.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	69,086	0	69,086	0	0	0.0
Indirect cost assessment adjustment	19,938	0	19,938	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$3,587,186	\$0	\$3,587,186	\$0	\$0	38.5
\$ Change from prior year	\$89,024	\$0	\$89,024	\$0	\$0	0.0
% Change from prior year	2.5%	n/a	2.5%	n/a	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Indirect cost assessment adjustment:** The recommendation includes an increase to accommodate costs incurred by the Executive Director's Office.

**Civil Rights Division:** The Division of Civil Rights is the administrative arm of the Colorado Civil Rights Commission. It carries out state laws that prohibit discrimination in employment, housing, and public accommodations on the basis of race, sex, national origin, ancestry, physical or mental disability, religion, color, or marital status (housing and public accommodations only). The primary duties of the Commission and of Division personnel are the investigation and adjudication of charges of unfair or discriminatory practices, and the supervision of hearings upon complaints issued against a respondent pursuant to statute. The Division's Compliance Unit also provides training and education, technical assistance with fair housing laws, public information, and community intervention. Enforcement activities account for a major portion of the Division's resources.

Civil Rights Division	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,752,685	\$973,145	\$0	\$311,532	\$468,008	31.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,752,685	\$973,145	\$0	\$311,532	\$468,008	31.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize prior year funding	62,997	62,997	0	0	0	1.0
Annualize salary and benefits adjustments	30,479	37,221	0	(3,115)	(3,627)	0.0
Indirect cost offset	0	(110,650)	0	110,650	0	0.0
Indirect cost assessment adjustment	(20,109)	0	0	0	(20,109)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,826,052	\$962,713	\$0	\$419,067	\$444,272	32.0
\$ Change from prior year	\$73,367	(\$10,432)	\$0	\$107,535	(\$23,736)	1.0
% Change from prior year	4.2%	(1.1)%	n/a	34.5%	(5.1)%	3.2%

## Issue Descriptions

**Annualize prior year funding:** The recommendation includes an increase of \$62,997 General Fund and 1.0 FTE, pursuant to S.B. 07-25 (Sexual Orientation Employment Discrimination).

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Indirect cost offset:** The recommendation includes an offset to General Fund as a result of additional indirect cash funds within the Department due to changes in federal indirect cost recovery policy and staffing fluctuations.

**Indirect cost assessment adjustment:** The recommendation includes a decrease to accommodate federal administrative cost recovery cap adjustments and current staffing levels.

**Office of Consumer Counsel:** The Office of Consumer Counsel represents the interests of residential, agricultural, and small businesses in cases before the Public Utilities Commission (PUC). These cases involve proposed changes to electric, gas, and telecommunications rates, services, and policies.

Office of Consumer Counsel	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$891,177	\$0	\$891,177	\$0	\$0	7.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$891,177	\$0	\$891,177	\$0	\$0	7.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	20,058	0	20,058	0	0	0.0
Indirect cost assessment adjustment	3,625	0	3,625	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$914,860	\$0	\$914,860	\$0	\$0	7.0
\$ Change from prior year	\$23,683	\$0	\$23,683	\$0	\$0	0.0
% Change from prior year	2.7%	n/a	2.7%	n/a	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Indirect cost assessment adjustment:** The recommendation includes an increase to accommodate costs incurred by the Executive Director's Office.

**Division of Financial Services:** This division regulates state-chartered credit unions, savings and loan institutions, and life care institutions. It also administers the federal Public Deposit Protection Act, which safeguards the uninsured deposits of public moneys in state and federal savings and loan associations. On-site examinations are conducted through a risk-based program to ensure financial stability and compliance with state and federal laws.

<b>Division of Financial Services</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$1,168,643	\$0	\$1,168,643	\$0	\$0	13.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,168,643	\$0	\$1,168,643	\$0	\$0	13.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	27,683	0	27,683	0	0	0.0
Indirect cost assessment adjustment	6,733	0	6,733	0	0	0.0
Annualize prior year funding	(5,250)	0	(5,250)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,197,809	\$0	\$1,197,809	\$0	\$0	13.0

	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
\$ Change from prior year	\$29,166	\$0	\$29,166	\$0	\$0	0.0
% Change from prior year	2.5%	n/a	2.5%	n/a	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Indirect cost assessment adjustment:** The recommendation includes an increase to accommodate costs incurred by the Executive Director's Office.

**Annualize prior year funding:** The recommendation includes a reduction of \$5,250 cash funds for the FY 2007-08 change request for additional Credit Union Examiners FTE.

**Division of Insurance:** This division regulates insurance professionals and insurance companies, non-profit hospitals and health service corporations, health maintenance organizations, workers' compensation self-insurance pools, and pre-need funeral contracts.

Division of Insurance	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$8,318,510	\$0	\$7,776,593	\$20,000	\$521,917	82.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$8,318,510	\$0	\$7,776,593	\$20,000	\$521,917	82.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	145,192	0	145,192	0	0	0.0
Indirect cost assessment adjustment	61,877	0	61,548	0	329	0.0
Annualize prior year funding	36,378	0	36,378	0	0	0.2
Eliminate one-time appropriations	(20,000)	0	0	(20,000)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$8,541,957	\$0	\$8,019,711	\$0	\$522,246	82.2
\$ Change from prior year	\$223,447	\$0	\$243,118	(\$20,000)	\$329	0.2
% Change from prior year	2.7%	n/a	3.1%	(100.0)%	0.1%	0.2%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases

are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Indirect cost assessment adjustment:** The recommendation includes an increase to accommodate costs incurred by the Executive Director's Office.

**Annualize prior year funding:** The recommendation includes an increase of \$58,287 for \$58,287 cash funds for further pass-through to the Department of Law for insurance fraud prosecution. The increase includes indirect cost assessments and applicable salary and benefits adjustments for the FTE who work in the Insurance Fraud program in the Department of Law. The recommendation also includes a reduction of \$21,909 cash funds and an increase of 0.2 FTE, as a result of the passage of S.B. 07-04 (HCPF/DHS-DD Payment System), S.B. 07-249 (Title Insurance), H.B. 07-1104 (Property Casualty Insurance), and H.B. 07-1234 (Insurance E-file).

**Eliminate one-time appropriations:** The recommendation includes the elimination of one-time \$20,000 reappropriated funds related to the Blue Ribbon Commission on Health Care Reform.

**Public Utilities Commission:** The Public Utilities Commission (PUC) regulates the rates and services of fixed utilities and transportation utilities located in the state and administers the Colorado Telecommunications High Cost Program, the Low-Income Telephone Assistance Program, and the Disabled Telephone Users Program.

Public Utilities Commission	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$14,835,621	\$8,405	\$14,446,142	\$381,074	\$0	96.9
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	381,074	(381,074)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$14,835,621	\$8,405	\$14,827,216	\$0	\$0	96.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Telephone user cost adjustments	359,902	0	359,902	0	0	0.0
Annualize salary and benefits adjustments	218,922	0	218,922	0	0	0.0
Indirect cost assessment adjustment	92,671	0	92,671	0	0	0.0
Background check requirements	73,455	0	73,455	0	0	1.2
Annualize prior year funding	(204,842)	(8,405)	(196,437)	0	0	(1.0)
Other	(500)	0	(500)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$15,375,229	\$0	\$15,375,229	\$0	\$0	97.1
\$ Change from prior year	\$539,608	(\$8,405)	\$548,013	\$0	\$0	0.2
% Change from prior year	3.6%	(100.0)%	3.7%	n/a	n/a	0.2%

## Issue Descriptions

**Telephone user cost adjustments:** The recommendation includes an increase of \$359,902 for telephone user cost adjustments in connection with the Disabled Telephone Users Fund. Phone companies impose a fee, set by the PUC, on each phone line in the state with the resulting revenues deposited in the Disabled Telephone Users Fund. Moneys in the fund are continuously appropriated to pay telecommunications services for disabled individuals and as such an increase of \$427,803 is expected to be required in FY 2008-09, offset by a reduction of \$94,848 for Low-Income Telephone Assistance. The increase also includes a \$10,032 increase in funding transferred to the Department of Human Services for the Commission for the Deaf and Hard of Hearing and \$16,915 for the Commission for the Blind or Visually Impaired.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Indirect cost assessment adjustment:** The recommendation includes an increase of \$92,671 to accommodate costs incurred by the Executive Director's Office.

**Background check requirements:** The recommendation includes \$73,455 cash funds increase and 1.2 FTE to implement the provisions of H.B. 07-1065 (Passenger Carriers Criminal History Check) and H.B. 07-1249 (Regulate Movers of Household Goods) and to perform criminal history background checks which require additional analysis related to qualifying and disqualifying convictions as well as determining "good moral character" as is required by H.B. 07-1249.

**Annualize prior year funding:** The recommendation includes a reduction of \$204,842 and 1.0 FTE, as a result of the passage of H.B. 07-1037 (Natural Gas Utility Efficiency), H.B. 07-1065 (Passenger Carriers Criminal History Check), H.B. 07-1114 (Taxicab Regulation Certificate Fees), H.B. 07-1228 (Renewable Fuels BTU Credits Excise), H.B. 07-1249 (Regulate Movers of Household Goods), and H.B. 07-1274 (Commission for Visually Impaired Individuals).

**Other:** The recommendation includes small changes to the Colorado Bureau of Investigation Background Checks Pass-through.

**Division of Real Estate:** The Division of Real Estate licenses mortgage brokers, real estate brokers and appraisal professionals, analyzes subdivision offerings on undeveloped land, and administers an enforcement program that is responsive to the needs of the industry and the consumer.

Division of Real Estate	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$3,808,279	\$0	\$3,808,279	\$0	\$0	44.8
Long Bill Supplemental	50,000	2,653	0	47,347	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>47,347</u>	<u>(47,347)</u>	<u>0</u>	<u>0.0</u>

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Adjusted Appropriation</b>	\$3,858,279	\$2,653	\$3,855,626	\$0	\$0	44.8
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize prior year funding	150,064	0	150,064	0	0	2.4
Indirect cost assessment adjustment	94,721	0	94,721	0	0	0.0
Annualize salary and benefits adjustments	66,489	0	66,489	0	0	0.0
Eliminate one-time appropriations	(50,000)	(2,653)	(47,347)	0	0	0.0
Mortgage broker legislation economy of scale	(30,133)	0	(30,133)	0	0	(0.7)
Other	52	0	52	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$4,089,472	\$0	\$4,089,472	\$0	\$0	46.5
\$ Change from prior year	\$231,193	(\$2,653)	\$233,846	\$0	\$0	1.7
% Change from prior year	6.0%	(100.0)%	6.1%	n/a	n/a	3.8%

## Issue Descriptions

**Long bill supplemental:** The recommendation includes an increase of \$50,000 spending authority consisting of \$2,653 General Fund and \$47,347 cash funds exempt to make payments for Real Estate Recovery in FY 2007-08, pursuant to Section 12-61-302 (1) (b), C.R.S.

**Annualize prior year funding:** The recommendation includes an increase of \$118,183 cash funds and 2.4 FTE related to the passage of S.B. 07-85 (Protection of Consumer Real Estate Transactions), S.B. 07-203 (Mortgage Broker Licensing), S.B. 07-216 (Mortgage Broker Loan Fraud Practices), and H.B. 07-1322 (Mortgage Fraud Prevention Act). The recommendation includes an increase of \$44,410 cash funds for further pass-through to the Department of Law for mortgage broker consumer protection. The increase includes indirect cost assessments and applicable salary and benefits adjustments for the FTE who work in the Mortgage Broker program in the Department of Law. The recommendation includes reductions of \$8,487 for several bills passed in 2007 and \$4,042 related to the FY 2007-08 change request for Real Estate Appraiser FTE.

**Indirect cost assessment adjustment:** The recommendation includes an increase to accommodate costs incurred by the Executive Director's Office.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Eliminate one-time appropriations:** The recommendation includes the elimination of a one-time increase of \$50,000 to make statutorily required payments from the Real Estate Recovery Fund, pursuant to Section 12-61-302 (1) (b), C.R.S.



**Mortgage broker legislation economy of scale:** The recommendation includes a reduction of \$30,133 cash funds and 0.7 FTE related to an economy of scale created from the passage of four mortgage broker bills in 2007: S.B. 07-85 (Protection of Consumer Real Estate Transactions), S.B. 07-203 (Mortgage Broker Licensing), S.B. 07-216 (Mortgage Broker Loan Fraud Practices), and H.B. 07-1322 (Mortgage Fraud Prevention Act).

**Other:** The recommendation includes a reduction for operating adjustments.

**Division of Registrations:** The Division of Registrations regulates nearly 300,000 licensees in more than 42 professions and occupations throughout Colorado. Its boards and licensing programs have been created by the General Assembly to ensure a basic level of competence among licensees and to protect the public welfare. The Division's licensing examinations measure applicants' knowledge, skills, and abilities. The Division also licenses or approves qualified facilities, programs, and equipment. Public protection is further enhanced by conducting inspections, investigating complaints, and restricting or revoking licenses when generally accepted standards of practice or safety have not been met.

Division of Registrations	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$16,067,225	\$0	\$13,928,217	\$2,139,008	\$0	169.5
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	0	0	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$16,067,225	\$0	\$13,928,217	\$2,139,008	\$0	169.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Indirect cost assessment adjustment	338,952	0	332,460	0	6,492	0.0
Annualize salary and benefits adjustments	278,038	0	238,485	39,553	0	0.0
Records management funding	89,706	0	89,706	0	0	0.0
Medical examination board FTE	72,760	0	72,760	0	0	0.9
Funding mix adjustment	0	0	(2,754)	2,754	0	0.0
Annualize prior year funding	(72,275)	0	(72,275)	0	0	1.6
<b>Total FY 2008-09 JBC Recommendation</b>	\$16,774,406	\$0	\$14,586,599	\$2,181,315	\$6,492	172.0
\$ Change from prior year	\$707,181	\$0	\$658,382	\$42,307	\$6,492	2.5
% Change from prior year	4.4%	n/a	4.7%	2.0%	n/a	1.5%

## Issue Descriptions

**Indirect cost assessment adjustment:** The recommendation includes an increase to accommodate costs incurred by the Executive Director's Office.

**Annualize salary and benefits adjustments:** The appropriation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award

and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Records management funding:** The recommendation includes \$89,706 cash funds to image an existing backlog of boxes of application records and to provide an ongoing funding amount to image records annually.

**Medical examination board FTE:** The recommendation includes an increase of \$72,760 cash funds and 0.9 FTE to manage and expedite high priority and complex complaints received by the Board of Medical Examiners (BME).

**Funding mix adjustment:** The recommendation includes adjustments to the amount of moneys received by the Department of Human Services and the Department of Health Care Policy and Finance related to the certified nursing assistant program.

**Annualize prior year funding:** The recommendation includes a reduction of \$72,275 cash funds and an increase of 1.6 FTE as a result of the passage of S.B. 07-107 (Landscape Architects), S.B. 07-135 (Plumbers Apprentice Registration), S.B. 07-204 (Electronic Prescription Drug Monitoring), and H.B. 07-1331 (Michael Skolnik Medical Transparency Act).

**Division of Securities** This division monitors the conduct of broker-dealers and sales representatives throughout Colorado. It also investigates citizen complaints and other indications of investment fraud. In addition to license application screening, Division personnel perform on-site examinations of broker-dealer offices.

Division of Securities	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$2,439,914	\$0	\$2,439,914	\$0	\$0	20.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$2,439,914	\$0	\$2,439,914	\$0	\$0	20.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	46,549	0	46,549	0	0	0.0
Annualize prior year funding	25,170	0	25,170	0	0	0.0
Indirect cost assessment adjustment	10,357	0	10,357	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$2,521,990	\$0	\$2,521,990	\$0	\$0	20.0
\$ Change from prior year	\$82,076	\$0	\$82,076	\$0	\$0	0.0
% Change from prior year	3.4%	n/a	3.4%	n/a	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The appropriation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Annualize prior year funding:** The recommendation includes an increase of \$25,170 cash funds for further pass-through to the Department of Law for securities fraud prosecution. The increase includes indirect cost assessments and applicable salary and benefits adjustments for the FTE who work in the Securities Fraud program in the Department of Law.

**Indirect cost assessment adjustment:** The recommendation includes an increase to accommodate costs incurred by the Executive Director's Office.

## Department of Revenue

**Department Description:** The Department is organized into three functional groups: Taxation, Motor Vehicles, and Enforcement. The Taxation group collects revenue for the state and for local governments; the Division of Motor Vehicles, which also oversees Motor Carrier Services, regulates motor vehicle safety, issues personal identification documents, and regulates commercial vehicles; and the Enforcement group regulates alcohol, tobacco, and gambling. The three functional areas are supported by the Executive Director's Office, Central Department Operations and Information Technology Divisions. The Department also operates the State Lottery, a TABOR enterprise supported by lottery ticket sales, which accounts for almost 70 percent of the Department's annual budget.

Summary Table for Department of Revenue						
	Total Funds	General Fund/1	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$604,476,068	\$95,291,960	\$53,730,841	\$453,907,053	\$1,546,214	1,480.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriation format	0	0	452,654,162	(452,654,162)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$604,476,068	\$95,291,960	\$506,385,003	\$1,252,891	\$1,546,214	1,480.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Executive Director's Office	3,727,937	2,312,278	1,367,147	48,512	0	4.9
Central Department Operations	117,866	41,748	61,888	14,230	0	0.0
Information Technology Division	324,693	(141,419)	478,943	53,978	(66,809)	(1.7)
Taxation Business Group	3,917,450	3,826,896	111,834	9,297	(30,577)	2.0
Division of Motor Vehicles	205,342	105,050	100,292	0	0	3.6
Motor Carrier Services	249,946	29,003	188,999	9,174	22,770	0.0
Enforcement Business Group	748,065	16,858	726,841	4,366	0	4.6
State Lottery Division	7,368,941	0	7,368,941	0	0	0.0
<b>Total FY 2008-09 Long Bill Recommendation</b>	\$621,136,308	\$101,482,374	\$516,789,888	\$1,392,448	\$1,471,598	1,493.4
\$ Change from prior year	\$16,660,240	\$6,190,414	\$10,404,885	\$139,557	(\$74,616)	13.4
% Change from prior year	2.8%	6.5%	2.1%	11.1%	(4.8)%	0.9%

1/ For FY 2008-09, includes \$30,500,000 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S. See Division Detail for more information concerning the statutory authority for such an exemption.

### Recommendation Highlights:

1. Includes \$4 million for a Lottery Ticket Distribution/Inventory Management System that provides for courier delivery of tickets and frees the sales force to concentrate on improving lottery ticket sales.
2. Includes \$3 million for an increase in marketing for the Lottery.

3. Includes \$180,000 to allow the Department to implement its travel policy for senior auditors to travel out-of-state to conduct audits.
4. Includes \$179,000 to annualize the expenses of expanding the internal audit team from one to six members to increase the likelihood of deterring or the early discovery of employee fraud.
5. Includes \$66,500 to increase the number of appraisals of conservation easements.

### Budget Recommendation Detail by Long Bill Division

**Executive Director's Office:** The Executive Director's Office includes a citizens' advocate, a public information officer, as well as the following units: Central Budget Officer, Accounting and Financial Services, Internal Audit Program, Office of Human Resources, and the Office of Research and Analysis. The Executive Director's Office budget includes centrally appropriated direct and indirect costs.

Executive Director's Office	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$27,526,088	\$16,426,272	\$3,425,373	\$7,674,443	\$0	43.8
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriation format	0	0	7,297,076	(7,297,076)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$27,526,088	\$16,426,272	\$10,722,449	\$377,367	\$0	43.8
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
FY 2008-09 salary and benefits adjustments	2,878,214	1,663,769	1,165,933	48,512	0	0.0
Operating adjustments	583,351	451,725	131,626	0	0	0.0
Internal audit program	179,314	179,314	0	0	0	4.7
Leased space	63,750	(1,857)	65,607	0	0	0.0
S.B. 07-228 implementation	11,723	11,723	0	0	0	0.2
Other	11,585	7,604	3,981	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$31,254,025	\$18,738,550	\$12,089,596	\$425,879	\$0	48.7
\$ Change from prior year	\$3,727,937	\$2,312,278	\$1,367,147	\$48,512	\$0	4.9
% Change from prior year	13.5%	14.1%	12.8%	12.9%	n/a	11.2%

### Issue Descriptions

**FY 2008-09 salary and benefits adjustments:** The recommendation includes adjustments to centrally-appropriated line items for salary survey, performance-based pay awards, state contributions to health, life, and dental benefits, shift differential, and state contributions to the Public Employees' Retirement Association (PERA) pension fund. All salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Operating adjustments:** The recommendation adjusts common policy lines for other than personal services lines, such as legal services, administrative law judge services, purchase of services from the computer center, multiuse network payments, payment to risk management and property funds, vehicle lease payments, capitol complex leased space, communication services payments, and utilities.

**Internal audit program:** The recommendation provides for an increase of \$179,314 for the Internal Audit Program to annualize salaries of auditors hired late in FY 2007-08. The program will expand from one to six internal auditors in an effort to deter and detect employee theft and fraud.

**Leased space:** The recommendation provides \$63,750 to annualize the increases in leased space associated with the opening of three new driver's license offices during FY 2007-08.

**S.B. 07-228 implementation:** The recommendation provides \$11,723 and 0.2 FTE to implement the provisions of S.B. 07-228, regarding the monitoring of vendor performance of State contracts.

**Other:** The recommendation provides for minor adjustments to lines other than common policy line items, such as operating expenses and utilities.

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**Central Department Operations Division :** This division records and maintains transactions that enable the Department to meet various statutory responsibilities, many of which are related to taxes, licensing and various other fee payments. Such transactions also include the deposit of tax remittances; the processing of tax documents from the receipt of returns through the issuance of applicable refunds; and the processing of income tax refund warrants. This division also performs a variety of incoming and outgoing mail services.

Central Department Operations Division	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$11,362,306	\$10,617,443	\$127,866	\$616,997	\$0	109.9
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriation format	<u>0</u>	<u>0</u>	<u>526,757</u>	<u>(526,757)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$11,362,306	\$10,617,443	\$654,623	\$90,240	\$0	109.9
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	155,470	79,352	61,888	14,230	0	0.0
Postage	(39,308)	(39,308)	0	0	0	0.0
Other	1,704	1,704	0	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$11,480,172	\$10,659,191	\$716,511	\$104,470	\$0	109.9
\$ Change from prior year	\$117,866	\$41,748	\$61,888	\$14,230	\$0	0.0
% Change from prior year	1.0%	0.4%	9.5%	15.8%	n/a	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. All salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division. This figure includes seasonal tax processing which funds temporary employees during individual income tax filing season.

**Postage:** The recommendation eliminates a one-time supplemental appropriation (\$46,027) required by the settlement of the Thompson v. Colorado lawsuit, and provides funds (\$6,719) for the implementation of H.B. 07-1106, which changed the eligibility standards for the property tax credit and rent and heat rebate program.

**Other:** The recommendation adjusts appropriations for other expenses, including eliminating a one-time supplemental appropriation to provide notice to plaintiffs class for settlement of the Thompson v. Colorado lawsuit, and an increase for implementation of H.B. 07-1106.

**Information Technology Division:** This division is divided between two subsections: Systems Support, which provides the bulk of the Department's various information technology requirements; and the Colorado State Titling and Registration System (CSTARS), which was created in 1983 to automate the distribution of vehicle registration taxes among the State, the counties, and the Highway Users Tax Fund (HUTF).

Information Technology Division	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$12,578,305	\$5,233,075	\$445,397	\$6,833,024	\$66,809	119.8
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriation format	0	0	6,413,150	(6,413,150)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$12,578,305	\$5,233,075	\$6,858,547	\$419,874	\$66,809	119.8
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	233,385	(121,489)	300,896	53,978	0	0.0
County office improvements (new line item)	103,578	0	103,578	0	0	0.0
Programming costs for session legislation	6,766	(19,930)	93,505	0	(66,809)	(1.7)
Operating expenses	(19,036)	0	(19,036)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$12,902,998	\$5,091,656	\$7,337,490	\$473,852	\$0	118.1
\$ Change from prior year	\$324,693	(\$141,419)	\$478,943	\$53,978	(\$66,809)	(1.7)
% Change from prior year	2.6%	(2.7)%	7.0%	12.9%	(100.0)%	(1.4)%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. All salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**County office improvements:** The recommendation is for a new line item that provides a stable funding source for improvements at County Clerk offices. This line will provide for computer hardware and software necessary for the County Clerk offices to use the Colorado State Titling and Registration System.

**Programming costs for session legislation:** The recommendation adjusts funding and FTE in the Long Bill for computer programming in order to more accurately reflect actual funding levels and FTE. The recommendation also eliminates a one-time federal funds appropriation.

**Operating expenses:** The recommendation eliminates a one-time appropriation from Operating Expenses that funded County Office Improvements (now funded in the line: County Office Improvements).

**Taxation Business Group:** This division is responsible for implementing programs related to the collection of taxes; the provision of customer service to taxpayers; the resolution of tax disputes; and the administration of certain tax rebate and assistance programs.

Taxation Business Group	Total Funds	General Fund/1	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$50,992,863	\$47,718,329	\$92,201	\$2,425,928	\$756,405	321.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriation format	<u>0</u>	<u>0</u>	<u>2,233,397</u>	<u>(2,233,397)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$50,992,863	\$47,718,329	\$2,325,598	\$192,531	\$756,405	321.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Old age heat & fuel and property tax assistance grants /1	2,300,000	2,300,000	0	0	0	0.0
Cigarette tax rebate /1	800,000	800,000	0	0	0	0.0
Annualize salary and benefits adjustments	511,623	497,245	5,081	9,297	0	0.0
Operating expenses	164,101	164,101	0	0	0	0.0
Amendment 35 distribution to local governments	104,264	0	104,264	0	0	0.0
Conservation easement appraisals	66,500	66,500	0	0	0	0.0
Permanent FTE to replace temporary employees	0	0	0	0	0	2.0
Joint federal/state motor fuel tax	(30,415)	0	0	0	(30,415)	0.0
Other	1,377	(950)	2,489	0	(162)	0.0



	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>Total FY 2008-09 JBC Recommendation</b>	\$54,910,313	\$51,545,225	\$2,437,432	\$201,828	\$725,828	323.0
\$ Change from prior year	\$3,917,450	\$3,826,896	\$111,834	\$9,297	(\$30,577)	2.0
% Change from prior year	7.7%	8.0%	4.8%	4.8%	(4.0)%	0.6%

/1 For FY 2008-09, includes \$30,500,000 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S., because these amounts are continuously appropriated by a permanent statute or constitutional provision.

## Issue Descriptions

**Old age heat & fuel and property tax assistance grants:** The recommendation adjusts spending authority for Old Age Heat & Fuel and Property Tax Assistance Grants to reflect the most current revenue forecast.

**Cigarette tax rebate:** The recommendation adjusts spending authority for the Cigarette Tax Rebate to reflect the most current revenue forecast.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. All salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to most personal services lines for the division.

**Operating expenses:** The recommendation provides \$180,234 General Fund to allow the department to implement its travel policy for senior auditors in the Department to travel out-of-state up to eight weeks each to conduct audits on companies located out-of-state, which the Department estimates will increase tax collections by \$5.6 million in the first year of implementation. Also provides a \$16,133 General Fund decrease associated with annualization of audit software purchased through a decision item for FY 2007-08.

**Amendment 35 distribution to local governments:** The recommendation adjusts spending authority for the Amendment 35 Distribution to reflect the most current revenue forecast.

**Conservation easement appraisals:** The recommendation provides \$66,500 General Fund for appraisals of conservation easements, so the Department can exercise oversight of those easements.

**Joint federal/state motor fuel tax:** The recommendation eliminates the funding for this line, which is federally funded. Funding has not been received since at least FY 2004-05, and future funding is unlikely.

**Other:** The recommendation provides minor adjusts to appropriations for other expenses.

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**Division of Motor Vehicles:** This division is responsible for licensing drivers; titling and registering motor vehicles; regulating commercial driving schools; enforcing the state's emissions program; and administering the Motorist Insurance Identification Database program. It also manages the Motor Carrier Services section for the Department.

Division of Motor Vehicles	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$29,825,721	\$14,515,708	\$10,382,249	\$4,927,764	\$0	436.2
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriation format	<u>0</u>	<u>0</u>	<u>4,927,764</u>	<u>(4,927,764)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$29,825,721	\$14,515,708	\$15,310,013	\$0	\$0	436.2
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	946,689	490,699	455,990	0	0	3.6
Titles-operating expense	27,870	0	27,870	0	0	0.0
Driver and vehicle services-operating expenses	(751,015)	(395,050)	(355,965)	0	0	0.0
Other	(18,202)	9,401	(27,603)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$30,031,063	\$14,620,758	\$15,410,305	\$0	\$0	439.8
\$ Change from prior year	\$205,342	\$105,050	\$100,292	\$0	\$0	3.6
% Change from prior year	0.7%	0.7%	0.7%	n/a	n/a	0.8%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. All salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to most personal services lines for the division.

**Titles-operating expenses:** The recommendation provides an increase of \$27,870 cash funds for the Departments digital imaging of titles and associated documents, resulting in better customer service through faster retrieval times for those documents.

**Driver and vehicle services-operating expenses:** The recommendation eliminates a one-time supplemental for FY 2007-08 (\$395,050 General Fund) to pay the damages in the Thompson v. Colorado lawsuit, and reduces funding (\$344,965 General Fund) that annualizes the start up expenses of the Driver's License office expansions.

**Motor Carrier Services:** This division is responsible for registering motor carriers; collecting registration fees charged to fuel distributors, petroleum storage companies, and interstate carriers; ensuring compliance with vehicle safety regulations; and enforcing laws concerning both owners and operators of motor carriers. The Division operates ten fixed (with seventeen facilities) and ten mobile ports of entry.

<b>Motor Carrier Services</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$8,270,355	\$632,631	\$246,354	\$6,668,370	\$723,000	144.2
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriation format	0	0	6,603,298	(6,603,298)	0	0.0
FY 2007-08 Adjusted Appropriation	\$8,270,355	\$632,631	\$6,849,652	\$65,072	\$723,000	144.2
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	227,176	24,101	193,901	9,174	0	0.0
Motor carrier safety assistance program	22,770	0	0	0	22,770	0.0
Fixed and mobile port maintenance	0	0	0	0	0	0.0
Other	0	4,902	(4,902)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$8,520,301	\$661,634	\$7,038,651	\$74,246	\$745,770	144.2
\$ Change from prior year	\$249,946	\$29,003	\$188,999	\$9,174	\$22,770	0.0
% Change from prior year	3.0%	4.6%	2.8%	14.1%	3.1%	0.0%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. All salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Motor carrier safety assistance program:** The recommendation provides additional federal funding for the program, which conducts safety inspections of commercial vehicles.

**Fixed and mobile port maintenance:** The recommendation transfers \$137,761 from the Personal Services line item to the Fixed and Mobile Ports Maintenance line item. The funding will address maintenance issues that have kept Ports officers from performing their primary functions while they perform maintenance activities. The Division was able to accomplish this without additional funding because of a complete turnover of top management of the Division.

**Other:** The recommendation provides a fund mix adjustment that aligns the Division's expenses with its personnel allocations.

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**Enforcement Business Group:** This division regulates limited gaming industry; regulates horse and dog racing events; enforces the state's liquor and tobacco laws; and licenses liquor retailers, wholesalers, and manufacturers. It regulates the distribution of motor vehicles; and it manages adjudication hearings related to drivers licenses, certain racing licenses, and some tax disputes.

<b>Enforcement Business Group</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$41,706,527	\$148,502	\$39,011,401	\$2,546,624	\$0	179.1
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriation format	<u>0</u>	<u>0</u>	<u>2,438,817</u>	<u>(2,438,817)</u>	<u>0</u>	<u>0.0</u>
FY 2007-08 Adjusted Appropriation	\$41,706,527	\$148,502	\$41,450,218	\$107,807	\$0	179.1
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize salary and benefits adjustments	395,142	16,872	376,237	2,033	0	0.0
Gaming Commission approved change requests	295,147	0	295,147	0	0	4.0
Implementation of H.B. 06-1171	32,502	0	32,502	0	0	0.6
Indirect cost assessment	22,974	0	22,974	0	0	0.0
Other	2,300	(14)	(19)	2,333	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$42,454,592	\$165,360	\$42,177,059	\$112,173	\$0	183.7
\$ Change from prior year	\$748,065	\$16,858	\$726,841	\$4,366	\$0	4.6
% Change from prior year	1.8%	11.4%	1.8%	4.1%	n/a	2.6%

## Issue Descriptions

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. All salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for most personal services lines in the division.

**Gaming Commission approved change requests:** The recommendation reflects the Limited Gaming Control Commission approval of an additional \$295,147 cash funds and 4.0 FTE to address workload and resource availability in background investigations and field operations.

**Implementation of H.B. 06-1171:** The recommendation provides \$32,502 cash funds and 0.6 FTE to implement the provisions of H.B. 06-1171, which provides for increased penalties for persistent drunk drivers.

**Indirect cost assessment:** The recommendation reflects increases in indirect costs assessment from the Gaming Commission to more accurately reflect the Gaming Commission's share of departmental and statewide indirect costs.

**Other:** The recommendation provides for minor adjustments to Operating Expenses lines in the Division.

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**State Lottery Division:** This division regulates and administers the State Lottery. The State Lottery Division is designated as an enterprise under the provisions of TABOR per Article X, Section 20 of the Colorado

Constitution.

State Lottery Division	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$422,213,903	\$0	\$0	\$422,213,903	\$0	126.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriation format	<u>0</u>	<u>0</u>	<u>422,213,903</u>	<u>(422,213,903)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$422,213,903	\$0	\$422,213,903	\$0	\$0	126.0
<b><i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i></b>						
Ticket costs	4,000,000	0	4,000,000	0	0	0.0
Marketing and communications	3,028,290	0	3,028,290	0	0	0.0
Annualize salary and benefits adjustments	242,859	0	242,859	0	0	0.0
Indirect cost assessment	97,792	0	97,792	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$429,582,844	\$0	\$429,582,844	\$0	\$0	126.0
\$ Change from prior year	\$7,368,941	\$0	\$7,368,941	\$0	\$0	0.0
% Change from prior year	1.7%	n/a	1.7%	n/a	n/a	\$0

## Issue Descriptions

**Ticket costs:** The recommendation provides for an increase for ticket costs to implement a courier delivery and inventory management system to increase lottery sales. The Department expects to realize a gain of \$54 million per year in sales, which will result in a net increase in proceeds to the State of \$9 million per year.

**Marketing and communications:** The recommendation provides for an increase for advertising costs, which the Department projects, in conjunction with a similar increased appropriation for FY 2009-10 (if approved), will result in an increase in sales of \$24 million per year, and a net increase in proceeds to the State of \$4 million per year.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. All salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Executive Director's Office in the year of the award and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to the personal services appropriation for the division.

**Indirect cost assessment:** The recommendation increases the indirect costs assessment from the Lottery Fund to more accurately reflect the Lottery's share of departmental and statewide indirect costs.

## Department of State

**Department Description:** The Department of State administers Colorado's election laws, including voter registration laws, initiative and referendum laws, and the Help America Vote Act (HAVA). It collects, stores, and provides access to disclosure statements filed by public officials and lobbyists under Colorado's Sunshine Law and Fair Campaign Practices Act. It collects, stores, and provides public access to annual reports, articles of incorporation, liens, and other documents filed by for-profit and not-for-profit businesses under the Corporation and Association laws and the Uniform Commercial Code. The Department collects, stores, and provides public access to reports and other documents filed under the Bingo and Raffles charitable gaming laws and the Charitable Solicitations Act. It licenses entities that engage in charitable gaming and enforces related laws. It serves as the depository for many official state government records and documents and regulates notaries public while administering related laws. The Department is responsible for, and funds the shared portions of, the statewide information technology (IT) disaster recovery facility (e-FOR<sup>3</sup>T).

Summary Table for Department of State						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation*</b>	\$20,373,787	\$0	\$16,412,092	\$3,851,101	\$110,594	125.5
Long Bill supplemental	398,815	0	398,815	0	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>3,810,214</u>	<u>(3,810,214)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$20,772,602	\$0	\$20,621,121	\$40,887	\$110,594	125.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Administration	1,412,535	0	1,564,016	(140,887)	(10,594)	7.5
Special Purpose	3,227,497	0	3,227,497	100,000	(100,000)	(2.0)
Information Technology Services	2,462,299	0	2,462,299	0	0	2.1
<b>Total FY 2008-09 JBC Recommendation</b>	\$27,874,933	\$0	\$27,874,933	\$0	\$0	133.1
\$ Change from prior year	\$7,102,331	\$0	\$7,253,812	(\$40,887)	(\$110,594)	7.6
% Change from prior year	34.2%	n/a	35.2%	(100.0)%	(100.0)%	6.1%

\* FY 2007-08 appropriation includes H.B. 08-1300 as adopted by the Senate on second reading.

### Recommendation Highlights:

#### *Changes to FY 2007-08 appropriation:*

1. Adds \$288,058 cash funds for increased legal expenses for elections-related litigation.

#### *Recommendations for FY 2008-09 appropriation:*

2. Adds \$3.2 million for the Help America Vote Act. These funds are continuously appropriated from the Federal Election Assistance Fund.

3. Adds \$1.4 million for the second year of a project to modify the Department's website to improve the public's ability to access campaign finance information.
4. Provides \$900,000 cash funds and 9.0 FTE for the voting systems certification program.
5. Provides \$750,000 from the Department of State Cash Fund for the Department to implement its plan to become compliant with the Colorado Information Security Act.
6. Appropriates \$520,000 to replace the Department's accounting system, which serves as its "point of sale" for processing thousands of online transactions daily.

### Budget Recommendation Detail by Long Bill Division

**Administration:** The Administration division provides general management supervision for the entire Department, including budgeting, accounting, and human resources services. Most of the Department's functions are carried out by sections within this Division, including Business Filings, Elections, and Licensing and Enforcement.

Administration	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation*</b>	\$7,754,102	\$0	\$7,602,621	\$140,887	\$10,594	83.0
Long Bill supplemental	309,586	0	309,586	0	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$8,063,688	\$0	\$7,912,207	\$140,887	\$10,594	83.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Voting system certification program	896,661	0	896,661	0	0	9.0
Annualize salary and benefits adjustments	305,962	0	305,962	0	0	0.0
Benefits adjustments	188,872	0	188,872	0	0	0.0
Statewide common policies	109,953	0	109,953	0	0	0.0
Annualize prior year funding	(53,920)	0	(53,920)	0	0	(1.5)
Personal services adjustment	(52,576)	0	(52,576)	0	0	0.0
Other	17,583	0	169,064	(140,887)	(10,594)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$9,476,223	\$0	\$9,476,223	\$0	\$0	90.5
\$ Change from prior year	\$1,412,535	\$0	\$1,564,016	(\$140,887)	(\$10,594)	7.5
% Change from prior year	17.5%	n/a	19.8%	(100.0)%	(100.0)%	9.0%

\* FY 2007-08 appropriation includes H.B. 08-1300 as adopted by the Senate on second reading.

## Issue Descriptions

**Voting system certification program:** The recommendation shifts the fund source for the program from off-budget federal funds to cash fund. New federal guidelines require states to fund their own certification programs.

**Annualize salary and benefit adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. These funds are administered through centrally-appropriated line items in the Administration division and are incorporated into base funding for each division in the subsequent year. The adjustment shown also includes a 1.0 percent base reduction to personal services for line items with 20.0 FTE or more.

**Benefits adjustments:** The recommendation includes increases for health, life, and dental; short-term disability; workers' compensation; amortization equalization disbursement; and supplemental amortization equalization disbursement for FY 2008-09.

**Statewide common policies:** The recommendation is for the increase in statewide common policies, such as payments to risk management and property funds; vehicle lease payments; administrative law judge services; and legal services.

**Annualize prior year funding:** The recommendation accounts for the out-year impacts of legislation, including H.B. 06-1086, the Regulation of Games of Chance, and S.B. 07-083, Technical Changes to Election Law.

**Personal services adjustment:** The recommendation includes a 1.0 percent personal services base reduction per JBC common policy.

**Other:** The recommendation includes miscellaneous technical adjustments.

**Special Purpose:** This division includes the following: the State's Help America Vote Act (HAVA) program; reimbursements for certain local election expenses; and initiative and referendum expenses, which fund such activities as signature verification and the Title Setting Board.

Special Purpose	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$5,590,137	\$0	\$1,779,923	\$3,710,214	\$100,000	9.5
Long bill supplemental	89,229	0	89,229	0	0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>3,810,214</u>	<u>(3,810,214)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$5,679,366	\$0	\$5,679,366	(\$100,000)	\$100,000	9.5
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Help America Vote Act	3,166,726	0	3,166,726	0	0	(2.0)
Initiative and referendum funding	150,000	0	150,000	0	0	0.0



	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize prior year funding	(89,229)	0	(89,229)	0	0	0.0
Annualize Help America Vote Act funding	0	0	0	100,000	(100,000)	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$8,906,863	\$0	\$8,906,863	\$0	\$0	7.5
\$ Change from prior year	\$3,227,497	\$0	\$3,227,497	\$100,000	(\$100,000)	(2.0)
% Change from prior year	56.8%	n/a	56.8%	n/a	(100.0)%	(21.1)%

## Issue Descriptions

**Help America Vote Act:** The recommendation reflects a projected increase in funds and a decrease of 2.0 FTE for activities associated with the Help America Vote Act (HAVA). These funds are continuously appropriated and provided for informational purposes only.

**Initiative and referendum funding:** The recommendation provides a temporary, cyclical increase for costs associated with supporting the general election.

**Annualize prior year funding:** The recommendation eliminates one-time funding for FY 2007-08.

**Annualize Help America Vote Act funding:** The recommendation includes the out-year impact of one-time federal funds.

**Information Technology Services:** This division provides information technology (IT) support for the Department. It is also responsible for operation of the statewide IT disaster recovery facility (e-FOR<sup>3</sup>T).

Information Technology Services	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$7,029,548	\$0	\$7,029,548	\$0	\$0	33.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$7,029,548	\$0	\$7,029,548	\$0	\$0	33.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Annualize campaign finance legislation	1,392,289	0	1,392,289	0	0	0.0
Colorado Information Security Act	749,846	0	749,846	0	0	2.1
Accounting system	520,000	0	520,000	0	0	0.0
Eliminate one-time funding	(170,996)	0	(170,996)	0	0	0.0
Personal services adjustment	(28,840)	0	(28,840)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$9,491,847	\$0	\$9,491,847	\$0	\$0	35.1
\$ Change from prior year	\$2,462,299	\$0	\$2,462,299	\$0	\$0	2.1

Information Technology Services	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
% Change from prior year	35.0%	n/a	35.0%	n/a	n/a	6.4%

## Issue Descriptions

**Annualize campaign finance legislation:** The recommendation includes the second-year funding for S.B. 07-259, which directed the Department to modify its website to improve the public's ability to access campaign finance information.

**Colorado Information Security Act:** The recommendation includes approximately \$750,000 and 2.1 FTE for the Department to undertake the activities necessary to comply with the State's information security act.

**Accounting system:** The recommendation provides funds to replace the Department's outdated accounting system.

**Eliminate one-time funding:** The recommendation eliminates funding appropriated for H.B. 06-1086, which allocated funds so the Department could develop an electronic application and report filing system for bingo-raffle licensees. The computer programming phase of the project is complete and the funds are no longer needed.

**Personal services adjustment:** The recommendation includes a 1.0 percent personal services base reduction per JBC common policy.

## Department of Transportation

**Department Description:** The Department is responsible for operating and maintaining Colorado's 9,156-mile state highway system under the policy direction of the eleven-member Transportation Commission, and maintaining the statewide aviation system plan. These responsibilities include managing highway construction projects, implementing the state's Highway Safety Plan, repairing and maintaining roads, providing technical support to local airports regarding aviation safety, and administering reimbursement of aviation fuel tax revenues and discretionary grants to local airports.

Summary Table for Department of Transportation						
	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,062,120,060	\$0	\$84,007,659	\$536,695,262	\$441,417,139	3,316.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	529,962,217	(529,962,217)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,062,120,060	\$0	\$613,969,876	\$6,733,045	\$441,417,139	3,316.0
<i>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</i>						
Administration	3,445,310	0	2,849,878	595,432	0	6.5
Construction, Maintenance, and Operations	240,954,959	0	236,782,871	56,069	4,116,019	31.0
Statewide Tolling Enterprise	(2,560,000)	0	840,000	(3,400,000)	0	0.0
Gaming Impacts	(4,165,483)	0	(4,165,483)	0	0	0.0
<b>Total FY 2007-08 JBC Recommendation</b>	\$1,299,794,846	\$0	\$850,277,142	\$3,984,546	\$445,533,158	3,353.5
\$ Change from prior year	\$237,674,786	\$0	\$236,307,266	(\$2,748,499)	\$4,116,019	37.5
% Change from prior year	22.4%	n/a	38.5%	(40.8)%	0.9%	1.1%

### Recommendation Highlights:

1. Reflects a \$230 million increase in the Department's forecasted share of State Highway Fund revenues per the statutory formula.
2. Reflects a \$4.1 million increase in the Department's estimated apportionment of federal funds from the Federal Highway Administration federal transportation program.
3. Reflects a \$5.2 million decrease in Gaming Impacts funds for highway construction and maintenance on gaming related roads.

## Budget Recommendation Detail by Long Bill Division

**Administration:** The Administration section consists of the following: the Transportation Commission; the Office of the Executive Director; the Office of Public Information; the Office of Information Technology; the Office of Financial Management and Budget; Highways Administration; the Division of Human Resources and Administration; the Division of Audit; the Office of Policy; and other centralized administrative costs for the Department.

Administration	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$23,913,688	\$0	\$0	\$23,913,688	\$0	219.7
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>22,436,902</u>	<u>(22,436,902)</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$23,913,688	\$0	\$22,436,902	\$1,476,786	\$0	219.7
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Operating Adjustments	1,195,363	0	1,195,363	0	0	0.0
Multi-agency vehicle maintenance	450,842	0	0	450,842	0	2.0
FY 2008-09 salary and benefits adjustments	425,182	0	401,990	23,192	0	0.0
Human resources personnel	409,978	0	409,978	0	0	4.5
Annualize salary and benefits adjustments	408,627	0	390,485	18,142	0	0.0
Indirect cost assessment	230,318	0	230,318	0	0	0.0
Utilities	225,000	0	225,000	0	0	0.0
Print Shop Spending Authority	100,000	0	0	100,000	0	0.0
Contract services	0	0	(3,256)	3,256	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$27,358,998	\$0	\$25,286,780	\$2,072,218	\$0	226.2
\$ Change from prior year	\$3,445,310	\$0	\$2,849,878	\$595,432	\$0	6.5
% Change from prior year	14.4%	n/a	12.7%	40.3%	n/a	3.0%

### Issue Descriptions

**Operating adjustments:** The recommendation includes various changes in centrally appropriated line items other than personal services. The most significant increases include \$1,091,467 for risk management and property funds; \$83,696 for workers' compensation; and \$20,200 for legal services (the recommendation reflects the incremental change in the blended rate for legal services of \$75.10 per hour in FY 2008-09, as the Administration section's allotment of hours remains unchanged from FY 2007-08).

**Multi-agency vehicle maintenance:** The recommendation includes \$450,842 and 2.0 FTE to provide vehicle maintenance for other state agencies at the Department's Denver garage..

**FY 2008-09 salary and benefits adjustments:** The recommendation includes adjustments to centrally-appropriated line items for salary survey, performance-based pay awards, state contributions for health, life, and dental benefits, shift differential, and state contributions to the Public Employees' Retirement Association (PERA) pension fund. All salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration section in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Human resources personnel:** The recommendation includes \$409,978 and 4.5 FTE for the Human Resources and Administration Division to expedite the hiring process for new staff (2.0 FTE) and to improve the Department's training program (2.5 FTE).

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration section in the year of the award and are incorporated into base funding for each division in the subsequent year. The recommendation shown includes a 1.0 percent base reduction to the personal services appropriation for Administration.

**Indirect cost assessment:** The recommendation includes an increase of \$230,318 in indirect cost assessments for the Administration section.

**Utilities:** The recommendation includes an increase of \$225,000 to pay for increased utilities costs at the Department's headquarters complex.

**Print shop spending authority:** The recommendation includes an increase of \$100,000 spending authority for the Department's print shop.

**Contract services:** The recommendation reflects an adjustment in contract services funding.

**Construction, Maintenance, and Operations:** This division is responsible for transportation planning, inter-modal transportation programs, and all phases of highway operation including engineering, construction, and maintenance.

Construction, Maintenance, and Operations	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,018,793,615	\$0	\$67,994,902	\$509,381,574	\$441,417,139	3,096.3
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	507,525,315	(507,525,315)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,018,793,615	\$0	\$575,520,217	\$1,856,259	\$441,417,139	3,096.3
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
State Highway Funds (HUTF)	217,513,635	0	217,513,635	0	0	31.0
Cash funds (aeronautics, miscellaneous, locals)	19,269,236	0	19,269,236	0	0	0.0
Federal funds	4,116,019	0	0	0	4,116,019	0.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Internal cash funds	56,069	0	0	56,069	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,259,748,574	\$0	\$812,303,088	\$1,912,328	\$445,533,158	3,127.3
\$ Change from prior year	\$240,954,959	\$0	\$236,782,871	\$56,069	\$4,116,019	31.0
% Change from prior year	23.7%	n/a	41.1%	3.0%	0.9%	1.0%

## Issue Descriptions

**State Highway Funds:** The recommendation represents the Department's forecasted share of Highway User Tax Fund (HUTF) revenues per statutory formula. Please note that prior to FY 2008-09, State Highway Funds were reflected in the cash funds exempt column. Given changes to the Long Bill format, these funds are now reflected in the cash funds column.

**Cash funds (aeronautics, miscellaneous, locals):** The recommendation reflects increases of \$5.2 million in aviation funding for the Division of Aeronautics, \$2.2 million in local government match funds, and an additional \$11.9 million from miscellaneous cash sources, including Law Enforcement Assistance Fund (LEAF) and Motorcycle Operator Safety Training (MOST) program fund revenues.

**Federal funds:** The recommendation represents the Department's estimated apportionment of federal funds from the Federal Highway Administration federal transportation program.

**Internal cash funds:** The recommendation represents an increase of about \$56,000 in internal cash fund assessments for the Construction, Maintenance, and Operations section.

**Statewide Tolling Enterprise:** This section contains appropriations for the Statewide Tolling Enterprise created pursuant to S.B. 02-179 and H.B. 02-1310. The Department is authorized to create a Statewide Tolling Authority to oversee the finance, construction, operation, and maintenance of additional highway capacity. The Transportation Commission established this body on August 15, 2002, as a division within the Department that is granted enterprise status as long as it retains the authority to issue revenue bonds and receives less than 10 percent of its total revenues from state and local government grants.

<b>Statewide Tolling Enterprise</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$5,120,000	\$0	\$1,720,000	\$3,400,000	\$0	0.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$5,120,000	\$0	\$1,720,000	\$3,400,000	\$0	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Transportation Commission allocation	(2,560,000)	0	840,000	(3,400,000)	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$2,560,000	\$0	\$2,560,000	\$0	\$0	0.0

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
\$ Change from prior year	(\$2,560,000)	\$0	\$840,000	(\$3,400,000)	\$0	0.0
% Change from prior year	(50.0)%	n/a	48.8%	(100.0)%	n/a	n/a

### Issue Description

**Transportation Commission allocation:** The recommendation reflects an adjustment to the amount allocated by the Transportation Commission to the Statewide Tolling Enterprise. The Commission estimates that tolling revenue for FY 2008-09 will increase by \$840,000. The Commission is also reflecting the elimination of \$3.4 million in State Highway Fund transfers to the Tolling Enterprise.

**Gaming Impacts:** This section contains appropriations for Gaming Impacts. Pursuant to Section 12-47.1-701, C.R.S., the Department may annually request funds from the 50 percent share of the Limited Gaming Fund year-end balance that is transferred to the General Fund, in order to partially pay for highway construction and maintenance in the vicinity of Colorado's gaming communities.

<b>Gaming Impacts</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Cash Funds Exempt</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2007-08 Appropriation</b>	\$14,292,757	\$0	\$14,292,757	\$0	\$0	0.0
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$14,292,757	\$0	\$14,292,757	\$0	\$0	0.0
<b><i>Recommended Changes from FY 2007-08 Adjusted Appropriation</i></b>						
Gaming Impacts	(4,165,483)	0	(4,165,483)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$10,127,274	\$0	\$10,127,274	\$0	\$0	0.0
\$ Change from prior year	(\$4,165,483)	\$0	(\$4,165,483)	\$0	\$0	0.0
% Change from prior year	(29.1)%	n/a	(29.1)%	n/a	n/a	n/a

### Issue Description

**Gaming Impacts:** The recommendation includes a decrease of \$4.1 million for gaming impacts-related highway construction and maintenance for FY 2008-09.

## Department of the Treasury

**Department Description:** The Department has the following duties: (1) acts as the State's banker and investment officer, providing investment, accounting, and cash management services and preparing related reports; (2) administers the Unclaimed Property Program and transmits moneys from the Unclaimed Property Trust Fund to CoverColorado; (3) disburses Senior Citizen and Disabled Veteran Property Tax Exemption payments to local governments; (4) provides short-term, interest-free financing to school districts by issuing tax and revenue anticipation notes and making loans from the General Fund; (5) assists charter schools with long-term financing by making direct bond payments; (6) transfers moneys to the Fire and Police Pension Association (FPPA) for local "old hire" pension plans; (7) distributes Highway Users Tax Fund (HUTF) revenues to counties and municipalities; and (8) distributes federal "mineral leasing funds" received for the State's share of sales, bonuses, royalties, and rentals of public lands within Colorado.

Summary Table for Department of the Treasury						
	Total Funds	General Fund/1,2	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$397,833,647	\$114,153,460	\$2,642,009	\$281,038,178	\$0	26.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	281,038,178	(281,038,178)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$397,833,647	\$114,153,460	\$283,680,187	\$0	\$0	26.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation by Long Bill Division</b>						
Administration	289,710	255,384	34,326	0	0	0.0
Unclaimed Property Program	77,076	0	77,076	0	0	3.5
Special Purpose	37,226,565	7,600,000	29,626,565	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$435,426,998	\$122,008,844	\$313,418,154	\$0	\$0	29.5
\$ Change from prior year	\$37,593,351	\$7,855,384	\$29,737,967	\$0	\$0	3.5
% Change from prior year	9.5%	6.9%	10.5%	n/a	n/a	13.5%

/1 Includes General Fund Exempt. See Division Detail for information on General Fund Exempt recommended appropriations.

/2 For FY 2008-09, includes \$120,977,172 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S. See Division Detail for more information concerning the statutory authority.

### Recommendation Highlights:

1. Reflects a \$30.4 million cash funds increase in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado.
2. Reflects a \$7.6 million General Fund<sup>1</sup> increase, compared to the FY 2007-08 appropriation, in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2008 due to the senior citizen and disabled property tax exemption.

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<sup>1</sup> This amount is not subject to the six percent statutory limit on General Fund appropriations.



3. Reflects a \$760,000 decrease in the projected disbursements of HUTF revenues to counties and municipalities.

### Budget Recommendation Detail by Long Bill Division

**Administration:** This office is responsible for the operation and oversight of the Department. The Division provides accounting, cash management, and investment services for the State.

Administration	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,637,942	\$776,288	\$861,654	\$0	\$0	16.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,637,942	\$776,288	\$861,654	\$0	\$0	16.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Cyber Security	69,339	69,339	0	0	0	0.0
FY 2008-09 salary and benefits adjustments	63,974	30,567	33,407	0	0	0.0
BondEdge software	47,188	47,188	0	0	0	0.0
Transparency initiative	46,575	46,575	0	0	0	0.0
Annualize salary and benefits adjustments	42,296	42,296	0	0	0	0.0
Operating adjustments	20,338	19,419	919	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,927,652	\$1,031,672	\$895,980	\$0	\$0	16.0
\$ Change from prior year	\$289,710	\$255,384	\$34,326	\$0	\$0	0.0
% Change from prior year	17.7%	32.9%	4.0%	n/a	n/a	0.0%

### Issue Descriptions

**Cyber Security:** The recommendation includes \$69,339 to improve the security of the Treasury's computer systems.

**FY 2008-09 salary and benefits adjustments:** The recommendation includes adjustments to centrally-appropriated line items for salary survey; performance-based pay awards; state contributions to health, life, and dental benefits; shift differential; and state contributions to the Public Employees' Retirement Association (PERA) pension fund. All salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration section in the year of the award and are incorporated into base funding for each division in the subsequent year.

**BondEdge software:** The recommendation includes \$47,188 to purchase BondEdge fixed income investment software.

**Transparency initiative:** The recommendation includes \$46,575 for the Treasurer's transparency initiative.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration section in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Operating adjustments:** The recommendation includes adjustments for common policies other than personal services, including increases for legal services, the purchase of services from the computer center, workers' compensation, short-term disability, and payment to risk management and property funds. These increases are partially offset by a small decrease in funding for Capitol complex leased space. The recommendation also includes a small increase for the Department's Bloomberg subscription.

**Unclaimed Property Program:** Pursuant to the Unclaimed Property Act, the State takes possession of dormant properties held by a wide range of institutions and attempts to return the properties to their rightful owners. The Department deposits recovered moneys in the Unclaimed Property Trust Fund, using the principal and interest to pay claims as well as the costs of operating the program. The remaining principal and interest help support the CoverColorado health insurance program. The Department holds recovered securities for at least a year and then sells those that have not been returned, depositing sales proceeds in the Unclaimed Property Tourism Promotion Trust Fund. The State uses the interest earned by this fund to promote tourism and the State Fair. The fund source for this section is the Unclaimed Property Trust Fund.

Unclaimed Property Program	Total Funds	General Fund	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$1,780,355	\$0	\$1,780,355	\$0	\$0	10.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>FY 2007-08 Adjusted Appropriation</b>	\$1,780,355	\$0	\$1,780,355	\$0	\$0	10.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Audit intern	43,915	0	43,915	0	0	1.0
Annualize salary and benefits adjustments	22,628	0	22,628	0	0	0.0
Administrative assistants	8,800	0	8,800	0	0	2.5
Leased space	1,733	0	1,733	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$1,857,431	\$0	\$1,857,431	\$0	\$0	13.5
\$ Change from prior year	\$77,076	\$0	\$77,076	\$0	\$0	3.5
% Change from prior year	4.3%	n/a	4.3%	n/a	n/a	35.0%

## Issue Descriptions

**Audit intern:** The recommendation includes \$43,915 and 1.0 FTE to hire a desk auditor.

**Annualize salary and benefits adjustments:** The recommendation includes increases for salary survey and performance-based pay that were awarded in FY 2007-08. Salary survey and performance-based pay increases are funded through centrally-appropriated line items in the Administration section in the year of the award and are incorporated into base funding for each division in the subsequent year.

**Administrative assistants:** The recommendation includes an increase of \$8,800 and 2.5 FTE to convert long-term temporary positions to permanent FTE.

**Leased space:** The recommendation reflects an increase for leased space.

**Special Purpose:** This section reflects various disbursements and transfers the Treasurer is required to make, including the following: (1) reimbursements to local governments for property taxes lost due to the senior citizen and disabled veteran property tax exemption; (2) transmittals from the Unclaimed Property Trust Fund to CoverColorado; (3) transfers to the Fire and Police Pension Association (FPPA) for "old hire" fire and police pension plans; and (4) allocations of Highway Users Tax Fund (HUTF) revenues to local governments. The General Fund and General Fund Exempt appropriations for the senior citizen and disabled veteran property tax exemption and FPPA are not subject to the six percent statutory limit on General Fund appropriations.

Special Purpose	Total Funds	General Fund/1,2	Cash Funds	Cash Funds Exempt	Federal Funds	FTE
<b>FY 2007-08 Appropriation</b>	\$394,415,350	\$113,377,172	\$0	\$281,038,178	\$0	0.0
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Change to appropriations format	0	0	281,038,178	(281,038,178)	0	0.0
<b>FY 2007-08 Adjusted Appropriation</b>	\$394,415,350	\$113,377,172	\$281,038,178	\$0	\$0	0.0
<b>Recommended Changes from FY 2007-08 Adjusted Appropriation</b>						
Transfer to CoverColorado	30,386,765		30,386,765	0	0	0.0
Property tax exemption	7,600,000	7,600,000	0	0	0	0.0
HUTF disbursements	(760,200)	0	(760,200)	0	0	0.0
<b>Total FY 2008-09 JBC Recommendation</b>	\$431,641,915	\$120,977,172	\$310,664,743	\$0	\$0	0.0
\$ Change from prior year	\$37,226,565	\$7,600,000	\$29,626,565	\$0	\$0	0.0
% Change from prior year	9.4%	6.7%	10.5%	n/a	n/a	n/a

/1 Includes General Fund Exempt.

/2 For FY 2008-09, includes \$120,977,172 that is exempt from the statutory limit on state General Fund appropriations pursuant to Section 24-75-201.1 (1) (a) (III) (A), C.R.S., including \$86,200,000 for the senior citizen and disabled veteran property tax exemption (enactment of Article X, Section 3.5 of the State Constitution constitutes voter approval of a weakening of the limitation) and \$34,774,141 for FPPA - Old Hire Plans (this amount, transferred pursuant to Section 31-30.5-307 (2), C.R.S., is not deemed to be an appropriation subject to the limitation).

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
<b>FY 2007-08 Appropriation</b>	<b>\$113,377,172</b>	<b>\$78,600,000</b>	<b>\$34,777,172</b>
Property tax exemption	7,600,000	7,600,000	0

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
Transfer to FPPA for old hire plans	0	0	0
<b>Total FY 2008-09 Long Bill Recommendation</b>	<b>\$120,977,172</b>	<b>\$86,200,000</b>	<b>\$34,777,172</b>

## General Fund Exempt

In November 2005, the Colorado voters passed Referendum C. Referendum C allows the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), C.R.S.). The above table shows the amount of General Fund Exempt that the Joint Budget Committee recommends be appropriated for FY 2007-08 and FY 2008-09 from the General Fund Exempt Account for purposes of funding retirement plans for firefighters and police officers pursuant to Sections 24-77-103.6 (2) and 24-77-104.5 (1) (a), C.R.S.

## Issue Descriptions

**Transfer to CoverColorado:** The recommendation reflects a \$30.4 million increase in the amount that is anticipated to be transferred from the Unclaimed Property Trust Fund to CoverColorado, *compared to the amount reflected in the FY 2007-08 Long Bill*. The recommended amount is based on projections of program costs as well as other sources of revenues available to CoverColorado.

**Property tax exemption:** The recommendation reflects a \$7.6 million increase, *compared to the FY 2007-08 Long Bill appropriation*, in payments to local governments to offset the local property tax revenues that will be foregone for tax year 2008 pursuant to Article X, Section 3.5, of the Colorado Constitution. [Please note that based on revised projections for FY 2007-08 (which are not reflected in the FY 2007-08 appropriation), the foregone property tax revenues are anticipated to increase from \$81.0 million in FY 2007-08 to \$86.2 million in FY 2008-09 (6.4 percent).]

**Highway Users Tax Fund (HUTF) disbursements:** The recommendation reflects a \$760,000 decrease in the projected disbursements of HUTF revenues to counties and municipalities, *compared to amounts reflected in the FY 2007-08 Long Bill*. [Please note that based on revised projections for FY 2007-08 (which are not reflected in FY 2007-08 appropriations), these disbursements are anticipated to decrease from \$266.1 million in FY 2007-08 to \$261.9 million in FY 2008-09 (1.6 percent).]

## CAPITAL CONSTRUCTION

<b>Appropriations for Capital Construction and Controlled Maintenance Projects</b> (Does not include appropriations and transfers to the Capital Construction Fund)					
	<b>Total Funds</b>	<b>Capital Construction Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>
<b>FY 2008-09 Total Appropriation:</b>	<b><u>\$840,090,066</u></b>	<b><u>\$182,985,313</u></b>	<b><u>\$608,374,386</u></b>	<b><u>\$0</u></b>	<b><u>\$48,730,367</u></b>
Corrections Expansion Reserve Fund	\$2,411,045	\$2,411,045	\$0	\$0	\$0
<b>H.B. 08-1375: FY 2008-09 Long Bill</b>	<b><u>\$837,679,021</u></b>	<b><u>\$180,574,268</u></b>	<b><u>\$608,374,386</u></b>	<b><u>\$0</u></b>	<b><u>\$48,730,367</u></b>
Agriculture	1,754,112	1,754,112	0	0	0
Corrections	17,314,101	13,719,901	3,594,200	0	0
Education	431,500	431,500	0	0	0
Higher Education	713,415,065	118,520,777	564,345,418	0	30,548,870
Human Services	10,958,549	10,683,549	0	0	275,000
Labor and Employment	3,040,018	0	3,040,018	0	0
Military and Veterans' Affairs	19,778,429	5,219,432	2,100,000	0	12,458,997
Natural Resources	39,645,250	0	34,197,750	0	5,447,500
Personnel and Administration	12,210,241	12,210,241	0	0	0
Public Health and Environment	250,000	0	250,000	0	0
Public Safety	1,217,719	1,217,719	0	0	0
Revenue	8,664,037	7,817,037	847,000	0	0
Transportation	9,000,000	9,000,000	0	0	0

### Recommendation Highlights:

The recommendation provides \$188.0 million for the state-funded projects recommended by the Capital Development Committee that are listed in the table on the next page. It also provides \$9.0 million for strategic transportation projects from General Fund Exempt authorized by Referendum C. The total for the state-funded projects does not match the total expenditures from the Capital Construction Fund because \$3,287,200 of the cost for the Department of Corrections, Fort Lyon Acquisition and Renovation is being financed with a balance in the Corrections Expansion Reserve Fund, and the \$13,142,688 for the Lease Purchase of Academic Facilities at Fitzsimons is being funded with a balance in the Fitzsimons Trust Fund.

State-funded Projects		Amount	Cumulative
<u>Projects Recommended by the Capital Development Committee</u>			
1	Fitzsimons Certificate of Participation	\$13,142,688	\$13,142,688
2	REV Colorado Integrated Tax Architecture Upgrade	7,817,037	20,959,725
3	Level I Controlled Maintenance	21,735,893	42,695,618
4	CU - Colorado Springs Science/Engineering Building	7,000,000	49,695,618
5	CSU Diagnostic Medicine Center	19,156,307	68,851,925
6	CU - Boulder Visual Arts Complex	7,070,000	75,921,925
7	Fort Lewis Berndt Hall Reconstruction Biology/Agriculture	15,699,453	91,621,378
8	PER Digital Trunked Radio Infrastructure Buildout	7,945,000	99,566,378
9	CSU Clark Building Revitalization	2,000,000	101,566,378
10	CU - Boulder Ekeley Sciences Middle Wing Renovation	11,559,536	113,125,914
11	CU - Boulder Ketchum Arts and Sciences Building	8,435,946	121,561,860
12	Mines Hall of Justice Demolition/Related Classroom Improvements	3,516,697	125,078,557
13	PUBSAF Alamosa Troop Office, Regional Communication Center	1,217,719	126,296,276
14	Hist Ute Indian Museum Gallery Expansion	2,098,598	128,394,874
15	HUM Colorado State Veterans Nursing Home at Florence, McCandless Renovations	2,163,000	130,557,874
16	Pueblo CC Academic Building - Learning Center Renovation	2,971,482	133,529,356
17	Mesa Saunders Fieldhouse Renovation and Addition	18,400,687	151,930,043
18	MIL Grand Junction Readiness Center	3,994,432	155,924,475
19	HUM Colorado Mental Health Institute at Fort Logan, F Cottage Air Conditioning	1,806,035	157,730,510
20	HUM Kipling Village Remodel	400,340	158,130,850
21	COR Colorado State Penitentiary, Equipment and Furnishings	2,000,000	160,130,850
22	UNC Butler Hancock Renovation and Addition	3,000,000	163,130,850
23	CSU -Pueblo Academic Resources Center Remodel	2,797,436	165,928,286
24	Mines Brown Hall Addition	2,000,000	167,928,286
25	HUM Colorado Mental Health Institutes, Suicide Risk Mitigation	3,284,215	171,212,501
26	Northwestern CC Craig Academic Building	1,990,056	173,202,557
27	COR Fort Lyon Acquisition and Renovation	10,449,694	183,652,251
28	Level II Controlled Maintenance (through score 12)	4,351,905	188,004,156
<u>General Fund Exempt - Referendum C</u>			
Strategic Transportation Projects		9,000,000	197,004,156

In addition to providing appropriations for projects requiring state funds, the recommendation accounts for \$2.4 million in statutorily authorized appropriations to the Corrections Expansion Reserve Fund. Also, the recommendation provides spending authority for various cash and federally funded projects, primarily at the higher education institutions and the Department of Natural Resources.

Finally, the recommendation includes a \$6,183,659 General Fund appropriation to the Controlled Maintenance Trust Fund in FY 2008-09. Interest earnings on the Controlled Maintenance Trust Fund may be used to support controlled maintenance projects.

The following table details the sources of revenue to the Capital Construction Fund that support the recommended appropriations:

Summary of Revenue to the Capital Construction Fund Available for Appropriation		
Revenue Source	FY 2007-08	FY 2008-09
<b><u>Funds from Prior Years</u></b>		
Carry-forward	\$69,887,799	\$52,542,921
1/3 of the General Fund in excess of the 4.0 percent statutory reserve		
FY 2005-06 excess reserve identified in S.B. 07-239	145,600,000	n/a
FY 2006-07 excess reserve identified in H.B. 08-1375	n/a	83,091,000
Fund balance from reversions, accounting adjustments, etc. appropriated in Long Bill	226,000	4,372,000
Interest appropriated in Long Bill	9,900,000	20,827,947
<b>Subtotal - Funds from Prior Years</b>	<b>\$225,613,799</b>	<b>\$160,833,868</b>
<b><u>General Fund Appropriations Subject to the Six Percent Limit</u></b>		
H.B. 08-1375	\$6,642,921	\$0
<b><u>General Fund Transfers Exempt from the Six Percent Limit</u></b>		
5-year Sentencing Bills (see detail at the end of this section)	\$3,001,672	\$2,411,045
<i>Other Transfers:</i>		
H.B. 06-1373	22,885,386	0
S.B. 07-240 <sup>1</sup>	20,000,000	0
H.B. 08-1333	1,921,746	0
JBC Proposed Transfer Bill <sup>2</sup>	<u>45,900,000</u>	<u>20,000,000</u>
<b>Subtotal - General Fund Transfers Exempt from the Six Percent Limit</b>	<b>\$93,708,804</b>	<b>\$22,411,045</b>
<b>Total Revenue to the Capital Construction Fund Available for Appropriation</b>	<b>\$325,965,524</b>	<b>\$183,244,913</b>
Total appropriations from the Capital Construction Fund	<u>(273,422,603)</u>	<u>(182,985,313)</u>
Carry-forward	52,542,921	259,600

<sup>1</sup> Includes \$20,000,000 General Fund Exempt in FY 2007-08.

<sup>2</sup> Includes \$9,000,000 General Fund Exempt in FY 2008-09.

General Fund Summary	Total General Fund	General Fund	General Fund Exempt
<b>FY 2007-08 Appropriations &amp; Transfers</b>	\$47,808,804	\$27,808,804	\$20,000,000
H.B. 08-1375: Appropriation in Long Bill	6,642,921	6,642,921	0
JBC Proposed Transfer Bill	<u>45,900,000</u>	<u>45,900,000</u>	<u>0</u>
<b>FY 2007-08 Adjusted Appropriations &amp; Transfers</b>	<b>\$100,351,725</b>	<b>\$80,351,725</b>	<b>\$20,000,000</b>
Statutory Transfers to Corrections Expansion Reserve Fund	\$2,411,045	\$2,411,045	\$0
JBC Proposed Transfer Bill	<u>20,000,000</u>	<u>11,000,000</u>	<u>9,000,000</u>
<b>Total FY 2008-09 Long Bill Recommendation</b>	<b>\$22,411,045</b>	<b>\$13,411,045</b>	<b>\$9,000,000</b>

## General Fund Exempt

In November 2005, the Colorado voters passed Referendum C. Referendum C allowed the State to retain all revenue that is collected above the TABOR limit for FY 2005-06 through FY 2009-10. This revenue must be placed in a General Fund Exempt Account (see Section 24-77-103.6 (2), Colorado Revised Statutes). The above table shows the amounts of General Fund Exempt that the Joint Budget Committee recommends be appropriated and transferred from the General Fund Exempt Account for strategic transportation projects pursuant to Sections 24-77-103.6 (2) (d), Colorado Revised Statutes.

Detail of Statutory Transfers Pursuant to 5-year Sentencing Bills		
	FY 2006-07	FY 2007-08
H.B. 03-1004	\$416,802	\$0
H.B. 03-1317	55,574	0
H.B. 04-1021	13,893	69,467
S.B. 06-206	209,266	392,373
S.B. 06-207	209,266	392,373
H.B. 06-1011	523,164	523,164
H.B. 06-1045	0	26,158
H.B. 06-1151	69,755	0
H.B. 06-1326	610,358	462,128
S.B. 06S-004	0	69,755
S.B. 06S-005	17,439	0
S.B. 07-96	375,495	325,429
H.B. 07-1326	500,660	150,198
TOTAL	\$3,001,672	\$2,411,045



## **APPENDIX A**

Historically, Long Bill footnotes contained the General Assembly's intent for an appropriation or a condition or limitation on an appropriation; explanations of any assumptions used in determining a specific amount of an appropriation; and requests for information. Pursuant to HB08-1321, the Long Bill will no longer contain requests for information.

The included draft letters are the 2008 Requests for Information that the Joint Budget Committee proposes to send to the Executive and Judicial Branches, the Attorney General, the Secretary of State and the State Treasurer. The Joint Budget Committee has included these as an appendix to the Long Bill Narrative so that members of the General Assembly have an opportunity to review them.

# STATE OF COLORADO

## REPRESENTATIVES

Bernie Buescher, Chairman  
Jack Pommer  
Al White

## SENATORS

Moe Keller, Vice-Chairman  
John Morse  
Steve Johnson



## STAFF DIRECTOR

John Ziegler

## JOINT BUDGET COMMITTEE

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LEGISLATIVE SERVICES BUILDING  
Denver, CO 80203  
Telephone 303-866-2061  
[www.state.co.us/gov\\_dir/leg\\_dir/jbc/jbchome.htm](http://www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

**Draft**

April 14, 2008

Bill Ritter, Governor  
136 State Capitol  
Denver, CO 80203-1792

Dear Governor Ritter,

The General Assembly recently passed the FY 2008-09 Long Bill. Historically, the Long Bill footnotes contained the General Assembly's intent for an appropriation or a condition or limitation on an appropriation; explanations of any assumptions used in determining a specific amount of an appropriation; and requests for information. However, given the provisions of House Bill 08-1321, the Long Bill will no longer contain requests for information.

In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the Department will comply with these requests to the fullest extent possible.

Sincerely,

Representative Bernie Buescher  
Chairman

cc:  
Executive Agency Directors  
Todd Saliman, Office of State Planning and Budgeting  
John Ziegler, Joint Budget Committee

## **Legislative Requests for Information from the Executive Branch, FY 2008-09**

### **REQUESTS AFFECTING MULTIPLE DEPARTMENTS**

1. **All Departments, Totals** - Every department is requested to submit to the Joint Budget Committee information on the number of additional federal and cash funds FTE associated with any federal grants or private donations that are applied for or received during FY 2008-09. The information should include the number of FTE, the associated costs (such as workers' compensation, health and life benefits, need for additional space, etc.) that are related to the additional FTE, the direct and indirect matching requirements associated with the federal grant or donated funds, the duration of the grant, and a brief description of the program and its goals and objectives.
2. **Department of Education, Assistance to Public Schools, Categorical Programs; and Department of Higher Education, Division of Occupational Education, Colorado Vocational Act Distributions pursuant to Section 23-8-102, C.R.S.** -- The Department of Education is requested to work with the Department of Higher Education and to provide to the Joint Budget Committee information concerning the distribution of state funds available for each categorical program, excluding grant programs. The information for special education - children with disabilities, English language proficiency programs, public school transportation, Colorado Vocational Act distributions, and small attendance center aid is requested to include the following: (a) a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2007-08 and the maximum allowable distribution pursuant to state law and/or State Board of Education rule; and (b) a comparison of the state and federal funding distributed to each district or administrative unit for each program in fiscal year 2006-07 and actual district expenditures for each program. The information for special education services - gifted and talented children is requested to include a comparison of the state funding distributed to each district or administrative unit for each program in fiscal year 2006-07 and actual district expenditures.
3. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Local Affairs, Division of Emergency Management, Disaster Response and Recovery** -- The Division of Emergency Management is requested to work with the Office of State Planning and Budgeting and provide a report to the Joint Budget Committee by November 1, 2008, concerning revenues credited to and expenditures made from the Disaster Emergency Fund in FY 2007-08. The report is requested to include the following: (a) amounts authorized to be transferred to the Disaster Emergency Fund, by Executive Order and fund source; (b) amounts actually transferred to the Fund, by date and fund source; and (c) actual expenditures from the Fund, by date and declared disaster emergency.
4. **Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting; and Department of Personnel and Administration, Human Resource Services** -- The Department shall comply with the statutory provisions of Section 24-50-110 (1)(d), C.R.S., and is requested to provide other state departments with the

information necessary to comply with this statute. The Office of State Planning and Budgeting and the Department of Personnel are requested to work with the departments to improve the timeliness and accuracy of information about state personnel. Improvements, at a minimum, should include: updating personnel information on a centralized computerized data base; accurate reporting of filled FTE positions; number of reclassifications that are approved, turnover rates by agency; tracking of FTE positions funded to FTE positions filled; an accurate count of part-time and temporary FTE positions; and elimination of unused FTE positions. The Department and the Office of State Planning and Budgeting are requested to submit a consolidated statewide personnel report to the General Assembly by September 1, 2008. This report should include, by line item and Department, a summary of vacant positions, the length of time each position has been vacant, and the number of reclassifications that were approved in FY 2007-08. In addition, the report should include a reconciliation between personal services appropriations and actual expenditures for FTE, state temporaries, sick/annual leave payout, and other personal services by division.

5. **Department of Corrections, Totals; Department of Human Services, Mental Health and Alcohol and Drug Abuse Services, Alcohol and Drug Abuse Division, and Division of Youth Corrections; Department of Public Safety, Division of Criminal Justice** -- It is the intent of the Joint Budget Committee that the impacts of the Governor's Recidivism Reduction and Offender Diversion Package funded by the General Assembly in 2007, be analyzed using contract funding appropriated for this purpose to the Department of Public Safety, Division of Criminal Justice. The evaluation should specifically address: the Short-term Intensive Residential Remediation Treatment Program (STIRRT) in the Department of Human Services, Diversion Community Corrections Beds in the Department of Public Safety, Mental Health Beds in the Department of Public Safety, and any new programs or services created or implemented through additional budgetary flexibility provided to the Division of Youth Corrections in the Department of Human Services. It is the intent of the General Assembly that the contractor compare the outcomes for offenders who participate in these programs with outcomes for offenders in predetermined control groups. The Department of Public Safety, Division of Criminal Justice, in conjunction with other state departments, is requested to submit an annual progress report to the Joint Budget Committee by November 1 of each year. This report is requested to include a summary of the number of offenders served by each program and a summary of the program evaluation techniques that will be used to examine the effectiveness of each program. The Department of Public Safety, Division of Criminal Justice, is requested to submit a final report to the Joint Budget Committee on or before November 1, 2012. The final report should specifically address whether any of the interventions funded were cost-effective and, based on this, recommendations for continuation, modification or elimination of each program.

6. **Department of Health Care Policy and Financing, Executive Director's Office; and Department of Human Services, Services for People with Disabilities** – The Departments are requested to develop a plan with respect to how the State will limit any inappropriate proliferation of intermediate care facilities for the mentally retarded (ICFs/MR) in the community and how it will manage any growth in the number of such facilities to ensure that state and federal funding for persons with developmental disabilities is used efficiently. The Departments are requested to submit such a plan, including any recommendations for statutory changes, by October 1, 2008.

#### **DEPARTMENT OF CORRECTIONS**

7. **Department of Corrections, Management, External Capacity Subprogram, Payments to House State Prisoners --** The Department of Corrections is requested to require private prison providers to break-out their respective operating expenses and capital construction costs in the invoices that they submit to the Department for housing Colorado inmates. The Department of Corrections is further requested to submit a report to the Joint Budget Committee by November 1, 2008, summarizing this information for each of the private prison providers reimbursed from the External Capacity Subprogram.
8. **Department of Corrections, Institutions, Youthful Offender System Subprogram --** The Department of Corrections is requested to submit a report to the Joint Budget Committee by November 1, 2008, justifying the ongoing need for the Youthful Offender System. The report is requested to summarize the cost effectiveness of the program, including the cost per offender, taking into consideration drop-out rates and recidivism rates for the program.
9. **Department of Corrections, Community Services, Community Supervision Subprogram, Community Supervision, Psychotropic Medication --** The Department is requested to submit a report to the Joint Budget Committee on or before February 1, 2009, summarizing the outcomes of offenders who were provided psychotropic medication from this line item. The report is requested to include the number of mentally ill offenders who receive medication from this line item, the regression rate of the offenders, and the number of offenders who commit new crimes. The report is requested to compare these outcomes with the population of mentally ill offenders in community corrections programs in FY 2005-06.
10. **Department of Corrections, Management, External Capacity Subprogram; and Community Services --** The Department of Corrections is requested to submit a report to the Joint Budget Committee on or before November 1, 2008, summarizing transfers that were made from this subprogram pursuant to the flexibility authorized by footnote.
11. **Department of Corrections, Executive Director's Office, External Capacity Subprogram, Payments to House State Prisoners --** The Department is requested to provide a report to the Joint Budget Committee on or before November 1, 2008, summarizing transfers that were made from this line item pursuant to the flexibility authorized by footnote.

12. **Capital Construction, Department of Corrections, Capital Construction, Correctional Industries, Minor Construction Projects** -- The Department of Corrections is requested to submit an annual report to the Capital Development and Joint Budget Committees detailing expenditures made from this appropriation.

**DEPARTMENT OF EDUCATION**

13. **Department of Education, Management and Administration, State Charter School Institute, Department Implementation of Section 22-30.5-501 *et seq.*, C.R.S.** - The Department is requested to submit a report to the Joint Budget Committee by July 1, 2008, concerning the method used to calculate the costs and additional Department staff required to implement Section 22-30.5-501 *et seq.*, C.R.S. The Department is also requested to make a recommendation as to whether the 2009 Long Bill should continue to include a separate line item appropriation for this purpose, or whether the costs and associated FTE should be reflected in the other relevant line items.
14. **Department of Education, Assistance to Public Schools, Public School Finance, State Share of Districts' Total Program Funding** -- The Department is requested to provide to the Joint Budget Committee, on or before November 1, 2008, information concerning the Colorado Preschool and Kindergarten Program. The information provided is requested to include the following for fiscal year 2007-08: (a) data reflecting the ratio of the total funded pupil count for the Program to the total funded pupil count for kindergarten; (b) data indicating the number of three-year-old children who participated in the Program; (c) data indicating the number of children who participated in the Program for a full-day rather than a half-day; (d) data indicating the number of Program FTE used to provide a full-day kindergarten component; and (e) the state and local shares of total program funding that is attributable to the Program.
15. **Department of Education, Assistance to Public Schools, Grant Programs and Other Distributions** -- The Department is requested to provide information to the Joint Budget Committee by November 1, 2008, concerning the allocation of funding to eligible boards of cooperative services (BOCES) pursuant to Section 22-2-122 (3), C.R.S. Specifically, the Department is requested to detail the sources of funds and the allocations made to each BOCES in fiscal year 2007-08.

**GOVERNOR - LIEUTENANT GOVERNOR - STATE PLANNING AND BUDGETING**

- 16. Governor - Lieutenant Governor - State Planning and Budgeting, Governor's Energy Office --** Senate Bill 07-246 requires a post-enactment review be conducted to determine the Department's efficacy in implementing the desired result and benefit of the act to advance energy efficiency and renewable energy throughout the state . The Department is requested to submit a report by September 1, 2008 to the Joint Budget Committee on the status of the Department's efficacy in implementing the desired result and benefit of the provisions of S.B. 07-246. At a minimum, the report should include a narrative overview of the programs implemented with descriptions of each and should itemize how the moneys appropriated have been applied, by program, by year, to advance energy efficiency and renewable energy throughout the state.
- 17. Governor - Lieutenant Governor - State Planning and Budgeting, Office of State Planning and Budgeting --** The Department is requested to submit a report related to the Government Efficiency Management (GEM) Study by July 1, 2008 to the Joint Budget Committee. At a minimum, the report should be provided electronically and should include a narrative overview explaining how the moneys appropriated have been applied to harness greater governmental efficiency and cost-avoidance. The report should itemize how the moneys appropriated have been implemented, by fiscal year, by applicable department or departments if there are multiple-agency initiatives, to identify ways to improve customer service, eliminate unnecessary or redundant services, and implement innovative ways to deliver essential services. The report should also include all budget change requests submitted to the General Assembly related to the GEM Study and aggregated into a single spreadsheet, by fiscal year, by Department, by fund source, including FTE.
- 18. Governor - Lieutenant Governor - State Planning and Budgeting, Economic Development Programs, Bioscience Discovery Evaluation Program --** The Department is requested to submit a report by September 1, 2008 to the Joint Budget Committee. At a minimum, the report shall specify the following information with regard to the bioscience research projects that received funding under the program during the preceding calendar year: (1) the amount of funding distributed to each bioscience research project and a description of each bioscience research project; (2) the manner in which each bioscience research project applied the funding received under the program; and (3) the results achieved by each bioscience research project, including identifiable monetary returns to the grantee and others since the receipt of the grant.

## **DEPARTMENT OF HEALTH CARE POLICY AND FINANCING**

19. **Department of Health Care Policy and Financing, Executive Director's Office** -- The Department is requested to submit monthly Medicaid expenditure and caseload reports on the Medical Services Premiums and mental health capitation line items to the Joint Budget Committee, by the fifteenth or first business day following the fifteenth of each month. The Department is requested to include in the report the managed care organization caseload by aid category. The Department is also requested to provide caseload and expenditure data for the Children's Basic Health Plan within the monthly report.
20. **Department of Health Care Policy and Financing, Medical Services Premiums** -- The Department is requested to submit a report on the managed care organizations' capitation rates for each population and the estimated blended rate for each aid category in effect for FY 2008-09 to the Joint Budget Committee by July 25, 2008. The Department is requested to include in the report a copy of each managed care organization's certification that the reimbursement rates are sufficient to assure the financial stability of the managed care organization with respect to delivery of services to the Medicaid recipients covered in their contract pursuant to Section 25.5-5-403 (1) (l), C.R.S.
21. **Department of Health Care Policy and Financing, Medical Services Premiums** -- The Department is requested to provide a report to the Joint Budget Committee by August 1, 2008 on the status of the rules adopted by the Medical Services Board regarding all changes to reimbursement rates that have been enacted for FY 2008-09.
22. **Department of Health Care Policy and Financing, Medical Services Premiums**-- The Department is requested to submit a report to the Joint Budget Committee on January 2, 2009 regarding potential savings to the Medical Services Premiums line item based on implementing the Deficit Reduction Act of 2005 average manufacture price upper payment limits for pharmacy reimbursement.
23. **Department of Health Care Policy and Financing, Indigent Care Program, Safety Net Provider Payments** -- The Department is requested to submit a report by February 1, 2009, to the Joint Budget Committee, estimating the disbursement to each hospital from the Safety Net Provider Payment line item for FY 2007-08.
24. **Department of Health Care Policy and Financing, Other Medical Services, S.B. 97-101 Public School Health Services** -- The Department is requested to submit a report by November 1 of each year to the Joint Budget Committee on the services that receive reimbursement from the federal government under S.B. 97-101 public school health service program. The report should include information on the type of services, how those services meet the definition of medical necessity, and the total amount of federal dollars that was distributed to each school under the program. The report should also include information on how many children were served by the program.
25. **Department of Health Care Policy and Financing, Medical Services Premiums** -- The Department is requested to submit a report to the Joint Budget Committee by February 15,



2009 regarding the implementation of the Medical Home program. The Department is requested to report how many children have been assigned to a Medical Home, the number of providers participating in the program, and an estimate of the costs for the incentive payments.

26. **Department of Health Care Policy and Financing, Medicaid Mental Health Community Programs, Mental Health Capitation Payments** -- The Department is requested to provide recommendations to the Joint Budget Committee by November 1, 2008 on whether greater budget accuracy would be achieved if caseload and capitation payments were estimated and tracked for each Regional Behavioral Center. In developing their recommendations, the Department will note any additional administrative costs associated with changing systems to track caseload data in this manner and to compile and report on the data.
27. **Department of Health Care Policy and Financing, Medicaid Mental Health Community Programs** -- The Department is requested to report in their annual budget submission the amount of expenditures for each year for anti-psychotic pharmaceuticals.
28. **Department of Health Care Policy and Financing, Other Medical Services, Public School Health Services** -- The Department is requested to report to the Joint Budget Committee on November 1, 2008 regarding the impact that the Centers of Medicare and Medicaid Services rule 2287-F has had on the ability to claim federal reimbursement for Medicaid services provided by school districts.
29. **Department of Health Care Policy and Financing, Other Medical Services, Colorado Cares Rx Program Contract Costs** -- The Department is requested to submit a report to the Joint Budget Committee on November 1, 2008 providing information on the number of clients that have signed up for this program. The report should also contain updated expenditures for the program and revenue estimates for the Colorado Cares Rx Program Fund.

#### **DEPARTMENT OF HIGHER EDUCATION**

30. **Department of Higher Education, Colorado Commission on Higher Education, Administration** -- The Department should continue its efforts to provide data on the efficiency and effectiveness of state financial aid in expanding access to higher education for Colorado residents. The Department is requested to provide to the Joint Budget Committee by November 1 of each year an evaluation of financial aid programs, which should include, but not be limited to: 1) an estimate of the amount of federal, institutional, and private resources (including tax credits) devoted to financial aid; 2) the number of recipients from all sources; 3) information on typical awards; and 4) the typical debt loads of graduates. To the extent possible, the Department should differentiate the data based on available information about the demographic characteristics of the recipients. To the extent that this information is not currently available, the Department is requested to provide a reasonable estimate, or identify the additional costs that would be associated with collecting the data.

31. **Department of Higher Education, Colorado Commission on Higher Education, Administration** -- The Department is requested to submit a report to the Joint Budget Committee by November 1 each year documenting the base level of institutional financial aid at each institution and demonstrating that at least 20 percent of any increase in undergraduate resident tuition revenues in excess of inflation is being devoted to need-based financial assistance pursuant to Section 23-18-202 (3) (c), C.R.S.
32. **Department of Higher Education, Colorado Commission on Higher Education, Administration** -- The Department is requested to submit a report to the House and Senate Education Committees and the Joint Budget Committee by November 1, 2008, analyzing the impact of need based financial aid programs on the recruitment, retention, and academic performance of under-served students, and making recommendations for improvement.

#### **DEPARTMENT OF HUMAN SERVICES**

33. **Department of Human Services, Executive Director's Office, General Administration, Injury Prevention Program** -- The Department is requested to provide information regarding the cost-effectiveness of this program. Such information should include: Actual and planned annual expenditures for this line item, by program; the actual number of workers' compensation claims filed, by type of injury and by program; and the related costs associated with workers' compensation claims filed, by type of injury and by program. This information should be provided to the Joint Budget Committee annually on or before October 15.
34. **Department of Human Services, Office of Information Technology Services, Colorado Benefits Management System (CBMS)** -- The Department is requested submit a summary of change request activity related to the Colorado Benefits Management System to the Joint Budget Committee on or before November 1, 2008. This summary should include the number of requests completed, the number in progress, and the number that have been submitted but not yet started. Change requests requiring the expenditure of more than fifty thousand dollars (\$50,000) should be described in detail.
35. **Department of Human Services, Office of Operations; Department Totals** -- The Department is requested to examine its cost allocation methodology and report its findings to demonstrate that all state-wide and departmental indirect costs are appropriately collected and applied. The Department is requested to submit a report to the Joint Budget Committee on or before November 15, 2008, that should include: (1) Prior year actual indirect costs allocated by division and corresponding earned revenues by type (cash, reappropriated, and federal); (2) the amount of such indirect costs applied within each division and to Department administration line items in the Executive Director's Office, Office of Operations, and Office of Information Technology Services; (3) a comparison between indirect amounts applied and the amounts budgeted in the Long Bill; and (4) a schedule identifying areas in which collections could potentially be increased and a description of the obstacles to such increases where the discrepancy between the potential and actual collections is \$50,000 or more.

36. **Department of Human Services, Division of Child Welfare and Totals** – The Department is requested to provide a report to the Joint Budget Committee by October 1 of each fiscal year concerning the amount of federal revenues earned by the State for the previous fiscal year, pursuant to Title IV-E of the Social Security Act, as amended; the amount of money that was expended for the previous state fiscal year, including information concerning the purposes of the expenditures; and the amount of money that was credited to the Excess Federal Title IV-E Reimbursements Cash Fund created in Section 26-1-111(2) (d) (II) (C), C.R.S.
37. **Department of Human Services, Division of Child Welfare** -- The Department is requested to provide to the Joint Budget Committee, by November 1, 2008, information concerning the gross amount of payments to child welfare service providers, including amounts that were paid using revenues other than county, state, or federal tax revenues. The Department is requested to identify amounts, by source, for the last two actual fiscal years.
38. **Department of Human Services, Division of Child Welfare, Child Welfare Services** -- The Department is requested to provide to the Joint Budget Committee, by November 1, 2008, information concerning actual expenditures for the last two fiscal years for services that are now funded through this consolidated line item. Such data should include the following: (a) Program services expenditures and the average cost per open involvement per year; (b) out-of-home placement care expenditures and the average cost per child per day; and (c) subsidized adoption expenditures and the average payment per child per day.
39. **Department of Human Services, Division of Child Care, Child Care Assistance Program** -- The Department is requested to submit a report to the Joint Budget Committee by October 1, 2008 concerning the Child Care Assistance Program. The report is requested to address whether the Department, after consultation with counties and other interested parties, would recommend that eligibility for this program and/or provider reimbursement rates be set by the State. This recommendation could include eligibility/reimbursement rates that vary by region (metro, rural, mountain resort), even if they were set by the state. The Department is requested to include in the report: (1) an analysis of the programmatic and fiscal implications of such a change on program participants, providers, counties and state government; (2) how any recommended changes might be phased-in; and (3) what statutory modifications would be required. The report is requested to take into account the results of the State Auditor's Office audit of the Child Care Assistance Program required pursuant to H.B. 07-1062.
40. **Department of Human Services, Services for People with Disabilities, Community Services for People with Developmental Disabilities, Program Costs** -- The Department is requested to provide a report to the Joint Budget Committee by October 1, 2008, concerning its plans for distributing this funding for new caseload and for ensuring that new placements are brought on-line as quickly as possible. It is the intent of the Joint Budget Committee that, in distributing funding to expand caseload, the Department take into consideration, among other factors, the need to reduce regional inequities in the numbers of persons served per capita of the general population.

41. **Department of Human Services, Services for People with Disabilities, Regional Centers for People with Developmental Disabilities** -- The Department is requested to submit a proposal by November 1, 2008, concerning any plans for conversion of Grand Junction Regional Center and Pueblo Regional Center to an ICF/MR billing structure.
42. **Department of Human Services, Services for People with Disabilities, Division of Vocational Rehabilitation, Rehabilitation Programs -- Local Funds Match** -- The Department is requested to provide a report to the Joint Budget Committee, by November 1 of each year, that details deferred cash and reappropriated funds on its books as of the close of the preceding fiscal year.
43. **Department of Human Services, Division of Youth Corrections, Administration** -- The Division is requested to continue its efforts to provide outcome data on the effectiveness of its programs. The Division is requested to provide to the Joint Budget Committee, by January 1 of each year, an evaluation of Division placements, community placements, and nonresidential placements. The evaluation should include, but not be limited to, the number of juveniles served, length of stay, and recidivism data per placement.
44. **Department of Human Services, Division of Youth Corrections, Administration** -- The Department is requested to provide a report to the Joint Budget Committee on January 1, 2009 that tracks and compares recidivism rates between those juveniles receiving drug and alcohol treatment and those not receiving treatment, while sentenced to commitment.
45. **Department of Human Services, Division of Youth Corrections, Community Programs, Purchase of Contract Placements** -- The Division is requested to provide a report to the Joint Budget Committee on November 1, 2008. This report should include the following information: (1) the amount spent serving youths in residential and non-residential settings from this line item in FY 2007-08; (2) the type of services purchased with such expenditures; (3) the number of committed and detained youths treated with such expenditures; (4) baseline data that will serve to measure the effectiveness of such expenditures; and (5) an evaluation of the effectiveness of this footnote in addressing the need for flexibility in treating and transitioning youth from residential to non-residential settings.
46. **Department of Human Services, Division of Youth Corrections, Community Programs, S.B. 91-94 Programs** -- The Department is requested to submit to the Joint Budget Committee no later than November 1 of each year a report that includes the following information by judicial district and for the state as a whole: (1) comparisons of trends in detention and commitment incarceration rates; (2) profiles of youth served by S.B. 91-94; (3) progress in achieving the performance goals established by each judicial district; (4) the level of local funding for alternatives to detention; and (5) identification and discussion of potential policy issues with the types of youth incarcerated, length of stay, and available alternatives to incarceration.
47. **Department of Human Services, Totals** -- The Department is requested to submit annually, on or before November 1, a report to the Joint Budget Committee concerning the amount of federal Temporary Assistance for Needy Families (TANF) funds available in the Long-term

Works Reserve Fund. The requested report should include the following: (a) the amount of TANF funds expended, by Long Bill line item, for FY 2007-08, and the amount of TANF funds requested, by Long Bill line item, for FY 2008-09; (b) the amount of federal TANF funds transferred by each individual county, for FY 2007-08, including details regarding the program area to which each county transferred such funds; (c) the amount of any prior year appropriations of federal TANF funds that have been rolled forward to the current state fiscal year; (d) estimated expenditures of federal TANF funds for the current year and immediately following state fiscal year; (e) the total amount of TANF funds available to Colorado for state fiscal years FY 2007-08, FY 2008-09, and FY 2009-10, including funds rolled forward from previous state fiscal years; (f) the amount of federal TANF funds that remain available in each county's Works Program Reserve Account as of July 1 of the current state fiscal year; (g) a demonstration that the total amount of federal TANF funds requested in its annual budget request for state fiscal year 2009-10 does not exceed an amount anticipated to be available to the State; (h) a demonstration that the information provided in the report is consistent with related financial information reported to the federal government; and (i) an accounting of the total allocation of TANF funds to each county for FY 2007-08.

- 48. Department of Human Services, Totals** -- The Department is requested to submit annually, on or before November 1, a report to the Joint Budget Committee concerning federal Child Care Development Funds. The requested report should include the following information related to these funds for state fiscal years 2007-08, 2008-09, 2009-10 (the actual, estimate, and request years): (a) the total amount of federal funds available, and anticipated to be available, to Colorado, including funds rolled forward from previous state fiscal years; (b) the amount of federal funds expended, estimated, or requested to be expended for these years by Long Bill line item; (c) the amount of funds expended, estimated, or requested to be expended for these years, by Long Bill line item where applicable, to be reported to the federal government as either maintenance of effort or matching funds associated with the expenditure of federal funds; and (d) the amount of funds expended, estimated, or requested to be expended for these years that are to be used to meet the four percent federal requirement related to quality activities and the federal requirement related to targeted funds.

#### **DEPARTMENT OF LABOR AND EMPLOYMENT**

- 49. Department of Labor and Employment, Division of Employment and Training** – The Department is requested to submit to the Joint Budget Committee, on or before November 1, 2008, a summary of the status of the Internet Self-Service project for the Unemployment Insurance Program. This summary should identify the applications to be added, the order in which the Department proposes to add them, and the estimated costs for each of the individual applications.

## **DEPARTMENT OF NATURAL RESOURCES**

- 50. Department of Natural Resources, Oil and Gas Conservation Commission, Emergency Response --** The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
- 51. Department of Natural Resources, Oil and Gas Conservation Commission, Special Environmental Protection and Mitigation Studies --** The Oil and Gas Conservation Commission is requested to include in its annual budget request a report detailing all expenditures made in the previous year from this line item.
- 52. Capital Construction, Department of Natural Resources, Division of Wildlife --** It is the intent of the Joint Budget Committee that the Division better inform members of the General Assembly regarding the purchase of property and easements. As soon as the Division starts to consider a property acquisition or easement in a given county, the Division is directed to contact all members of the General Assembly who represent any portion of the county where the proposed acquisition or easement is to occur. Such notification shall include the specific location of the property or easement to be acquired, the mechanism for funding the proposal and the justification for seeking the acquisition or easement.
- 53. Capital Construction, Department of Natural Resources, Division of Wildlife --** It is the intent of the Joint Budget Committee that the Division better inform members of the General Assembly regarding the purchase of property and easements. As soon as the Division starts to consider a property acquisition or easement in a given county, the Division is directed to contact all members of the General Assembly who represent any portion of the county where the proposed acquisition or easement is to occur. Such notification shall include the specific location of the property or easement to be acquired, the mechanism for funding the proposal and the justification for seeking the acquisition or easement.

## **DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT**

- 54. Department of Public Health and Environment, Air Quality Control Division --** The Department is requested to submit a report on the Air Quality Control Division. This report is requested to include a summary of the Division's current and anticipated workload, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2008.

55. **Department of Public Health and Environment, Water Quality Control Division** -- The Department is requested to submit a report on the Water Quality Control Division. This report is requested to include a summary of the Division's current and anticipated workload, including the impact of existing and proposed federal and state program requirements, as well as the associated funding and staffing needs. This report is requested to include information on the upcoming fiscal year and out-years. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2008.
56. **Department of Public Health and Environment, Hazardous Materials and Waste Management Division, Contaminated Site Cleanups** -- The Department is requested to submit a report on its CERCLA program. This report is requested to include detailed expenditures for the program, including out-year estimates by project and associated project financing. The report should also include an analysis of long-term funding needs of the State in responding to, litigating, and cleaning up CERCLA sites, including estimated long-term maintenance costs for these sites. The report should also provide information on the Hazardous Substance Response Fund balance and out-year fiscal estimates. The Department is requested to submit this report to the Joint Budget Committee by November 1, 2008.
57. **Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Special Purpose Disease Control Programs, Immunization** -- The Department is requested to submit a report to the Joint Budget Committee by November 1, 2008, detailing how immunization promotion funding was spent during FY 2007-08. The report should include the following information: (1) the location, number of children vaccinated, and total grant amount for each immunization outreach clinic funded; and (2) the expenditures for and major purchases of the media campaign.
58. **Department of Public Health and Environment, Disease Control and Environmental Epidemiology Division, Special Purpose Disease Control Programs, Ryan White Act** -- The Department is requested to report annually to the Joint Budget Committee with regard to the AIDS drug assistance program. The report should be submitted on or before October 20, 2008. The report should include, but not be limited to: (1) the total and average monthly number of clients served, with a description of the demographic profile of the client population; (2) the total and average monthly costs to provide pharmaceutical products to those clients; (3) a listing of the pharmaceuticals on the formulary, the manufacturer of each product, and the respective average price for a month's supply of each product; and (4) the total amount of available funds, including state General Fund support, federal Title I and Title II support; and any other source as appropriate.
59. **Department of Public Health and Environment, Prevention Services Division, Prevention Partnerships, Tony Gramscas Youth Services Program, Prevention Services Programs** -- The Department is requested to submit a report to the Joint Budget Committee on the Tony Gramscas Youth Services Program by December 1, 2008. This report should include the following information for Fiscal Year 2007-08: (1) names of all applicants and the amount requested by each; (2) names of all grantees, amount of each grantee's award, period covered by each grant, the number of years each grantee has previously received grants, the number of persons served under the grant, a brief description

of the funded program; and (3) the most recently available report evaluating the effectiveness of programs operated by grantees.

#### **DEPARTMENT OF PUBLIC SAFETY**

60. **Department of Public Safety, Colorado State Patrol** -- The Department is requested to submit to the Joint Budget Committee a detailed summary of FTE assigned to the field and to special programs on an annual basis beginning on November 1, 2006. Each annual report should include comparative information about the historical assignment of all uniformed positions, vacant positions, State Patrol Academy graduates, employee turnover (including service and disability retirements), and trooper deployment.
61. **Department of Public Safety, Office of Preparedness, Security, and Fire Safety** -- The Department is requested to submit to the Joint Budget Committee, by November 1, 2008, a proposal to fund the National Fire Incident Reporting System from a source other than General Fund for FY 2009-10 and beyond.
62. **Department of Public Safety, Totals** -- The Department is requested to submit to the Joint Budget Committee a detailed report on the Department's use of HUTF funds, by division and program, on an annual basis beginning on November 1, 2008. Each annual report should include the amount of HUTF spent and the FTE employed for each program in the prior fiscal year, including detail on Colorado State Patrol FTE performing work for other divisions.

#### **DEPARTMENT OF REVENUE**

63. **Department of Revenue, State Lottery Division** -- The Department is requested to submit a report to the Joint Budget Committee, by September 30, 2008, on the employment location of senior management employees of the State Lottery Division, pursuant to Section 24-35-202 (1), C.R.S., which requires the Lottery headquarters to be located in the city of Pueblo. This report should identify each position in senior management of the Division, and where the primary offices of the incumbents in those positions are located.

#### **DEPARTMENT OF TRANSPORTATION**

64. **Department of Transportation, Administration** -- The Department is requested to complete state budget forms for Administration personal services that provide information for each office or section within the Administration line item. This information should be sufficiently detailed to allow calculation of personal services appropriations. PERA and Medicare should also be provided by the individual section or office. Additionally, the Department should include subtotals for salary and FTE for each of the offices within the Administration line item information currently supplied.



- 65. Department of Transportation, Administration** -- By August 1, 2010, the Department is requested to provide a report to the Joint Budget Committee regarding the effectiveness of the expansion of the Office of Organizational Learning and Development in reducing turnover and increasing retention of Department staff.

# STATE OF COLORADO

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Jack Pommer  
Al White

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Moe Keller, Vice-Chairman  
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Steve Johnson



**STAFF DIRECTOR**  
John Ziegler

**JOINT BUDGET COMMITTEE**  
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**Draft**

April 14, 2008

Mary Mullarkey, Chief Justice of the Colorado Supreme Court  
2 E. 14<sup>th</sup> Ave., 4<sup>th</sup> Floor  
Denver, CO 80203-1792

Dear Chief Justice Mullarkey,

The General Assembly recently passed the FY 2008-09 Long Bill. Historically, the Long Bill footnotes contained the General Assembly's intent for an appropriation or a condition or limitation on an appropriation; explanations of any assumptions used in determining a specific amount of an appropriation; and requests for information. However, given the provisions of House Bill 08-1321, the Long Bill will no longer contain requests for information.

In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the Department will comply with these requests to the fullest extent possible.

Sincerely,

Representative Bernie Buescher  
Chairman

cc:

Gerry Marroney, State Court Administrator  
Ted Tow, Executive Director, Colorado District Attorney's Council  
John Ziegler, Joint Budget Committee

### **Requests for Information from the Judiciary, FY 2008-09**

1. **Judicial Department, Integrated Information Services** -- The Department is requested to contract with an outside party to study the feasibility of providing its public access and e-filing programs in-house and to report its findings to the Joint Budget Committee by November 1. It is the intent of the Committee that this effort be funded with existing appropriations.
2. **Judicial Department, Trial Courts, Court Costs, Jury Costs, and Court-appointed Counsel** -- The Department is requested to pilot alternative methods of providing respondent parent counsel services in dependency and neglect cases and to report to the Joint Budget Committee on the progress of such pilots in the Department's annual budget request.
3. **Judicial Department, Trial Courts, District Attorney Mandated Costs** -- District Attorneys in each judicial district shall be responsible for allocations made by the Colorado District Attorney's Council's Mandated Cost Committee. Any increases in this line item shall be requested and justified in writing by The Colorado District Attorney's Council, rather than the Judicial Department, through the regular appropriation and supplemental appropriation processes. As part of its annual budget request, the Judicial Department is requested to include a report by the Colorado District Attorney's Council detailing how the Mandated Costs appropriation is spent, how it is distributed, and the steps taken to control these costs.
4. **Judicial Department, Probation and Related Services** -- The Judicial Department is requested to provide by November 1 of each year a report on pre-release rates of recidivism and unsuccessful terminations and post-release recidivism rates among offenders in all segments of the probation population, including the following: adult and juvenile intensive supervision; adult and juvenile minimum, medium, and maximum supervision; the female offender program; and the specialized drug offender program. The department is requested to include information about the disposition of pre-release failures and post-release recidivists, including how many offenders are incarcerated (in different kinds of facilities) and how many return to probation as the result of violations.
5. **Judicial Department, Probation and Related Services, Offender Treatment and Services** -- The Judicial Department is requested to provide by November 1 of each year a detailed report on how this appropriation is used, including the amount spent on testing, treatment, and assessments for offenders.

# STATE OF COLORADO

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John Morse  
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## STAFF DIRECTOR

John Ziegler

## JOINT BUDGET COMMITTEE

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**Draft**

April 14, 2008

John Suthers, Attorney General  
Colorado Department of Law  
1525 Sherman St.  
Denver, CO 80203

Dear Attorney General Suthers,

The General Assembly recently passed the FY 2008-09 Long Bill. Historically, the Long Bill footnotes contained the General Assembly's intent for an appropriation or a condition or limitation on an appropriation; explanations of any assumptions used in determining a specific amount of an appropriation; and requests for information. However, given the provisions of House Bill 08-1321, the Long Bill will no longer contain requests for information.

In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the Department will comply with these requests to the fullest extent possible.

Sincerely,

Representative Bernie Buescher  
Chairman

cc:

Hugh Wilson, Director of Administration, Colorado Department of Law  
Amy Luong, Budget Analyst, Colorado Department of Law  
Cynthia Coffman, Deputy Attorney General, Colorado Department of Law  
John Ziegler, Joint Budget Committee

**Requests for Information from the Attorney General's Office, FY 2008-09**

1. **Department of Law, Criminal Justice and Appellate, Medicaid Fraud Grant --** The Department is requested to produce a progress report on its efforts to reduce Medicaid fraud and abuse in Colorado. The report should include: (1) the most recent estimates on the total amount of Medicaid fraud and abuse in Colorado; (2) a summary of total fines, costs, and restitutions recovered, attributable to the Medicaid Fraud Control Unit's efforts; (3) a detailed explanation of the Medicaid Fraud Control Unit's participation in global or national Medicaid fraud settlements, including total awards received due to them; and (4) evidence of the effectiveness of the Medicaid Fraud Control Unit in reducing the amount of Medicaid fraud and abuse in Colorado. The Department is requested to submit the report to the Joint Budget Committee by November 1, 2008.

# STATE OF COLORADO

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**Draft**

April 14, 2008

Mike Coffman, Secretary of State  
Colorado Secretary of State's Office  
1700 Broadway  
Denver, CO 80290

Dear Secretary Coffman,

The General Assembly recently passed the FY 2008-09 Long Bill. Historically, the Long Bill footnotes contained the General Assembly's intent for an appropriation or a condition or limitation on an appropriation; explanations of any assumptions used in determining a specific amount of an appropriation; and requests for information. However, given the provisions of House Bill 08-1321, the Long Bill will no longer contain requests for information.

In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the Department will comply with these requests to the fullest extent possible.

Sincerely,

Representative Bernie Buescher  
Chairman

cc:

Heather Lizotte, Budget/Finance, Colorado Secretary of State's Office  
Jacque Ponder, Chief Administrative Officer, Colorado Secretary of State's Office  
John Ziegler, Joint Budget Committee

### **Requests for Information from the Secretary of State, FY 2008-09**

1. **Department of State, Administration** -- The Department is requested to provide to the Joint Budget Committee by November 1, 2008, information concerning the Administration, Licensing, Elections, and Business sections of its Administration Division. The report should include how funds and FTE are allocated amongst the various sections of the Administration Division. It should also reflect, by Division, for every appropriated FTE within the Department, whether the position is actually vacant or filled as of October 1, 2008. The requested information should reflect actuals and not be adjusted for the effects of special bills or any other variables.
2. **Department of State, Administration** -- The Department is requested to submit quarterly budget reports to the Joint Budget Committee for the Address Confidentiality Program. The reports should reflect expenditures for the prior quarter, a budget for the upcoming quarter, the number of participants served, and the number of pieces of mail processed weekly.
3. **Department of State, Information Technology Services, Information Technology** -- The Department is requested to provide to the Joint Budget Committee by November 1, 2008, information concerning expenditures related to the Department's new accounting system. The report should include the status of the RFP and anticipated or actual costs of the new accounting system. The requested information should be submitted as part of the Department's annual budget request.

# STATE OF COLORADO

**REPRESENTATIVES**  
Bernie Buescher, Chairman  
Jack Pommer  
Al White

**SENATORS**  
Moe Keller, Vice-Chairman  
John Morse  
Steve Johnson



**STAFF DIRECTOR**  
John Ziegler

**JOINT BUDGET COMMITTEE**  
200 East 14th Avenue, 3rd Floor  
LEGISLATIVE SERVICES BUILDING  
Denver, CO 80203  
Telephone 303-866-2061  
[www.state.co.us/gov\\_dir/leg\\_dir/jbc/jbchome.htm](http://www.state.co.us/gov_dir/leg_dir/jbc/jbchome.htm)

**Draft**

April 14, 2008

Cary Kennedy, State Treasurer  
140 State Capitol  
Denver, CO 80203-1792

Dear Treasurer Kennedy,

The General Assembly recently passed the FY 2008-09 Long Bill. Historically, the Long Bill footnotes contained the General Assembly's intent for an appropriation or a condition or limitation on an appropriation; explanations of any assumptions used in determining a specific amount of an appropriation; and requests for information. However, given the provisions of House Bill 08-1321, the Long Bill will no longer contain requests for information.

In lieu of such footnotes, the Joint Budget Committee respectfully submits the following requests for information. These requests are associated with specific Long Bill line items, and each has its own details and deadlines. It is the hope of the Joint Budget Committee that the Department will comply with these requests to the fullest extent possible.

Sincerely,

Representative Bernie Buescher  
Chairman

cc:  
Eric Rothaus, Deputy Treasurer  
John Ziegler, Joint Budget Committee



### **Requests for Information from the State Treasurer, FY 2008-09**

1. **Department of the Treasury, Administration** -- The State Treasurer is requested to submit an annual report to the Joint Budget Committee concerning the performance of the state's investments. The report should include comparisons to relevant benchmarks and a detailed discussion of the benchmarks. This report should be submitted as a part of the State Treasurer's annual budget request.
2. **Department of the Treasury, Administration** -- The State Treasurer is requested to provide to the Joint Budget Committee, by November 1, 2008, information concerning expenditures related to the Department's bank services contract(s) which are paid through deductions from interest earned on bank account balances. The State Treasurer is requested to include actual expenditures for FY 2007-08 as well as projected expenditures for FY 2008-09. The requested report should be submitted as part of the State Treasurer's annual budget request.
3. **Department of the Treasury, Administration** -- The State Treasurer is requested to provide to the Joint Budget Committee, by November 1, 2008, information concerning state revenues and expenditures related to the issuance of tax and revenue anticipation notes for school districts pursuant to Section 29-15-112, C.R.S. The State Treasurer is requested to include actual data for FY 2007-08, as well as projected data for FY 2008-09. The requested information should be submitted as part of the State Treasurer's annual budget request.
4. **Department of the Treasury, Special Purpose, CoverColorado** -- Pursuant to Section 10-8-530 (4) (c) (I), C.R.S., the Executive Director of CoverColorado is required to report annually to the Joint Budget Committee concerning actual program receipts and expenditures. In addition, the Department is requested to work with the Executive Director to provide reports to the Joint Budget Committee by October 1, 2008, and by February 1, 2009, that contain enrollment, revenue, expenditure, and assessment projections for the CoverColorado program for FY 2008-09 and FY 2009-10.
5. **Department of the Treasury, Special Purpose, Fire and Police Pension Association - Old Hire Plans** -- The Fire and Police Pension Association is requested to submit an annual report of operations and investments for state-supported programs to the Joint Budget Committee by October 1, 2008. This report shall include the following: (1) the amount of additional funding the State is required to transfer to the Association pursuant to Section 31-30.5-307 (5) (b), C.R.S., assuming such payment is made on April 30, 2012, along with a description of the actuarial assumptions used to calculate this amount; (2) the current estimated unfunded liability for each local plan still eligible to receive state assistance; and (3) the projected remaining funded period for each local plan still eligible to receive state assistance.